
26th ANNUAL REPORT
2016-2017



POLYCON International Ltd.

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BOARD OF DIRECTORS**Executive Directors**

Mr L.C. Baid Chairman & Managing Director
Mr. Rajiv Baid CFO & Whole-time Director

Independent Directors

Mrs. Tiyana Sacheti
Mr. Kamal Kumar Bordia
Mr. Adarsh Singhanian

Non-Independent Directors

Mr. K.C. Bhandari

**Finance Controller &
Company Secretary**

CS Gajanand Gupta

Auditors

A.Natani & Co.
Chartered Accountants
6-7, Samod Tower, 2nd Floor
Dudu Bagh, S.C. Road,
JAIPUR-302001.

Secretarial Auditors

B K Sharma & Associates,
Company Secretaries,
AB-162, Vivekanand Marg,
Nirman Nagar, Ajmer Road,
JAIPUR-302019.

Bankers

State Bank of India
Indian Overseas Bank
Bank of Baroda

Registered Office

Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001
Tel. : 0141-2363048, 2363049, Fax : 91-141-2377046
e-mail : guptag@polycon.in CIN : L28992RJ1991PLC006265
Website : polyconltd.com

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
44, Community Centre
Naraina Industrial Area Phase-I
NEW DELHI-110 028

Works

Unit I - F-11, Hirawala Industrial Area, P.O. Kanota, Jaipur-303 012
Unit II - F-97,98,99 & G-96, Hirawala Industrial Area, P.O. Kanota, Jaipur-303 012
Unit III - Plot No. F-954(A) Chopanki Industrial Area, Bhiwadi-301 019

BOARD COMMITTEES**Audit Committee**

Mr. Kamal Kumar Bordia
Mr. Adarsh Singhanian
Mr. L.C. Baid

**Nomination and Remuneration
Committee**

Mrs. Tiyana Sacheti
Mr. Adarsh Singhanian
Mr. Kamal Kumar Bordia

**Shareholders' Investors'
Grievance Committee**

Mr. Adarsh Singhanian
Mr. Rajiv Baid
Mr. L.C. Baid

TEN YEARS FINANCIAL HIGHLIGHTS (2008-2017)

(Amount Rs. in Lac)

Particulars	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PROFIT & APPROPRIATIONS	2929.65	3432.23	3678.89	3085.02	3972.56	3952.83	4409.69	3858.92	3683.56	3465.36
Sales & Other Income										
Profit Before Depreciation & Tax	191.34	229.34	266.81	170.63	189.50	138.46	146.82	155.43	136.87	131.55
Depreciation	160.30	188.64	218.43	134.62	146.75	123.39	108.71	120.54	97.51	93.96
Profit before Tax	31.04	40.70	48.38	36.01	42.75	15.07	38.11	34.89	39.36	37.59
Taxation	14.60	15.53	15.43	10.01	12.50	6.30	11.11	10.05	12.19	9.95
Profit after Tax	16.44	25.17	32.95	26.00	30.25	8.77	27.00	24.84	27.17	27.64
Dividend	-	-	-	-	-	-	-	-	-	-
Earning per Share	0.33	0.51	0.67	0.53	0.62	0.18	0.55	0.51	0.56	0.57
ASSETS EMPLOYED										
Fixed Assets Gross	3272.76	3426.87	3746.15	3083.40	3254.07	3330.08	3528.37	3639.11	3714.80	3889.18
Depreciation	1920.74	2103.41	2318.23	2269.75	2416.50	2357.15	2438.54	2556.08	2647.58	2738.11
Net	1352.02	1323.46	1427.92	813.65	837.57	972.93	1089.83	1083.03	1067.22	1151.07
Capital work in progress	-	-	6.48	-	4.48	-	61.33	41.49	68.44	20.69
Investment	21.04	21.04	21.04	1.04	5.98	5.98	5.55	5.55	1.64	1.64
Net Current Assets	1439.10	1385.97	1521.39	1214.86	1445.74	1770.21	2085.10	1604.25	1612.24	1735.45
Miscellaneous Expenditure	12.27	8.40	4.52	0.65	1.28	1.28	1.02	0.00	0.00	0.00
	2824.43	2738.87	2981.35	2030.20	2295.05	2750.40	3242.83	2734.32	2749.54	2908.85
FINANCED BY										
Equity Shares	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55
Reserves & Surplus	273.13	298.29	331.24	43.00	73.25	82.02	109.03	131.18	158.35	185.99
Loan Funds	1955.72	1842.73	2051.43	1418.33	1653.93	2102.05	2565.87	2038.66	2025.92	2155.34
Deferred Tax Liability	52.03	54.30	55.13	25.32	24.32	22.78	24.38	20.93	21.72	23.97
	2824.43	2738.87	2981.35	2030.20	2295.05	2750.40	3242.83	2734.32	2749.54	2908.85

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of POLYCON INTERNATIONAL LIMITED will be held at Rotary Bhawan, Church Road, M.I. Road, Jaipur - 302 001, Rajasthan, the Registered Office of the Company, on Friday, the 29th Day of September, 2017 at 1.00 P.M., to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2017, and the Reports of Board and the Auditors thereon.
2. To appoint a Director in place of Shri Rajiv Baid (DIN : 00212265), who retires by rotation and is eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 139, , 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Tambi Ashok & Associates, Chartered Accountants (Firm Registration No. 5301C) be and are hereby appointed as Statutory Auditors of the company for the term of 5 years commencing from the conclusion of this 26th Annual General Meeting till the conclusion of the Thirty first Annual General Meeting in the year 2022 subject to ratification of their appointment at every Annual General Meeting at a remuneration as may be agreed upon by the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all the acts, deeds and things as may be required in this regard to give effect to this resolution"

SPECIAL BUSINESS

4. **Re-appointment of Mr. Rajiv Baid (DIN: 00212265) as an Executive Director and Chief Financial Officer**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of section 196, 197 and 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 re- enactment(s) thereof, for the time being in force), the approval of the members be and is hereby accorded to re-appoint Shri Rajiv Baid (DIN : 00212265) as whole time Director, designated as

Executive Director and Chief Financial Officer of the company for a period of five years with effect from 01st October, 2017 on such remuneration and terms & conditions as set out in the explanatory statement annexed to the notice with liberty to the Board of Directors (including any committee of the Board constituted to exercise its powers) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the overall limits as prescribed under the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

5. **Re-appointment of Mr. Lal Chand Baid (DIN: 00210010) as a Chairman & Managing Director :**

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 section 196, 197 and 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 re- enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Shri Lal Chand Baid (DIN: 00210010), as Chairman & Managing Director of the company for a period of five years with effect from 01st December, 2017 on such remuneration and terms & conditions as set out in the explanatory statement annexed to the notice with liberty to the Board of Directors (including any Committee of the Board constituted to exercise its powers) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the overall limits as prescribed under the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof. .

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

Place: Jaipur

By order of the Board

Date : 30.05.2017

CS Gajanand Gupta
Finance Controller &
Company Secretary

NOTES :

1. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act 2013, ("the Act") setting out the material facts in respect of the Business under Item Nos. 4 & 5 to be transacted at the meeting is annexed thereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
A person can act as a proxy on behalf of Members not exceeding 50(fifty) and holding in aggregate not more than 10(ten) percent of total share capital of the company. A member holding more than 10(ten) percent of the total share capital of the company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A proxy form is annexed to this report.
3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. Members/ proxies are requested to bring their attendance slips together with their copies of Annual Report duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. at the meeting.
5. Members desirous of getting any information on the accounts or operations of the company are requested to write to the Company at least seven days before the date of meeting to enable the company to furnish the required information at the meeting.
6. The Register of Members and Share Transfer Books will remain closed from 23rd day of September, 2017 to 29th day of September, 2017 (both days inclusive).
7. In terms of Articles of Association of the Company read with Section 152 of the Companies Act, 2013 Mr. Rajiv Baid (DIN: 00212265), Director of the Company, retires by rotation at the ensuing meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the information about the directors proposed to be re-appointed are as under:-

Name of the Director	Rajiv Baid	Lal Chand Baid
Date of Birth	17.10.1961	20.01.1937
Date of First Appointment on Board	01.08.1997	01.08.1997
Designation	Executive Director & CFO	Chairman and Managing Director
Qualification(s)	B.Com	B.Com, FCA
Expertise in specific Functional Areas	Marketing & Sales Management For more than 20 years	More than 36 years in Practice as CA and 20 Years in Financial Management
Terms and conditions of reappointment	As per Explanatory Statement of Item No. 4 of Notice	As per Explanatory Statement of Item No. 5 of Notice
Details of Remuneration sought to be paid	As per Explanatory Statement of Item No. 4 of Notice	As per Explanatory Statement of Item No. 5 of Notice
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Son of Mr Lal Chand Baid (Chairman & Managing Director)	Father of Mr. Rajiv Baid (Executive Director & CFO)
Name of other Companies in which directorship held as on March 31, 2017	None	None
Chairman/Member of the Committee of the Board of other companies	None	None
Number of Equity Shares held in the Company as on 31st March, 2017	141000	219970
Number of Board Meetings attended during the year	6	6

8. The Notice of the AGM along with the Annual Report 2017 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Annual Report and Notice of Annual General Meeting is available at the website of the Company at www.polyconltd.com and website of Central Depository Services Ltd. at www.cdslindia.com
9. Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintained their demat accounts. Members holding shares in physical form can submit their PAN details to the company along with the proof thereof.
10. As per the provision of section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company.
11. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
12. For shares in physical form, shareholders can register their e-mail address with the Company at polycon@polycon.in mentioning their names(s) and folio no(s). Shares held in multiple folios in identical names or joint holdings in the same order of names are requested to send the share Certificate to RTA for consolidation into single folio.
13. In case of Joint Holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administrations) Amendment Rules 2015 & Regulations 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by remote e-voting and all the businesses may be transacted through remote e-Voting Services provided by Central Depository Services (India) Limited. (CDSL)
15. Mr. B K Sharma, Practicing Company Secretary (Membership No. FCS-6206), has been appointed as the Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner.
16. The facility for voting through Ballot/polling paper shall also be made available at the meeting and Members attending the meeting, who have not casted their vote by remote e-voting, shall be able to exercise their right at the meeting.
17. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
18. The route map showing direction to reach the venue of the 26th AGM is annexed at the end of the Report.
19. The instructions for Members for voting electronically are as under:-
 - A (i) The voting period begins on September 26, 2017 at 9.00 A.M. and ends on September 28, 2017 by 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2017, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> ● Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on postal ballot/attendance slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> ● Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on

"Click here to print" option on the Voting page.

- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's Mobile App m-voting available for android based mobiles. The m-voting app can be downloaded from google play store. Please follow the instructions as prompted by the Mobile App while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- B. For members whose shareholding is in the dematerialization form and whose e-mail address is not registered with the Company/Depository Participants, members holding shares in physical form as well as those members who have requested for a physical copy of the notice --and annual report, the following instructions may be noted:-
- (i) Login details is provided at the bottom of the attendance slip for the AGM :EVSN (Electronic Voting Sequence Number);
 - (ii) Please follow all the steps from note 19A above to cast your vote.
20. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2017.
21. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not

later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.polyconltd.com and the website of CDSL. The results shall simultaneously be communicated to BSE. The Resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting.

22. Any Member(s) who require any special assistance of any kind at the venue of the Twenty Sixth AGM are requested to send details of their special needs in writing to the Company email Id- guptag@polycon.in at least three days before the date of the AGM.

ANNEXURE TO NOTICE :

Explanatory Statement pursuant to Section 102 of Companies Act, 2013.

Item No. 4 :

The Board of Directors of the Company ("the Board") at its meeting held on 30th May, 2017 has subject to approval of members, re-appointed Shri Rajiv Baid (DIN : 00212265) as Whole Time Director designated as Executive Director & Chief Financial Officer, for a further period of 5 (Five) years from the expiry of his present term, that is, 30.09.2017 on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Rajiv Baid as a Whole-time-Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Rajiv Baid are as under :

(a) Salary, Perquisites and Allowances :

Salary	Rs. 1.25 Lac per Month (in the range of Rs. 1.25 lac to 3.00 lac P.M)
Perquisites and Allowances	Up to Rs. 24.00 lac per annum

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- (b) The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company,

shall be in addition to the remuneration under (a) above.

- (c) Increment in salary, perquisites and allowances and remuneration by way of incentive/ bonus/performance linked incentive, payable to Shri Rajiv Baid, as may be determined by the Board and/or the Committee of Nomination and Remuneration Committee of the Board, shall be in addition to the remuneration under (a) above. The Board may revise the salary from time to time within the maximum limits stipulated by these Resolutions.

- (d) Reimbursement of Expenses :

Expenses incurred for travelling, board and lodging including for Shri Rajiv Baid's spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actual and not considered as perquisites.

- (e) General :

Shri Rajiv Baid shall exercise such powers and perform such duties as have been or may from time to time be vested in or entrusted to him by the Board

- (f) Minimum Remuneration

Notwithstanding anything herein contained, wherein any financial year during period of his office as Executive Director & CFO, the Company has no Profits or its profits are inadequate. The company may, subject to the requisite approvals, pay Shri Rajiv Baid remuneration by way of salary, perquisites & allowances not exceeding the maximum limits laid down in section II of part II of schedule V of companies act 2013 and as may be amended from time to time.

The appointments and remuneration of Shri Rajiv Baid as Executive Director & Chief Financial Officer of the company require the approval of the members of the company in General Meeting in terms of Schedule-V to the Act and the remuneration payable also requires the approval of the Company in General Meeting under section 197 of the Act.

Shri Rajiv Baid satisfies all the other conditions set out in Part-I of schedule V to the Act as also conditions set out under sub section (3) of section 196 of the Act for being eligible for this re-appointment. He is not disqualified from being appointed as Director in terms of section 164 of the act.

Details of Shri Rajiv Baid are provided in Notes to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Rajiv Baid is concerned or interested in the Resolution concerning his appointment. Shri Lal Chand Baid as his relative may also be deemed to be concerned or interested respectively. Save as aforesaid none of the Directors or Key Managerial Personnel of the company or their relative is concerned or interested financially or otherwise in the Resolution except of their shareholding.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5 :

The Board of Directors of the Company ("the Board") at its meeting held on 30th May, 2017 has subject to approval of members, re-appointed Shri Lal Chand Baid (DIN : 00210010) as Whole Time Director designated as Chairman & Managing Director, for a further period of 5 (Five) years from the expiry of his present term, that is, 30.11.2017 on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Lal Chand Baid as a Whole-time-Director, designated as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Lal Chand are as under :

(a) Salary, Perquisites and Allowances :

Salary	Rs. 1.25 Lac per Month (in the range of Rs. 1.25 lac to 3.00 lac P.M)
Perquisites and Allowances	Up to Rs. 24.00 lac per annum

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- (b) The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.
- (c) Increment in salary, perquisites and allowances and remuneration by way of incentive/ bonus/performance linked incentive, payable to Shri Lal Chand Baid, as may be determined by the Board and/or the Committee of Nomination and Remuneration Committee of the Board, shall be in addition to the remuneration under (a) above. The Board may revise the salary from time to time within the maximum limits stipulated by these Resolutions.

(d) Reimbursement of Expenses :

Expenses incurred for travelling, board and lodging including for Shri Lal Chand Baid's attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actual and not considered as perquisites.

(e) General :

Shri Lal Chand Baid shall exercise such powers and perform such duties as have been or may from time to time be vested in or entrusted to him by the Board.

(f) Minimum Remuneration

Notwithstanding anything herein contained, wherein any financial year during period of his office as Chairman & Managing Director, the Company has no Profits or its profits are inadequate. The company may, subject to the requisite approvals, pay Shri Lal Chand Baid remuneration by way of salary, perquisites & allowances not exceeding the maximum limits laid down in section 11 of part II of schedule V of companies act 2013 and as may be amended from time to time.

Shri Lal Chand Baid has attained age of seventy Years on 20th January 2007 .Shri Lal Chand Baid has rich and varied experience in the industry and has been involved in the operations of the company. It would be in the interest of the company to continue to avail of his considerable expertise and to re-appoint Shri Lal Chand Baid as a Chairman & Managing Director. Accordingly approval of the members is sought for passing a Special Resolution for re-appointment of Shri Lal Chand Baid as a Managing Director, as set out in Part-I of Schedule V to the act as also under sub-section (3) of section 196 of the Act.

Save and except as provided in the foregoing paragraph, Shri Lal Chand Baid satisfies all the other conditions set out in Part-I of schedule V to the Act as also conditions set out under sub section (3) of section 196 of the Act for being eligible for this re-appointment. He is not disqualified from being appointed as Director in terms of section 164 of the act.

Details of Shri Lal Chand Baid are provided in Notes to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Lal Chand Baid is concerned or interested in the Resolution concerning his appointment. Shri Rajiv Baid as his relative may also be deemed to be concerned or interested respectively. Save as aforesaid none of the Directors or Key Managerial Personnel of the company or their relative is concerned or interested financially or otherwise in the Resolution except of their shareholding.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

By order of the Board

Date : 30.05.2017

**Registered Office :- CS Gajanand Gupta
Rotary Bhawan, Church Road, Finance Controller &
M.I. Road, Jaipur-302 001 Company Secretary**

BOARD'S REPORT

To,
The Members, Polycon International Limited

Your Directors have the pleasure of presenting the 26th Annual Report of the Company together with Audited Financial Statements and Cash Flow Statement for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2017 are summarized below:

	(Rs. In lacs)	
	2016-2017	2015-2016
Net Sales Turnover	3460.77	3675.23
Gross Profit before Interest and Depreciation	313.36	327.49
Less : Interest	181.81	190.62
Less : Depreciation	93.96	97.51
Profit/(Loss) for the year	37.59	39.36
Less : Provision for Taxation	9.95	12.19
Profit/(Loss) after Taxation	27.64	27.17
Add: Balance brought forward from Previous Year	158.35	131.18
Less: Adjustment of Depreciation for Prior Period	-	-
Balance carried to the Balance Sheet	185.99	158.35

PERFORMANCE AND FINANCIAL POSITION OF COMPANY

The net sales of the company during FY 2016-17 were Rs. 3460.77 lacs against Rs. 3675.23 lacs in the year 2015-16. The Net Profit for the year 2016-17 was Rs. 27.64 Lacs against Rs. 27.17 Lacs in previous year.

RESERVES

No amount has been transferred to Reserves during the period under review. The entire surplus is proposed to be retained to give financial leverage to the Company.

DIVIDEND

In view of marginal profits, the Board of Directors does not recommend payment of Dividend for the year under review.

PUBLIC DEPOSITS

Your Company has not accepted any Deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as the company is not required to constitute Corporate Social Responsibility Committee.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return as required by Section 134(3)(a) of the Companies Act, 2013 in Form MGT 9 is an-

nexed herewith as Annexure-II.

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

A. CONSERVATION OF ENERGY

Polycon International Limited is committed to follow high standards of environmental protection and provisions of a safe and healthy work place for workers, customers and other stakeholders. The Company reduced the consumption of fuel as much as possible to reduce the Carbon Foot Print.

Your company is striving continuously to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. The manufacturing units of the company are well planned and adequately equipped for ensuring optimum energy utilization. Positive impact of measures already taken has been observed on the costs.

B. TECHNOLOGY ABSORPTION

Your company is committed to providing consumers with high quality products. The technology that is being used by your company is eco-friendly that conserves the environment. All the units of the company are well furnished with suitable equipments and self sufficient in the matter of manufacturing process and focus is to stay aligned with the best and continuously increase efficiency. We proactively and continuously invest in developing technology which adds value to our business. Sustained delivery has ensured that your company's products are trusted by consumers. During the year your company continued its focus on driving the quality culture and total productivity management across the factories.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to Foreign Exchange Earnings are NIL and Outgo are Rs. 3.31 Lacs

AUDITORS AND AUDITORS' REPORT

A. STATUTORY AUDITORS AND THEIR REPORT

The Statutory Auditors of the Company, M/s A. Natani & Co., Chartered Accountants bearing ICAI Registration No. 007347C hold office till the conclusion of the ensuing Annual General Meeting (AGM) of the Company.

The Board of Directors on the recommendation of the Audit Committee has proposed to appoint, M/s Tambi Ashok & Associates, Chartered Accountants (FRN: 5301C) as Statutory Auditors in place of the retiring auditors, who shall hold the office from the conclusion of the 26th Annual General Meeting for a term of five consecutive years, i.e., until the conclusion of the 31st Annual General Meeting (subject to ratification by members at every Annual General Meeting, if required, under the prevailing law at that time).

The proposed Auditors have confirmed their willingness and eligibility in terms of provisions of section 141 and other relevant provisions of the Act, the Chartered Accountants Act, 1949 and the Rules and Regulations made there under.

M/s. A. Natani & Co., Chartered Accountants have in the

past handled audit of companies with large scale operations and have maintained high level of governance, rigour and quality in audit and audit process. The Board places on record its appreciation for the services rendered by M/s A. Natani & Co., Chartered Accountants, as Statutory Auditors of the Company.

There is no reservation, qualification or adverse remark contained in the Statutory Auditors' Report attached to Balance Sheet as at 31st March, 2017. Information referred in Auditors' Report are self-explanatory and don't call for any further comments.

B. SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed B K Sharma & ASSOCIATES, Company Secretaries to undertake audit of secretarial and other related records of the Company.

The Secretarial Audit Report is annexed herewith as "Annexure-I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. Information referred in Secretarial Auditor Report are self-explanatory and don't call for any further comments.

C. COST AUDITOR

Cost Audit is not applicable to the company as per cost record & Audit Rules 2014 notified on 31.12.2014 and as amended from time to time.

D. INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act, 2013, the Board of Directors has appointed to Mr. Nishank Goyal as Internal Auditor of the Company for the financial year 2016-17. He has submitted Internal Audit Report for the current year to the Board. No major audit observations were observed during the Internal Audit for the Financial Year 2016-17.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Kamal Kumar Bordia (Chairman), Mr. Adarsh Singhania and Mr. Lal Chand Baid in line with the requirements of Section 177 of the Companies Act, 2013. The Board has accepted the recommendations

made by the Audit Committee from time to time. Four Meetings of Audit Committee were held during the year.

INTERNAL FINANCIAL CONTROLS

The Company has well defined mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions considering the nature, size and complexity of its business.

The Company maintains adequate internal control systems that provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy for Prevention of Sexual Harassment at Workplace as per requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No Complaint has been received during the year ended 31st March, 2017 in this regard

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met Six times during the financial year 2016-17 on 30th May 2016, 13th August 2016, 4th October 2016, 11th November 2016, 10th February, 2017 & 20th March 2017. Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the Listing Agreement entered into by the Company with the Stock Exchanges and SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The names and categories of the Directors or 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 : 1.

Name of Director	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended last AGM	No. Of Outside Directorships of Pubic Companies	No. Of Committee Membership	No. Of Committee Chairmanships
Mr. L.C. Baid	Chairman & Managing Director	6	6	YES	-	2	-
Mr.Rajiv Baid	Executive Director	6	6	YES	-	1	-
Mr. K. C. Bhandari	Non-executive Director	6	6	YES	-	-	-
Mrs. Tiyana Sacheti	Independent Director	6	6	YES	-	1	1
Mr. Kamal Kumar Bordia	Independent Director	6	6	YES	-	2	1
Mr. Adarsh Singhania	Independent Director	6	6	YES	-	3	1

COMMITTEES OF THE BOARD

Currently, the Board has Three committees : the Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee.

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	Kamal Kumar Bordia, Chairman Adarsh Singhania Lal Chand Baid	<ul style="list-style-type: none"> All recommendations made by the audit committee during the year were accepted by the Board. The Company has adopted the Whistle Blower Mechanism for Directors and employees to report concerns about un-ethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. In accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has formulated policies on related party transactions. The policies, including the Whistle Blower Policy, are available on our website - www.polyconltd.com
Nomination and Remuneration Committee	Tiyana Sacheti, Chairman Adarsh Singhania Kamal Kumar Bordia	<ul style="list-style-type: none"> The Committee oversees and administers executive compensation, operating under a written policy adopted by our Board of Directors The Committee has designed and continuously reviews the nomination and remuneration policy for our Directors and Senior Executives to align both short-term and long-term remuneration with business objectives and to link remuneration with the achievement of measurable performance goals.
Stakeholders Relationship Committee	Adarsh Singhania, Chairman Rajiv Baid L.C. Baid	<ul style="list-style-type: none"> The Committee reviews and ensures redressal of investor grievances. The Committee noted that all the grievances of the investors have been resolved during the year.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an Annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report of the financial condition and results of operations of the Company for the year under review as required under SEBI (Listing Obligation and Disclosure Requirements) Regulations is given as Annexure-V forming part of this Annual Report.

RISK MANAGEMENT

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.

CORPORATE GOVERNANCE

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

As such our Company falls in the ambit of aforesaid exemption (a); consequently Corporate Governance Report does not form part of the Annual Report for the Financial Year 2016-17. However, the Company is following industry best Corporate Governance Standards.

LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loans, guarantee or Investments made by the company under Section 186 of the Companies Act, 2013 during the year.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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.

SHARE CAPITAL

During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options & sweat equity.

HUMAN RESOURCES DEVELOPMENT/TRAINING

Your company believes that Employees are its main strength. Accordingly your Company places people in the heart of its

business strategy. Your Company is attracting and retaining the best people, creating a culture and environment where people are able to deliver their best and they are recognized and encouraged.

Your Company upholds the culture of trust and mutual respect in all its employees' relations endeavors. Your company has ensured that there is sustained communication and engagement with workforce through various forums. Company's human resources are mobilized to strengthen the company internally and to face future challenges. Your company is providing a "state of art" working environment to the employees with a view to optimize their performance.

EMPLOYMENT PROFILE & INDUSTRIAL RELATIONS

As on 31st March, 2017, the Company employed a total of 105 employees of which 13 were Officers and 92 belongs to non-executive cadre.

The Company 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Name of the Director/KMP	Status/ Designations	Date of Appointment	Date of Resignation
1. Lal Chand Baid	Chairman and Managing Director	01/08/1997	--
2. Rajiv Baid	Executive Director & Chief Financial Officer	01/08/1997	--
3. K.C. Bhandari	Non-executive Director	30/09/2015	--
4. Adarsh Singhania	Independent Director	29/03/2010	--
5. Tiyana Sacheti	Independent Director	20/09/2014	--
6. Kamal Kumar Bordia	Independent Director	20/09/2014	--
7. Gajanand Gupta	Company Secretary	07/06/1995	--

In terms of provisions of the Companies Act, 2013 and the articles of association of the company Shri Rajiv Baid, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board recommended his re-appointment.

A brief resume of expertise and details of other directorship of the director is attached along with Notice of the ensuing Annual General Meeting.

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 behaviour, actual or suspected fraud or violation of the

Company's Code of Conduct or policy.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

The particulars of every contract or arrangements 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 is disclosed in Form No. AOC -2 is attached as Annexure-III.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under section 134(3)(c) of the Companies Act, 2013 and in respect of the annual accounts for the period under review your Directors hereby confirm that :-

- In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- Directors of the company selected such accounting policies and applied them consistently and made judgment 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 the Profit & Loss Account for the period under review;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a "going concern basis";
- The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given a declaration under sub-section (7) of Section 149 of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

LISTING OF SECURITIES

At present the equity shares of the Company are listed with the Bombay Stock Exchange Limited and the Listing fee for the year 2016-17 has been duly paid. Scrip Code of the Company is 531397.

DEPOSITORY SYSTEM

The Company has established the required connectivity with both the NSDL & CDSL through its Registrar and Share Transfer Agent Link Intime India Pvt. Ltd., Delhi for both physical and Demat Segments. The ISIN No. allotted to the Company is INE262C01014.

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.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of the Directors, the senior management and their remuneration.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure-IV

ACKNOWLEDGEMENT

Your Directors would like to take on record its appreciation for the co-operation and support extended by the Company's Bankers, Financial Institutions, its Employees, Shareholders, Business Associates and all other stakeholders.

For and on behalf of the Board

Place : Jaipur
Date : 30.05.2017

L.C. BAID
CHAIRMAN & MANAGING
DIRECTOR

Annexures to the Board's Report

SECRETARIALAUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
To,
The Members,
Polycon International Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 my opinion thereon.

Based on our verification of the Polycon International Limited'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 31st March, 2017, 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 M/s. Polycon International Limited for the financial year ended on 31st March, 2017 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

Annexure-I

- (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 and Overseas Direct Investment and External Commercial Borrowings. There is no such event occurred during the period under review.
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. There is no issue of securities during the period under review.
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014. Not applicable to the company during the period under review.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Not applicable to the company during the period under review.
 - (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 period under review.
- (h) The Securities and Exchange Board of India (Buy Back of securities) Regulations, 1998. Not applicable to the company during the period under review.
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the company based on their sector/industry.

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 Bombay Stock Exchange (BSE) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 member's views 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

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

For B K Sharma & Associates
Company Secretaries
Firm Regn. No. P2014RJ033600

[B K SHARMA]
Partner
M. No. : FCS - 6206
COP No.: 12636

Place: Jaipur
Date : 30.05.2017

'Annexure to the Secretarial Audit Report'
To,
**The Members,
Polycon International Limited**

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 the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.
5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
7. 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.

For B K Sharma & Associates
Company Secretaries
Firm Regn. No. P2014RJ033600

[B K SHARMA]
Partner
M. No. : FCS - 6206
COP No.: 12636

Place: Jaipur
Date : 30.05.2017

Form No. MGT-9
**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017**

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

I. REGISTRATION AND OTHER DETAILS :			
i)	CIN	:	L28992RJ1991PLC006265
ii)	Registration Date	:	17/10/1991
iii)	Name of the Company	:	POLYCON INTERNATIONAL LIMITED
iv)	Category/Sub-Category of the Company	:	Public Company Limited by shares
v)	Address of the Registered office and contact details	:	Rotary Bhawan, Church Road, M.I.Road, Jaipur-302001, Rajasthan Tel : 0141-2363048/49 Fax : 91-141-2377046
vi)	Whether listed Company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Pvt. Ltd. 44, Community Center, Naraina Industrial Area, Phase-I, New Delhi-110028 Ph : 011-41410592,93,94, Fax: 41410591 E-mail: delhi@linkintime.co.in

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 Products/services	% to total turnover of the company
1	LLDPE Containers, Tanks etc.	22208	14.31
2	PET Containers, Bottles, Jars etc.	22203	74.51

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	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 (As on April 1, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1862781	-	1862781	38.10	1862781	-	1862781	38.10	-
b) Central Govt/ State Govt(s)	0	-	0	0	0	-	0	0	-
c) Bodies Corp.	572500	-	572500	11.71	572500	-	572500	11.71	-
d) Banks / FI	0	-	0	0	0	-	0	0	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	2435281	-	2435281	49.81	2435281	-	2435281	49.81	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2435281	-	2435281	49.81	2435281	-	2435281	49.81	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
h) Any other	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	1204450	119700	1324150	27.08	1184867	119700	1304567	26.68	-0.40
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	289842	244220	534062	10.92	308229	242320	550549	11.26	0.34
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	562401	-	562401	11.50	562407	-	562407	11.50	-
c) Any Others									
i) Non Resident Indians	-	2000	2000	0.04	-	2000	2000	0.04	-
ii) Clearing Members	1762	-	1762	0.03	3654	-	3654	0.07	0.04
iii) HUF	29444	-	29444	0.60	30642	-	30642	0.62	0.02
Sub-total(B)(2):-	2087899	365920	2453819	50.19	2089799	364020	2453819	50.19	0.00
Total Public Shareholding (B)=(B)(1) + (B)(2)	2087899	365920	2453819	50.19	2089799	364020	2453819	50.19	0.00
Total (A)+(B)	4523180	365920	4889100	100.00	4525080	364020	4889100	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	4523180	365920	4889100	100.00	4525080	364020	4889100	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2016)			Shareholding at the end of the year (As on March 31, 2017)			
		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 Share Pledged / encumbered to total shares	% change in shareholding during the year
1	Lal Chand Baid	219970	4.50	-	219970	4.50	-	-
2	Bharat Kumar Baid	140400	2.87	-	140400	2.87	-	-
3	Vijay Baid	118770	2.43	-	118770	2.43	-	-
4	Vikram Baid	109800	2.25	-	109800	2.25	-	-
5	Varun Baid	130000	2.66	-	130000	2.66	-	-
6	Bhanwar Lal Baid	119900	2.45	-	119900	2.45	-	-
7	Rajiv Baid	141000	2.88	-	141000	2.88	-	-
8	Vinod Baid	73800	1.51	-	73800	1.51	-	-
9	Sadhna Baid	152710	3.12	-	152710	3.12	-	-
10	Mahendra Nahata	10000	0.20	-	10000	0.20	-	-
11	Bhanwar Lal Baid(HUF)	69950	1.43	-	69950	1.43	-	-
12	Bharat Kumar Baid(HUF)	269570	5.51	-	269570	5.51	-	-
13	Lal Chand Baid(HUF)	27700	0.57	-	27700	0.57	-	-
14	Rajiv Baid(HUF)	123000	2.52	-	123000	2.52	-	-
15	Jai Sinter Polycon Pvt. Ltd.	572500	11.71	-	572500	11.71	-	-
16	Samta Baid	11	0.00	-	11	0.00	-	-
17	Pushpalata Baid	156200	3.19	-	156200	3.19	-	-
	Total	2435281	49.81	-	2435281	49.81	-	-

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (As on April 1, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total shares of the company
1	Lal Chand Baid				
	At the beginning of the year	219970	4.50	219970	4.50
	NIL movement during the year	-	-	-	-
	At the end of the year			219970	4.50
2	Bharat Kumar Baid				
	At the beginning of the year	140400	2.87	140400	2.87
	NIL movement during the year	-	-	-	-
	At the end of the year			140400	2.87
3	Vijay Baid				
	At the beginning of the year	118770	2.43	118770	2.43
	NIL movement during the year	-	-	-	-
	At the end of the year			118770	2.43
4	Vikram Baid				
	At the beginning of the year	109800	2.25	109800	2.25
	NIL movement during the year	-	-	-	-
	At the end of the year			109800	2.25

Sl. No.		Shareholding at the beginning of the year (As on April 1, 2016)		Cumulative Shareholding during the year	
5	Varun Baid				
	At the beginning of the year	130000	2.66	130000	2.66
	NIL movement during the year	-	-	-	-
	At the end of the year			130000	2.66
6	Bhanwar Lal Baid				
	At the beginning of the year	119900	2.45	119900	2.45
	NIL movement during the year	-	-	-	-
	At the end of the year			119900	2.45
7	Rajiv Baid				
	At the beginning of the year	141000	2.88	141000	2.88
	NIL movement during the year	-	-	-	-
	At the end of the year			141000	2.88
8	Vinod Baid				
	At the beginning of the year	73800	1.51	73800	1.51
	NIL movement during the year	-	-	-	-
	At the end of the year			73800	1.51
9	Sadhna Baid				
	At the beginning of the year	152710	3.12	152710	3.12
	NIL movement during the year	-	-	-	-
	At the end of the year			152710	3.12
10	Mahendra Nahata				
	At the beginning of the year	10000	0.20	10000	0.20
	NIL movement during the year	-	-	-	-
	At the end of the year			10000	0.20
11	Bhanwar Lal Baid (HUF)				
	At the beginning of the year	69950	1.43	69950	1.43
	NIL movement during the year	-	-	-	-
	At the end of the year			69950	1.43
12	Bharat Kumar Baid (HUF)				
	At the beginning of the year	269570	5.51	269570	5.51
	NIL movement during the year	-	-	-	-
	At the end of the year			269570	5.51
13	Lal Chand Baid (HUF)				
	At the beginning of the year	27700	0.57	27700	0.57
	NIL movement during the year	-	-	-	-
	At the end of the year			27700	0.57
14	Rajiv Baid (HUF)				
	At the beginning of the year	123000	2.52	123000	2.52
	NIL movement during the year	-	-	-	-
	At the end of the year			123000	2.52
15	Jai Sinter Polycon Pvt. Ltd.				
	At the beginning of the year	572500	11.71	572500	11.71
	NIL movement during the year	-	-	-	-
	At the end of the year			572500	11.71
16	Samta Baid				
	At the beginning of the year	11	0.00	11	0.00
	NIL movement during the year	-	-	-	-
	At the end of the year			11	0.00
17	Pushpalata Baid				
	At the beginning of the year	156200	3.19	156200	3.19
	NIL movement during the year	-	-	-	-
	At the end of the year			156200	3.19

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

Sl. No.	Name of the top 10 Shareholder of the Company (As on 31st March, 2017)	Date of event	Buy / Sale	Shareholding at the beginning of the year (As on April 1, 2016)		Cumulative Shareholding during the year	
				No. of shares	% of total share of the company	No. of shares	% of total shares of the company
1	Sankalp Granites Pvt. Ltd.						
	(a) At the beginning of the year	01-04-2016	-	521240	10.66	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2017	-	-	-	521240	10.66	
2	Sigo Polymers Private Ltd.						
	(a) At the beginning of the year	01-04-2016	-	294700	6.02	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2017	-	-	-	294700	6.02	
3	Maratha Petrochemicals Pvt Ltd.						
	(a) At the beginning of the year	01-04-2016	-	291700	5.96	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2017	-	-	-	291700	5.96	
4	Raj Kumar Sethia						
	(a) At the beginning of the year	01-04-2016	-	145888	2.98	-	-
	(b) Changes during the year	09.12.2016	Buy	500	0.01	146388	2.99
		30.12.2016	Buy	5668	0.12	152056	3.11
(c) At the end of the year	31-03-2017	-	-	-	152056	3.11	
5	Ridam Polymers Private Ltd.						
	(a) At the beginning of the year	01-04-2016	-	139390	2.85	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2017	-	-	-	139390	2.85	
6	Vishakha Arora						
	(a) At the beginning of the year	01-04-2016	-	139000	2.84	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2017	-	-	-	139000	2.84	
7	Divya Kalra						
	(a) At the beginning of the year	01-04-2016	-	130710	2.67	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2017	-	-	-	130710	2.67	
8	Prateek Arora						
	(a) At the beginning of the year	01-04-2016	-	105000	2.14	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2017	-	-	-	105000	2.14	
9	Sanjay Kumar Sarawagi						
	(a) At the beginning of the year	01-04-2016	-	48362	0.99	-	-
	(b) Changes during the year	30.09.2016	Buy	1	-	48363	0.99
		28.10.2016	Buy	5	-	48368	0.99
(c) At the end of the year	31-03-2017	-	-	-	48368	0.99	
10	Aadinath Global Private Ltd.						
	(a) At the beginning of the year	01-04-2016	-	30685	0.63	-	-
	(b) Changes during the year	30.09.2016	Sale	50	-	30635	0.63
		14.10.2016	Sale	25	-	30610	0.63
		21.10.2016	Sale	40	-	30570	0.63
		28.10.2016	Buy	299	-	30869	0.63
		11.11.2016	Buy	1200	0.03	32069	0.66
(c) At the end of the year	31-03-2017	-	-	-	32069	0.66	

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total shares of the company
1	Lal Chand Baid (Chairman & MD) At the beginning of the year NIL movement during the year At the end of the year	219970 -	4.50 -	219970 - 219970	4.50 - 4.50
2	Rajiv Baid (Executive Director & CFO) At the beginning of the year Transmission during the year At the end of the year	141000 -	2.88 -	141000 - 141000	2.88 - 2.88
3	Gajanand Gupta (KMP) At the beginning of the year NIL movement during the year At the end of the year	100 -	0.00 -	100 - 100	0.00 - 0.00

Note: None of the other Directors/Key Managerial Personnel hold any shares in the Company.

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1637.40	335.30	--	1992.70
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	6.22	27.00	--	33.22
Total (i+ii+iii)	1643.62	382.30	--	2025.92
Change in Indebtedness during the financial year				
● Addition	475.44	251.83	--	727.27
● Reduction	-288.95	-308.90	--	-597.85
Net Change	186.49	-57.07	--	129.42
Indebtedness at the end of the financial year				
i) Principal Amount	1824.54	300.89	--	2125.43
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	5.57	24.34	--	29.91
Total (i+ii+iii)	1830.11	325.23	--	2155.34

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Lal Chand Baid Chairman & M. Director	Mr. Rajiv Baid Executive Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	1718400 28800 Nil	1718400 152736 Nil	3436800 181536 Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	1747200	1871136	3618336
	Ceiling as per the Act	As per Schedule V of the Act	As per Schedule V of the Act	

B. Remuneration to other directors :

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Vinod Sacheti	Mr. Adarsh Singhnia	Mrs. Tiyana Sacheti	Mr. Kamal Bordia	
1.	Independent Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	11500/-	11500/-	11500/-	-	34,500/-
	Total (1)	11500/-	11500/-	11500/-	-	34,500/-
2.	Other Non-Executive Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	Nil	Nil	Nil	5,750/-	5,750/-
	Total (2)	Nil	Nil	Nil	5,750/-	5,750/-
	Total (B)=(1+2)	11500/-	11500/-	11500/-	5,750/-	40,250/-
	Total Managerial Remuneration					36,58,586/-
	Overall ceiling as per the Act	As per Schedule V of the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Gajanand Gupta Company Secretary	Mr. Rajiv Baid CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	562544	already mentioned in WTD column	562544
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21600	-do-	21600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	584144	Nil	584144

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

Annexure-III
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements 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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	- NOT APPLICABLE -
b)	Nature of contracts/arrangements/ transaction	-NOT APPLICABLE -
c)	Duration of the contracts/ arrangements/transaction	-NOT APPLICABLE -
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	- NOT APPLICABLE -
e)	Justification for entering into such contracts or arrangements or transactions'	-NOT APPLICABLE -
f)	Date of approval by the Board	-NOT APPLICABLE -
g)	Amount paid as advances, if any	-NOT APPLICABLE -
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-NOT APPLICABLE -

2. Details of contracts or arrangements or transactions at Arm's length basis.

Particulars	1	2
Name (s) of the related party & nature of relationship	Bassi Mechanical Works (Relatives of MD/ED are partner)	Varun Baid (Relative of ED)
Nature of contracts/ arrangements/ transaction	Sale of FG	Salary
Duration of the contracts/ arrangements/transaction	2016-17	2016-17
Salient terms of the contracts or arrangements or transaction including the value, if any	Value Rs.71.71 Lacs	Rs.13.01 Lacs
Date of approval by the Board	N.A.	20.03.2017
Amount paid as advances, if any	NIL	NIL

Annexure-IV
PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES
a) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2016 are given below :
A. Remuneration paid to Managing and Whole Time Directors including Perquisites

Directors of the Company	Remuneration in FY 2016-17 (Rs. In Lacs)	Remuneration in FY 2015-16 (Rs. In Lacs)	% increase/ decrease in remuneration	Ratio to Median remuneration
Mr. Lal Chand Baid	17.47	16.13	8.31	9.29
Mr. Rajiv Baid	18.71	17.51	6.85	9.95

B. Remuneration paid to KMPs

Directors of the Company	Remuneration in FY 2016-17 (Rs. In Lacs)	Remuneration in FY 2015-16 (Rs. In Lacs)	% increase/ decrease in remuneration	Ratio to Median remuneration
Mr. Rajiv Baid	18.71	17.51	6.85	9.95
Mr.Gajanand Gupta	5.84	5.47	3.20	3.10

C) The median remuneration of employees was Rs.188429/- in financial year 2016-17 and Rs. 171185/- in financial year 2015-16. There was increase 10.07% in MRE in financial year 2016-17 of as compared to financial year 2015-16.

D) Number of permanent employees on the rolls of Company was 105 employees as on 31.03.2017.

E) Average Salary increase of non-managerial employees was 1.38% and that of managerial employees 2.56% in financial year 2016-17.

F) No Director received any variable component of remuneration in the financial year 2016-17.

G) None of the employees, who are not directors but receive remuneration in excess of the highest paid director during the year

H) Remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company.

b) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

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

S.No.	Name	Remuneration (Rs)
1.	Lal Chand Baid	1747200
2.	Rajiv Baid	1871136
3.	Varun Baid	1300800
4.	Gajanand Gupta	584144
5.	Dhiraj Kumar	511416
6.	Chandra Bhan Singh	500220
7.	Mallikarjun	498348
8.	Radhey Shyam Sharma	457052
9.	Lalit Vijay	443243
10.	Sudhanshu Kumar Saha	424105

Annexure - V
MANAGEMENT DISCUSSION AND ANALYSIS
Industry Structure & Development

The Indian Economy is standing on a relatively strong path. Polycon International Ltd. is a manufacturing company offering high quality products and services to its clients. The company has been focusing on satisfying the customers by supplying the quality products well in time. This will bring your company in sync with the requirements of buyers and in turn, will bring great profits and values to its stakeholders.

Opportunity

According to a study on plastics industry by Plast India Foundation increasing usage of plastics in automobiles, consumer packaging and impact of increased infrastructure spending, the plastics industry is expected to continue double-digit growth beyond 2017-18. The industry grew by 13 per cent annually in last five years and expected to continue double-digit growth beyond 2017-18. Your company is quick in realizing the latest trends and opportunities in the industry and has been in sync with the latest happenings in the market.

Polycon International Limited is continuously working over its capacity and effectiveness to increase its production and aims to provide better quality products to its consumers along with making strong position in domestic market.

Threats

- Cut-throat competition from the new entrants in the market, thereby squeezing the Company's profit margins.
- Price volatility of key raw material and fuel.
- Uncertainty in the economic environment.
- Unavailability of skilled manpower.
- Threat of substitutes.
- Introduction of new technologies.

The company's business activity falls within a single primary business segment viz. 'Plastic item' in India hence the disclosure requirement of Accounting standard-17 "Segment Reporting" are not applicable.

Outlook

Your company is constantly striving to provide quality products and is looking forward to use improvised technology and innovative methods to increase its sales. Your company's endeavour to provide high quality products aiming to grant full value of money to the customer, expected to place in light of its refreshed mission and vision and clear strategic framework. Your Company will seize the opportunities and face the challenges prevailing in the industry and is confident to remain the market leader in the organized plastic industry. There is ample scope and opportunity for companies having business in these sectors not to mention the potential of your company and its large presence in these sectors for many years.

Risks and Concerns

It must be clearly understood that each company has its own

risk, from which it cannot be fully isolated but mitigated by means of proper risk management. Your company foresees certain areas of risk, concerns and threats in its arena of operations.

In the normal course of business, the Company is exposed to external risks such as overall demand fluctuation in the market segment in which it operates reduction in relative market share for its products due to the impact of competition as well as internal risks such as limited product range, variation in operational efficiency and cost structure. The company is also exposed the financial risk in the form of interest rate variation. The Company is taking appropriate steps to guard itself against these identified risks.

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

Adequacy of Internal Control System

Your Company has adequate system of internal controls commensurate with its size and scale of operation, to ensure that all the assets of the Company are safeguarded and protected and that all the transactions are authorized, recorded and reported appropriately. The annual internal audit plan and internal audit reports are also shared with the statutory auditors.

Your company adheres to the following internal control system:-

- Properly conducts Board and general meetings
- Records data discussed during the meeting in proper manner.
- Properly constitutes committees in compliance with the acts, rules and regulations.
- Timely prepares records, reports, minutes and other financial and statutory documents.

It ensures that every employee of the Company is heard, in which decisive and standard reporting structure help the management to reach to all the classes of employees.

Discussion of financial Performance:

Your Company's net turnover for the year ended March 31, 2017 is Rs.3460.77 lacs. The Profit before interest, depreciation and tax is Rs. 313.36 lacs. However, profit after tax is Rs. 27.64 lacs.

Your Company is engaged in the manufacturing of plastic containers since 1991 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.

Human Resource

The Company believes that employees are the most valuable assets of the Company; hence the key focus is to train and develop its employees. The Company aims to create a motivated team and to provide them with unlimited opportunities for career enhancement and growth.

CAUTIONARY STATEMENT

Some statements in this management discussion and analysis describing the Company's objectives, projections, estimate, and expectations may be "forward looking" statement within the meaning of applicable laws and regulations. These Statements are likely to address the company's growth strategy, financial results etc.

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

INDEPENDENT AUDITORS' REPORT

To the Members of Polycon International Limited
REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial

statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in the paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended on March 31, 2017.
 - iv) The Company has Provided Requisite disclosures in its Financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and the said Disclosures are in accordance with the books of accounts maintained by the company.

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

Place : JAIPUR
Date : 30.05.2017

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP No. 074692

Annexure 1
Referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date
To the Members of Polycon International Limited

- | | |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.</p> <p>(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(v) The Company has not accepted any deposits from the public.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section(1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.</p> <p>(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, customs Duty, Excise Duty, Current Value Added Tax, Current Sales tax, Cess and other material statutory dues applicable to it.</p> <p>(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income-</p> | <p>(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.</p> <p>(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 hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.</p> <p>(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.</p> <p>(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that the managerial remuneration paid / provided during the year is within the limits specified u/s 197 read with Schedule V to the Companies Act, 2013. Proper approval has been obtained from Members by the Company.</p> <p>(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.</p> <p>(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.</p> <p>(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.</p> <p>(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.</p> |
|---|---|

(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 : 30.05.2017

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP No. 074692

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

EXPLANATORY PARAGRAPH

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Company, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 30, 2017 expressed an unqualified opinion thereon.

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

Place : JAIPUR
Date : 30.05.2017

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP No. 074692

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT of even date on the Standalone Financial Statements of Polycon International Limited

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

To the Members of Polycon International Limited

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

POLYCON INTERNATIONAL LIMITED
Balance Sheet
As at 31st March, 2017

(Rupees in Lacs)

SCHEDULE	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	3	543.55	543.55
Reserves and Surplus	4	185.99	158.35
Non-current Liabilities			
Long-Term Borrowings	5	1011.62	919.11
Deferred tax liabilities (net)	6	23.97	21.72
Other Long Term Liabilities	7	13.77	15.06
Long-term provisions	8	83.57	73.82
		<u>1862.47</u>	<u>1731.61</u>
Current Liabilities			
Short-term borrowings	9	897.31	841.32
Trade Payables	10	129.06	116.48
Other Current liabilities	11	280.32	292.65
Short-term provisions	12	7.70	11.40
		<u>1314.39</u>	<u>1261.85</u>
Total		<u>3176.86</u>	<u>2993.46</u>
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	13	1150.72	1067.22
Intangible Assets		0.35	0.00
Capital work-in-progress		<u>20.69</u>	<u>68.44</u>
		1171.76	1135.66
Non-current investments	14	1.64	1.64
Long-term loans and advances	15	<u>271.14</u>	<u>261.88</u>
		<u>1444.54</u>	<u>1399.18</u>
Current Assets			
Inventories	16	453.43	408.78
Trade receivables	17	1076.92	956.77
Cash and cash equivalents	18	101.61	55.33
Short-term loans and advances	19	100.36	173.40
		<u>1732.32</u>	<u>1594.28</u>
Total		<u>3176.86</u>	<u>2993.46</u>
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

CA L.C.BAID
DIN: 00210010
CHAIRMAN
& MANAGING DIRECTOR

RAJIV BAID
DIN:00212265
EXECUTIVE DIRECTOR
& CFO

CS GAJANAND GUPTA
FINANCE CONTROLLER &
COMPANY SECRETARY

A.NATANI & CO.
Chartered Accountants
Firm Registration No. 07347C

Ashok Kumar Natani
Partner
Membership No. 74692

Place : JAIPUR
Date : 30.05.2017

POLYCON INTERNATIONAL LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2017

(Rupees in Lacs)

	Note No	Year ended 31.03.17	Year ended 31.03.16
INCOME			
Revenue from operations (Gross)	20	4089.51	4355.60
Less : Excise duty & Taxes		<u>628.74</u>	<u>680.37</u>
Revenue from operations (Net)		3460.77	3675.23
Other income	21	4.59	8.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	-51.10	40.49
Total		<u>3414.26</u>	<u>3724.05</u>
EXPENSES			
Cost of raw materials consumed	23	1751.32	1918.20
Purchase of Traded goods	23A	155.23	149.96
Employee benefits expense	24	259.38	252.93
Finance Costs	25	181.81	190.62
Depreciation and amortization expense	26	93.96	97.51
Other expenses	27	934.97	1075.47
Total		<u>3376.67</u>	<u>3684.69</u>
Profit before tax		37.59	39.36
Tax expenses			
Current tax		7.70	11.40
Deferred tax		2.25	0.79
Total Tax Expenses		<u>9.95</u>	<u>12.19</u>
Profit for the year		<u>27.64</u>	<u>27.17</u>

Earnings per share [Nominal value Rs.10 each
(Previous year Rs. 10 each)]

Basic	28	0.57	0.56
Diluted	28	0.57	0.56
Significant accounting policies	2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

CA L.C.BAID
DIN: 00210010
CHAIRMAN
& MANAGING DIRECTOR

RAJIV BAID
DIN:00212265
EXECUTIVE DIRECTOR
& CFO

CS GAJANAND GUPTA
FINANCE CONTROLLER &
COMPANY SECRETARY

A.NATANI & CO.
Chartered Accountants
Firm Registration No. 07347C

Ashok Kumar Natani
Partner
Membership No. 74692

Place : JAIPUR
Date : 30.05.2017

POLYCON INTERNATIONAL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rupees in Lacs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	37.59	39.36
adjustments for :		
Depreciation/amortization expenses	93.96	97.51
Loss/(Profit) on sale/write off of fixed assets (net)	(0.92)	(0.65)
Net gain/loss on sale of investments	-	(0.66)
Interest expense	181.81	190.62
Interest & other income	(3.67)	(7.02)
Net loss/(gain) on foreign currency transactions	-	-
Deffered Revenue Expenses (Net)	-	-
Net prior year adjustments	-	-
Long Term Provisions (Net)	9.75	7.50
Operating profit before working capital changes	318.52	326.66
(Increase)/decrease in trade receivables	(120.15)	150.07
(Increase)/decrease in inventories	(44.65)	(52.21)
(Increase)/decrease in loans and advances	63.78	(45.78)
Increase/(decrease) trade and other payables	0.25	(240.44)
Cash generated from operations	217.75	138.30
Direct taxes paid	(11.40)	(13.50)
Net Cash generated from operating activities	206.35	124.80
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(129.74)	(113.53)
Sale of Fixed Assets	0.95	5.53
Amounts paid for acquiring of Companies	-	-
Purchase of investments	-	-
Sale of Investment	-	4.57
Dividend income	-	0.05
Interest received & Other Income	4.59	8.28
Net cash (used in) investing activities	(124.20)	(95.10)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of capital	-	-
Buyback of equity shares	-	-
Proceeds from long term borrowing	685.99	568.74
Repayments of long term borrowings	(596.04)	(363.65)
Short term borrowings (net)	55.99	(7.02)
Dividend paid (including dividend distribution tax)	-	-
Interest expense	(181.81)	(190.62)
Net Cash (used in)/from Financing Activities	(35.87)	7.45
Net increase/(decrease) in Cash and Cash Equivalents	46.28	37.15
Cash and Cash Equivalents at the beginning of the year	55.33	18.18
Cash and Cash Equivalents at the end of the year	101.61	55.33

CA L.C.BAID
DIN: 00210010
CHAIRMAN
& MANAGING DIRECTOR

RAJIV BAID
DIN:00212265
EXECUTIVE DIRECTOR
& CFO

CS GAJANAND GUPTA
FINANCE CONTROLLER &
COMPANY SECRETARY

In terms of our report attached
A Natani & Co.
Chartered Accountants
Firm Registration No. 07347C
Ashok Kumar Natani
Partner
Membership No. 74692

Place : JAIPUR
Date : 30.05.2017

Notes to Financial statements for the Year ended 31st March, 2017
Note 01 COMPANY INFORMATION

POLYCON International Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed at the Bombay stock Exchange. The company is engaged in the manufacturing and trading of PET Items like PET Bottles, PET Jars, PET Preforms, Caps & Lids and LLDPE Rotomoulding Water Storage Tanks, PVC Profiles, Sections etc. Its manufacturing facilities are located in Jaipur & Bhiwadi, Rajasthan.

Note 02 SIGNIFICANT ACCOUNTING POLICIES
a) Basis of preparation of financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the provisions of companies Act, 2013 ("the Act") and accounting standards notified under section 133 of the companies Act, 2013 read together with paragraph 7 of the companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in lacs of Indian Rupees.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013.

The accounting Policies adopted in preparation of financial statements are consistent with those of the previous year.

b) Use of Estimates

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

c) Tangible fixed assets

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

d) Depreciation on tangible fixed assets

Depreciation has been provided using the written down value method at the rate determined based on the estimated useful lives of the tangible assets where applicable except the Plant and Machinery and Dies and Moulds purchased after 01.04.2004 - Straight Line Method at all the units, specified in the schedule II to the Act and in keeping with other provision of the said schedule.

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

e) Impairment of tangible assets

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

f) Investments

Investment are stated at cost.

g) Inventories

Inventories are valued at lower of cost or net realizable value as per stock taken, verified, valued and certified by the management. Cost of finished goods includes excise duty also.

h) Revenue Recognition

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

i) Expenditure

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

j) Retirement and other employee benefits

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

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

k) Borrowing costs

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

l) Taxes on Income

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

m) Provisions and contingencies

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

n) Foreign Currency Transactions

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

o) Cenvat Credit/Value Added Tax

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

Note 03 SHARE CAPITAL

(Rupees in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Authorised Capital		
7500000 Equity shares of Rs.10/- each (previous year 7500000 equity shares of Rs.10/- each)	750.00	750.00
Issued,subscribed and paid up Capital		
4889100 (as at 31st March, 2016 - 4889100) equity shares of Rs. 10/- each, fully paid-up	488.91	488.91
Add : Share forfeited (amount originally paidup)	54.64	54.64
Total	543.55	543.55

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Rs. In lacs	No. of Shares	Rs. In lacs
At the beginning of the period (Rs. 10/- each)	4889100	488.91	4889100	488.91
Issued/ Subscribed During the year	-	-	-	-
Outstanding at the closing of the period (Rs. 10/- each)	4889100	488.91	4889100	488.91

b) Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each equity shareholder is entitled to one vote per share. The Board of Directors have not declared Dividend during the year under review due to marginal profit. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

c) Details of shareholders having more than 5% of aggregate shares in the Company :

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of share held	% holding	No. of share held	% of holding
1 Jai Sinter Polycon Pvt. Ltd.	572500	11.71	572500	11.71
2 Sankalp Granites Pvt. Ltd.	521240	10.66	521240	10.66
3 Sigo Polymers Pvt. Ltd.	294700	6.02	294700	6.02
4 Maratha Petrochemicals Pvt. Ltd.	291700	5.97	291700	5.97
5 Bharat Kumar Baid (H)	269570	5.51	269570	5.51

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

Note 04 RESERVES & SURPLUS

	As at 31st March, 2017	As at 31st March, 2016
Securities Premium Account	NIL	NIL
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	158.35	131.18
Profit for the year	27.64	27.17
Balance as at the end of the year	<u>185.99</u>	<u>158.35</u>

Note 05 LONG-TERM Borrowings

(Rupees in Lacs)

	As at 31st March, 2017		As at 31st March, 2016	
	Current Maturities	Non-Current Maturities	Current Maturities	Non-Current Maturities
SECURED				
Term Loan From SBBJ (Refer Note No. 5.1 below)	59.88	70.25	58.56	130.87
Term Loan from Rajasthan Financial Corpn. (Refer Note No. 5.2 below)	160.07	639.92	156.67	451.12
Car Loan from Kotak Mahindra Prime Ltd. (Refer Note No.5.3 below)	2.11	0.56	2.41	2.67
Car Loan from ICICI Bank Ltd.	-	-	-	-
UN-SECURED - OTHERS				
Sales Tax Deferment Scheme (Refer Note No. 36)	-	-	-	70.20
Others (Intercorporate loans)	24.34	250.00	27.00	250.00
Other Loans	-	50.89	20.85	14.25
Total	246.40	1011.62	265.49	919.11

5.1 Term Loan from SBBJ is secured by way of First Charge on certain Plant & Machinery acquired out of said term loan and personal guarantee of two Directors of the Company and also secured by way of second charge on entire present & future current & fixed assets of the Company. The said loan is repayable in quarterly instalments of Rs. 14.65 Lac. The last balance amount of which is due in June, 2019. Rate of Interest on Term Loan is at 12% P.A.

5.2 Term Loan from RFC
5.2.1 Security Details

Term Loans from Rajasthan Financial Corporation (RFC) are secured by equitable mortgage on Fixed Assets of the company both present & future situated at Jaipur and Chopanki (Bhiwadi) and also secured by personal guarantee of two Directors of the company

5.2.2 Loan repayment schedule against loans from RFC (secured) Term Loans-

S. No.	Repayable During	Repayable Amount	Range Of Interest Rate
1	2017-18	160.07	10.75% to 12.50%
2	2018-19	197.31	10.75% to 12.50%
3	2019-20	221.42	10.75% to 12.50%
4	2020-21	179.23	10.75% to 12.50%
5	2021-22	73.10	10.75% to 12.50%
6	2022-23	13.22	10.75% to 12.50%

5.3 Car Loan from Kotak Mahindra Prime Ltd. is secured by hypothecation of vehicle purchased out of said loan. The said loan is repayable in monthly instalment of Rs. 19000/- (including Interest) The last of which is due in June, 2018. Rate of interest on Car Loan is @ 12.60% P.A.

Note 06 DEFERRED TAX LIABILITIES (NET)

(Rupees in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Difference between book and tax written down values of fixed assets	49.79	44.53
Gross deferred tax liability	<u>49.79</u>	<u>44.53</u>
Deferred Tax Asset		
Gratuity	25.82	22.81
Gross Deferred Tax Asset	<u>25.82</u>	<u>22.81</u>
Deferred Tax Liabilities (Net)	<u>23.97</u>	<u>21.72</u>
Note 07 Other Long Term liabilities		
Security Deposits from Customer	6.47	6.87
Payable for Purchase of Fixed Assets	0.00	7.95
Misc Payable	0	0.24
Payable for Purchase	7.30	0
	<u>13.77</u>	<u>15.06</u>

(Rupees in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Note 08 LONG-TERM PROVISIONS		
Provisions for employee benefits		
Provision for Gratuity	83.57	73.82
Total	83.57	73.82

Note 09 SHORT-TERM BORROWINGS
Secured

Cash Credit from Bank	897.31	841.32
Total	897.31	841.32
1. Secured against hypothecation of all current and non current assets including stock of raw materials, work in process, finished goods and book debts both present and future.		
2. 1st charge over Plant & Machinery financed by bank for different Machineries installed at Jaipur & Bhiwadi Plant.		
3. 2nd charge on fixed assets of the company i.e all immovable properties held with the company under its Jaipur & Bhiwadi Plant.		
4. Cash Credit Limit from banks Carry Interest ranging between 11% - 12% p.a, computed on monthly bases on actual amount utilized, and are repayable on demand.		

Note 10 TRADE PAYABLES

Trade Payables		
(For supplies & Expenses)	100.86	86.12
Provision for Exp.	28.20	30.36
Total	129.06	116.48

*Dues to Micro, small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected. The total amount remaining unpaid as at the end of the year is Rs. 35.31 lacs (Previous Year 27.38 lacs) (Refer Note 31)

Note 11 OTHER CURRENT LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016
(Rupees in Lacs)		
Current maturities of long-term borrowings (secured) [Refer note no 5]	246.40	265.49
Statutory Liabilities including withholding taxes, provident funds & sales tax	1.41	0.63
TDS	3.88	3.98
Advance from customers	22.81	19.64
Misc Payable	5.82	2.91
Total	280.32	292.65

Note 12 SHORT-TERM PROVISIONS

Provision for tax	7.70	11.40
Total	7.70	11.40

Advance income-tax Rs. 7.70 lacs (as at 31st March, 2016, Rs. 11.40 lacs) Unsecured, considered good)

Note 13 FIXED ASSETS

(Rupees in Lacs)

Tangible Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1st April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2017	As at 1st April 2016	For the year	Deductions/ Adjustments	upto 31st March 2017	As At 31st March 2017	As At 31st March 2016
Owned Assets										
Leasehold land	316.70	27.66	0.00	344.36	0.00	0	0	0.00	344.36	316.70
Buildings	373.27	1.92	0.00	375.19	253.20	12.88	0	266.08	109.11	120.17
Plant & Machinery	2152.23	98.49	0.00	2250.72	1589.51	56.97	0	1646.48	604.24	562.72
electric Instalation	38.65	0.00	0.00	38.65	36.16	0.76	0	36.92	1.73	2.49
Office Equipment	26.73	0.00	0.00	26.73	25.38	0.56	0	25.94	0.79	1.35
Testing Equipment	1.55	0.00	0.00	1.55	1.55	0	0	1.55	0.00	0.00
Furniture and Fixtures	8.51	0.30	0.00	8.81	7.89	0.25	0	8.14	0.67	0.62
Vehicles	73.17	0.63	3.46	70.34	63.54	3.83	3.43	63.94	6.40	9.63
Computer	16.11	0.25	0.00	16.36	15.17	0.78	0	15.95	0.41	0.94
Moulds & Dies	707.88	48.24	0.00	756.12	655.18	17.93	0	673.11	83.01	52.70
Total	3714.80	177.49	3.46	3888.83	2647.58	93.96	3.43	2738.11	1150.72	1067.22
As at and for the year ended 31st March, 2016	3633.69	92.00	10.89	3714.80	2556.08	97.51	6.01	2647.58	1067.22	1083.03
Work-in-Progress	As at 31.3.17	As at 31.3.16								
FACTORY BUILDING	20.69	68.44								
PLANT & MACHINERY	0	0								
MOULDS & DIES	0	0								
TOTAL Rs.	20.69	68.44								

(Rupees in Lacs)			(Rupees in Lacs)		
	As at 31st March, 2017	As at 31st March, 2016		As at 31st March, 2017	As at 31st March, 2016
Note 14 NON-CURRENT INVESTMENTS			Note 17 TRADE RECEIVABLES		
(Long Term Investments)			Unsecured		
Investment in Equity Instruments			Outstanding for a period exceeding six months from the date they are due for payment		
In Government Securities - Unquoted			469.35		
6 Years National Savings Certificate			268.55		
0.98			469.35		
0.98			268.55		
(Deposited with Sales Tax Department and other Government Authorities)			Less : Provision for doubtful trade receivables		
Investment in Equity Instruments			-		
Quoted			Total		
HFCL (2500 Equity Shares of Re. 1/- each)			469.35		
0.66			268.55		
(previous year 2500)			Other receivables		
0.66			607.57		
Total			Total		
<u>1.64</u>			<u>1076.92</u>		
<u>1.64</u>			<u>956.77</u>		
Note 15 LONG-TERM LOANS AND ADVANCES			Note 18 CASH AND CASH EQUIVALENTS		
Security deposits			Cash on hand		
Unsecured, considered good			10.77		
73.56			7.48		
<u>73.56</u>			Balances with banks :		
<u>74.08</u>			In current accounts		
<u>74.08</u>			90.82		
Unsecured, Considered			In deposit accounts		
Goods (Unless Otherwise taken)			0.02		
Other Loans And Advances			<u>101.61</u>		
Advance to Suppliers			55.33		
1.00			22.34		
CENVAT credit receivable			Total :		
23.41			<u>101.61</u>		
Loans And Advances to Employees			55.33		
0			1.47		
Advance Income Tax			3.21		
74.98			0.17		
Insurance Claim Receivable* Receivable as per demerger scheme			68.65		
94.98			94.98		
<u>197.58</u>			<u>187.80</u>		
Total			Total		
<u>271.14</u>			<u>261.88</u>		
<u>271.14</u>			<u>261.88</u>		
Note 16 INVENTORIES (valued at lower of cost and net realizable value)			Note 19 SHORT-TERM LOANS AND ADVANCES		
Raw materials			Security Deposits		
239.49			Unsecured, considered good		
164.56			0.00		
Finished goods			0.00		
143.44			36.86		
Traded Goods			0.00		
30.39			36.86		
Stores and Spares			Loans to employees (unsecured, considered good)		
17.98			15.57		
Fuel			9.02		
1.83			Prepaid expenses (unsecured, considered good)		
20.30			1.46		
<u>453.43</u>			2.07		
<u>408.78</u>			CENVAT credit receivable		
<u>408.78</u>			11.72		
			Income Tax & TDS		
			13.52		
			Sales Tax Credit receivable		
			0.00		
			42.27		
			63.02		
			Other loans and advances (unsecured, including advance to suppliers)		
			Unsecured, considered good		
			58.09		
			73.52		
			58.09		
			73.52		
			Total		
			<u>100.36</u>		
			<u>173.40</u>		
			<u>173.40</u>		

		(Rupees in Lacs)				(Rupees in Lacs)	
		For the year ended 31st March, 2017	For the year ended 31st March, 2016			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note 20 REVENUE FROM OPERATIONS				Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Revenue from operations				Inventories at the end of the year			
Sale of products				Finished goods			
	Finished goods	3908.76	4170.70		Finished goods	143.44	194.54
	Traded goods	171.61	178.06		Inventories at the beginning of the year		
	Scrap sales	9.14	6.84		finished goods	194.54	154.05
	Revenue from operations (Gross)	<u>4089.51</u>	<u>4355.60</u>		Net increase/Decrease(-)	<u>-51.10</u>	<u>40.49</u>
	Less: Excise Duty & Taxes	<u>628.74</u>	<u>680.37</u>	Note 23 COST OF RAW MATERIALS CONSUMED			
	Revenue from Operations (net)	<u>3460.77</u>	<u>3675.23</u>	Inventories at the beginning of the year			
* Excise Duty deducted from turnover represents excise duty collected on sale of goods				Add : Purchases			
Details of products sold				LLDPE Granual			
	PPCap	177.12	28.48		PVC Resin	64.46	66.51
	PET Bottles & Jars	2578.67	3118.74		PET Chips	1167.46	1379.47
	Water Storage Tanks	495.22	294.69		Polypropolene	155.77	180.54
	PVC Profiles	56.00	71.98		PET Preforms	84.32	66.52
	Scrap Sale	9.14	8.50		Others	0.00	20.00
	Traded Goods	<u>3316.15</u>	<u>3522.39</u>		Total	<u>1751.32</u>	<u>1918.20</u>
	Sale of PET Chips/LLDPE	144.62	150.95	Note 23 A PURCHASE OF TRADED GOODS			
	Revenue from Job Work	0.00	1.89		PET Chips	155.23	149.96
	Total	<u>3460.77</u>	<u>3675.23</u>			<u>155.23</u>	<u>149.96</u>
Note 21 OTHER INCOME				Note 24 EMPLOYEE BENEFITS EXPENSES			
Interest income				Salaries, wages and bonus			
	(Refer note 1 below)	3.67	6.78		Contribution to providend and other funds	20.80	20.03
Other non-operating income					Staff Welfare Expense	8.67	7.21
	(Refer note 2 below)	0.92	1.55		Provision for Gratuity	11.39	8.64
	Total	<u>4.59</u>	<u>8.33</u>		Total	<u>259.38</u>	<u>252.93</u>
Notes :				Note 25 FINANCE COSTS			
1	Interest from banks			Interest on borrowings			
	on deposits	3.67	0.00		Interest on others	30.83	30.44
	Other interest	0.00	6.78		Total	<u>181.81</u>	<u>190.62</u>
		<u>3.67</u>	<u>6.78</u>	Note 26 DEPRECIATION AND AMORTISATION EXPENSE			
2	Other non-operating income:			Depreciation and amortisation for the year on tangible assets			
	Profit on sale of Assets	0.92	0.84			93.96	97.51
	Profit on sale of Investment	0.00	0.66		Total	<u>93.96</u>	<u>97.51</u>
	Dividend on equity shares	0.00	0.05				
		<u>0.92</u>	<u>1.55</u>				

	(Rupees in Lacs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note 27 OTHER EXPENSES		
Consumption of stores and spares	28.30	22.46
Consumption of packing materials	155.05	178.36
Power and fuel	435.61	440.99
Rent	8.60	7.33
Repairs to buildings	2.90	1.20
Repairs to machinery	44.39	74.45
Insurance	5.27	6.00
Rates and taxes	7.21	12.21
Transport and freight charges (net)	121.82	195.60
Bad Debts/advances written off	19.19	16.76
Donations	0.00	0.08
Legal and professional fees *	0.85	1.15
Miscellaneous expenses	105.78	118.88
Total	934.97	1075.47

* Includes Payments to auditors

As auditors-statutory audit	0.50	0.50
Total	0.50	0.50

Note 28 EARNINGS PER SHARE (EPS) :

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under :

Profit attributable to equity shareholders - Rupees in lacs	27.64	27.17
Weighted average number of equity shares outstanding during the year	4889100	4889100
Basic earnings per share - Rupees	0.57	0.56
Diluted earnings per share - Rupees	0.57	0.56
Nominal value per share - Rupees	10.00	10.00

Note 29 SEGMENT INFORMATION

Primary

The Company is engaged in manufacture and sale of PET and other plastic products which constitutes single business segment. As per management perspective the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other business segments to be reported as per AS-17 issued under the Companies (Accounting Standards) Rules, 2006.

	(Rupees in Lacs)	
	As at 31st March, 2017	As at 31st March, 2016

Note 30 CONTINGENT LIABILITIES

In respect of :

a) Excise matters disputed in appeal	0.12	0.12
b) Sales tax matters disputed in appeal	0	25.22
c) Sales Tax Demand due to Non-submission of Statutory Form (Asst.Year : 2014-15)	579.75	-

Note 31 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small & Medium Enterprises 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 entrepreneurs memorandum number as allocated after filling of the memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31.3.2017 and 31.03.2016 has been made in the financial statements based on the information provided by the management. Based on the information currently available with the company, There are no dues payable to micro and Small Suppliers as defined in the Micro, Small And Medium Enterprises Development Act,2006.

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	35.31	27.38
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv) The amount of interest due and payable for the year	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

Note 32

Inventories, loans & advances, trade receivables/payables and other current/non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.

The response to letters sent by the Company requesting confirmation of balances has been insignificant. In the management's opinion, in the event of any disparity in the balances, any consequential adjustments required on reconciliation of the balances, will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the reconciliation is completed.

Note 33

A fire broke out on 11th February, 2013 at Company's premises located at F-954(A), Chopanki Industrial Area, Bhiwadi, Distt. Alwar resulted in losses amounting to Rs. 49.01 lac for inventories and Rs. 232.77lacs for fixed assets. The claim has been lodged with the Insurance Company considering the re-instatement clause covered under the insurance Policy Cover Note issued by the Insurance Company. Against the said claim, company had received Rs. 37.24 lacs and Rs.92.67 lacs towards inventories and fixed assets respectively. Now for the balance claim, company had approached to insurance company to revocation of arbitration clause and arbitrator passed the award on 25th May, 2017 holding that the company is eligible for a total claim of RS 264.51 lac as against the actual claim of Rs. 281.78 lac. Due to this arbitration award, company is eligible to get an additional amount of Rs 172.04 includes interest of Rs 37.38 on delayed claim. Since there is no virtual certainty as on 30th May, 2017. Therefore, no contingent assets is required to be recognized in books of accounts as on 31st March, 2017. The probability of the award being challenged is not completely ruled out by the Insurance Co., hence no effect have been taken in books of accounts of the Company.

Note 34

The Company carries Rs. 94.98 Lacs as receivables from demerged company M/S Vinayak Polycon International Limited by virtue of demerger scheme of Polycon International Limited approved by Rajasthan High Court order dated 21.07.2011

Note 35 RELATED PARTY TRANSACTIONS

Names of related parties & relationship

Names of related parties & relationship

- | | |
|---------------------------------|-------------------------------------|
| a) Jai Sinter Polycon Pvt. Ltd. | Relatives of Directors are Director |
| b) Crystal Packaging | Relatives of Directors are Partner |
| c) Bassi Mechanical Works | Relatives of Directors are Partner |
| d) Shri Varun Baid | Held office of profit |
| e) Ms Varsha Baid | Held office of profit |

Key Management Personnel (KMP)

Shri Lal Chand Baid
Shri Rajiv Baid

Enterprise over which key management personnel and their relatives are able to exercise significant influence Bassi Mechanical Works, Jaipur

CA L.C.BAID
DIN: 00210010
CHAIRMAN
& MANAGING DIRECTOR

RAJIV BAID
DIN:00212265
EXECUTIVE DIRECTOR
& CFO

CS GAJANAND GUPTA
FINANCE CONTROLLER &
COMPANY SECRETARY

Place : JAIPUR
Date : 30.05.2017

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

	(Rupees in Lacs)	
	For the year ended 31.3.2017	For the year ended 31.3.2016
Nature of transactions		
1 Sale of finished goods	71.71	28.00
2 Sale of Capital Goods	-	4.25
3 Interest Paid	-	-
4 Salary to Shri Varun Baid	13.08	10.25
5 Salary to Ms Varsha Baid	-	0.80
6 Managerial Remuneration to KMP	36.18	33.64
7 Purchase of Capital Goods	-	-
8 Outstanding Receivables/Loans & Advances	95.02	117.08
9 Outstanding Payable	61.22	37.58

Note 36

The company has not providing penal interest due to non-adherence with the repayment schedule of VAT/CST payments under deferred payment amounting to Rs. 2522243/- in view of liquidity crises in its plants and pending request for suitable amending the repayment schedule as well as waiver of interest.

Note 37

DETAILS OF SPECIFIED BANK NOTES (SBN) AND OTHER DENOMINATION NOTES HELD AND TRANSACTED FROM 8TH NOVEMBER, 2016 TO 30TH DECEMBER, 2016.

Particulars	SBNs	Other Denomination	(Rupees in Lacs)
			Total Notes
Closing Cash in hand as on 08.11.2016	3.66	5.56	9.22
(+) Permitted Receipts	0	17.16	17.16
(-) Permitted Payments	3.66	17.25	20.91
(-) Amount Deposited in Banks	0	0	0
Closing Cash in Hand as on 30.12.2016	0	5.47	5.47

Note 38
Earning in Foreign Currency

FOB Value of Exports	NIL	NIL
Other Income	NIL	NIL

Note 39
Expenditure in Foreign Currency

a) Travelling expenses	3.31	0.00
b) Interest on WCFC Loan	NIL	NIL

Note 40

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

In terms of our report attached
A.NATANI & CO.

Chartered Accountants
Firm Registration No. 07347C

Ashok Kumar Natani
Partner
Membership No. 74692



PROXY FORM
Form MGT-11

POLYCON INTERNATIONAL LIMITED

CIN: L28992RJ1991PLC006265

Regd. Office : Rotary Bhawan, Church Road, M. I. Road, Jaipur- 302001

Email : info@polyconltd.com Website: www.polyconltd.com

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

Table with 4 columns: Name of the member(s), Registered Address, E-mail id, Folio No./ * Client Id, *DP Id.

I/We, being the member(s) of _____ shares of Polycon International Limited, hereby appoint :

- 1) Name : _____ Address : _____
E-mail id : _____ Signature : _____ or failing him
2) Name : _____ Address : _____
E-mail id : _____ Signature : _____ or failing him
3) Name : _____ Address : _____
E-mail id : _____ Signature : _____

As my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 26th Annual General Meeting (AGM) of the Company to be held on the Friday, 29th September, 2017 at 1.00 p.m. at Rotary Bhawan, Church Road, M.I.Road, Jaipur-302001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf :

ATTENDANCE SLIP
POLYCON INTERNATIONAL LIMITED

CIN: L28992RJ1991PLC006265

Regd. Office : Rotary Bhawan, Church Road, M. I. Road, Jaipur- 302001

Email : info@polyconltd.com Website: www.polyconltd.com

Registered Folio No. /DPID No./ Client ID No. : _____

No. of Shares held : _____

I certify that I am member/proxy for the member of the company.

I/We hereby record my/our presence at the 26th Annual General Meeting of POLYCON INTERNATIONAL LIMITED at the Registered Office of the Company at Rotary Bhawan, Church Road, M. I. Road, Jaipur- 302001, on Friday, the 29th day of September, 2017 at 1.00 p.m.

Name of the shareholder/proxy : _____
(in block letters)

Signature of the shareholder/proxy : _____

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

Resolutions No.	Resolutions	Option (✓)	
		for	against
	Ordinary Business		
1	Adoption of the Audited Financial Statements for the year ended 31st March, 2017 along with the Reports of Board and Auditors thereon.		
2	Appointment of a Director in place of Shri Rajiv Baid, (DIN : 00212265) who retires by rotation and, being eligible, offers himself for re-appointment		
3	Appointment of Statutory Auditors and fixing their remuneration.		
	Special Bussiness		
4.	Re-appointment of Shri Rajiv Baid (DIN 00212265) as Whole Time Director designated as Executive Director & Chief Financial Officer of the Company.		
5.	Re-appointment of Shri Lal Chand Baid , (DIN 00210010) as Whole Time Director designated as Chairman & Managing Director of the Company.		

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

Affix Re.1 Revenue Stamp

Signature of Share holder

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

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.