
22nd ANNUAL REPORT
2012-2013



POLYCON International Ltd.

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COMPANY INFORMATION

Board of Directors

CA L.C. Baid	Chairman & Managing Director	
Mr. Rajiv Baid	Executive Director	
Mr. S. L. Daga	Independent Director	Resigned w.e.f. 27.08.2012
Mr. Vinod Sacheti	Independent Director	
Mr. Adarsh Singhania	Independent Director	
Mr. Sarabjit Singh	Independent Director	Resigned w.e.f. 25.03.2013

Board Committees

Audit Committee	Remuneration Committee	Shareholders'/Investors' Grievance Committee
Mr. Vinod Sacheti	Mr. Vinod Sacheti	Mr. Adarsh Singhania
Mr. Adarsh Singhania	Mr. Adarsh Singhania	Mr. Rajiv Baid
CA L. C. Baid		CA L.C. Baid

Finance Controller & Company Secretary CS Gajanand Gupta

Auditors	Bankers
A. Natani & Co.	Indian Overseas Bank
Chartered Accountants	Bank of Baroda
6-7, Samod Tower	ICICI Bank
11nd Floor Dudu Bagh	
S.C. Road, JAIPUR	

Registered Office

Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001
e-mail : guptag@polycon.in

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
44, Community Centre, Naraina Industrial Area,
Phase-I, New Delhi-110028

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-301019
Unit-IV - Plot No. 17, Sector-4, IIE, SIDCUL, Pantnagar-263153, Uttarakhand

TEN YEARS FINANCIAL HIGHLIGHTS (2004-2013)

(Amount Rs. in Lac)

Particulars	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PROFIT & APPROPRIATIONS										
Sales & Other Income	177336	209997	240426	271208	292965	348223	367889	308502	397256	395288
Profit Before Depreciation & Tax	17784	1669	17056	17974	19134	22584	26681	17063	18880	13846
Depreciation	16140	14572	13929	13987	16080	18864	21848	13462	14675	12339
Profit before Tax	1644	2127	3127	4087	3104	4070	4838	3601	4275	1507
Taxation	-360	2721	-602	1501	1460	1553	1548	1001	1250	630
Profit after Tax	2004	-594	3729	2586	1644	2517	3295	2600	3025	877
Dividend	-	-	-	-	-	-	-	-	-	-
Earnings per Share	029	-009	076	052	084	051	067	053	062	018
ASSETS EMPLOYED										
Fixed Assets Gross	201045	227748	237052	290934	327276	340687	374615	308840	325407	333008
Depreciation	139180	153552	166748	177741	192074	210841	231823	226975	241650	235715
Net	61865	74196	70809	113198	135202	132846	142792	81865	83757	97298
Capital work in progress	-	-	-	12070	-	-	648	-	448	-
Investment	2905	2005	2082	2104	2104	2104	2104	104	598	598
Net Current Assets	91819	99803	107063	125488	148910	138597	152139	121486	144674	177021
Miscellaneous Expenditure	6085	7185	2635	1614	1227	840	452	065	128	128
	162624	183194	182089	254474	282443	273887	298135	203020	229505	275040
FINANCED BY										
Equity Shares	54837	54880	54885	54885	54885	54885	54885	54885	54885	54885
Reserves & Surplus	24837	24880	24885	25668	27313	29829	33124	4800	7305	8202
Loan Funds	81019	99084	99538	170069	195572	184273	205148	141833	165398	210205
Deferred Tax Liability	2881	5460	3841	4882	5208	5480	5513	2532	2482	2278
	162624	183194	182089	254474	282443	273887	298135	203020	229505	275040

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of POLYCON INTERNATIONAL LIMITED will be held at Rotary Bhawan, Church Road, M.I. Road, Jaipur - 302 001, the Registered Office of the Company, on Saturday, the 28th day of September, 2013 at 1.00 P.M., to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajiv Baid who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vinod Sacheti who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. A. Natani & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. Appointment of Relative of 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 Section 314(1) and all other applicable provisions of the Companies Act, 1956 (including any modification or amendment or re-enactment thereof for the time being in force) and applicable rules, regulations, guidelines, if any, the company hereby accords its consent to Ms Varsha Baid, Daughter of Mr. Rajiv Baid, a director of the Company, who holds an office of profit under the company, to hold and continue to hold an office or place of profit as executive of the company w.e.f. 01st November, 2012 on a salary of Rs. 40,000/- P.M. in the scale of Rs. 40,000-5000-80000/- together with other benefits, amenities and facilities as applicable to other employees, within the same salary scale or grade.

FURTHER RESOLVED THAT the authority be and is hereby accorded to the Board of Directors to vary the terms of employment at their discretion along with the approval of Central Government (if the case arises) and to give increments within the limits as they may deem it fit and proper".

Date : 30.05.2013

By order of the Board

Registered Office :-
Rotary Bhawan, Church Road,
M.I. Road, Jaipur-302 001

CS Gajanand Gupta
Finance Controller &
Company Secretary

NOTES :

1. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RELATION TO THE SPECIAL BUSINESS OF THE MEETING IS ANNEXED HERETO AND FORMS PART OF THIS NOTICE.
2. 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.
3. 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.
4. Members who hold shares in Dematerialized form are requested to bring their CLIENT ID & DPID Number for easy identification 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 25th day of September, 2013 to 28th day of September, 2013 (both days inclusive).
7. Members are requested to lodge the transfer, transmission of shares at the registered office or to the Registrar & Transfer Agent Link Intime India Pvt. Ltd., 44, Community Centre, Naraina Industrial Area Phase-I, NEW DELHI-110 028 and to inform any change in their address immediately so as to enable the Company to do future communications at their correct addresses.
8. Shareholders are requested to please bring their attendance slips together with their copies of annual report at the meeting.
9. Information of Director seeking re-appointment/ appointment at the forth coming Annual General Meeting pursuant to Clause 49 of the Listing Agreement are as under :-

Name of Director	Date of Birth	Date of original appointment	Expertise in specific functional areas	Qualification	Directorship in other Public Limited Companies incorporated in India	Other information	Remarks
Sh. Rajiv Baid	17.10.1961	01.08.1997	Marketing & Sales Management	B.Com	—	Presently designated as Executive Director. Relative of C.A.L.C. Baid, Managing Director	Retires by rotation at the forthcoming Annual General Meeting & being eligible offers himself for re-appointment.
Sh. Vinod Sacheti	02.09.1966	29.03.2010	Independent Director	B.E	—	Presently designated as Non-Executive Independent Director	Retires by rotation at the forthcoming Annual General Meeting & being eligible offers himself for re-appointment

10. The Ministry of Corporate Affairs, Government of India, through its Circular Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, has allowed companies to send documents viz. Notice of Meetings, Annual Report and other shareholder communication to their shareholders electronically as part of its Green Initiatives in Corporate Governance.

Recognising the spirit of the circular it is proposed that henceforth documents as mentioned above will be sent electronically to the e-mail addresses provided by you and made available to the Company by the depositories viz. NSDL/CDSL. As and when there are changes in your e-mail address, you are requested to update the same with your depository participant.

For shares in physical form, shareholders can register their e-mail address with the Company at polycon@polycon.in mentioning their name(s) and folio no(s).

ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of Companies Act, 1956.

Item No. 5

Under Section 314(1) of the Companies Act, 1956, a special resolution is required for enabling any relative

of a Director of the Company holding office or place of profit to hold any office or place of profit under the Company. Ms Varsha Baid, who joined your Company's services on 01st November, 2012 as Executive on a monthly salary of Rs. 40000/- P.M. in pay scale of Rs. 40000-5000-80000 with usual benefits/perquisites, is daughter of Mr. Rajiv Baid, an Executive Director of the Company. Accordingly, in terms of section 314(1) of the Act, the members are requested to grant their consent to Ms Varsha Baid, holding and continuing to hold an office or place of profit under a contract of service with the Company on the terms and conditions set out in the aforesaid resolution. The members are also requested to authorize the Board to sanction in due course promotion of Ms Varsha Baid to the next higher grade or grades together with the usual allowances and benefits.

Accordingly the Board recommends resolution set out in item No. 5 of the Notice for your approval.

Memorandum of Interest : Shri Lal Chand Baid, Managing Director and Shri Rajiv Baid, Executive Director of the Company are related to Ms Varsha Baid are deemed to be interested.

Date : 30.05.2012

By order of the Board

Registered Office :-
Rotary Bhawan, Church Road,
M.I. Road, Jaipur-302 001

CS Gajanand Gupta
Finance Controller &
Company Secretary

DIRECTORS' REPORT

To,
The Members,

Your Directors have the pleasure of presenting the 22nd Annual Report of the company together with Audited Accounts and Cash Flow Statement for the financial year ended 31st March, 2013.

REVIEW OF OPERATIONS

Your company has effectively utilized its capacity and has recorded net sales of Rs. 3947.49 lacs against Rs. 3966.48 lacs in the previous financial year.

However, the net sales is nearly equal to the last year due to fire accident at Chopanki Bhiwadi Unit.

FINANCIAL RESULTS :

The financial results for the year ended 31st March, 2013 are summarized below :

	Amount Rs. In lacs	
	<u>2012-2013</u>	<u>2011-2012</u>
Net Sales Turnover	3947.49	3966.48
Gross Profit before Interest and Depreciation	323.76	344.35
Less : Interest	185.30	154.85
Depreciation	123.39	146.75
Profit/(Loss) for the year	15.07	42.75
Less : Provision for Taxation	6.30	12.50
Profit/(Loss) after Taxation	8.77	30.25
Add: Balance brought forward from Previous Year	73.25	43.00
Balance carried to the Balance Sheet	82.02	73.25

CORPORATE DEVELOPMENTS / GROWTH & EXPANSION :

All the units of the company are running well, but unfortunately, a massive fire has occurred in Bhiwadi unit on 11.02.2013, thereby causing heavy damage to the fixed assets of the company.

Now the building at Chopanki, Bhiwadi has been repaired and production will start soon.

With the continuous research and development, understanding the customer needs and preferences for design and quality remained another focus area. Improvement of overall product performance by implementing the planned strategies, bringing in new developments and product improvements based on consumer research have helped your company to achieve an unprecedented performance during the year under review. The improved performance of your company over the last few years is a testimony to the fact that the company is moving in the right direction and has adopted the right model of doing its business.

DIVIDEND :

Payment of dividend for the year under review has not been recommended by the Board of Directors in view of the marginal profits.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Development

As the wooden and glass items are being substituted by plastic items, manufacturing of plastic products have also increased. Your 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 :

The consumption of plastic is increasing at the rapid speed as it is easy and convenient to use and can easily be recycled. 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.

It paves a path to the companies to make new development for the better positioning in the market.

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

Threats :

- Temporary decline in the economic activity
- Increase competition in the plastic industry due to new entry
- Introduction of new technologies
- Introduction of new taxes
- Increase in raw-material prices.
- Any unfavourable change in Government Policies may effect the profitability of the company.
- Unavailability of skilled manpower.
- Threat of substitutes.

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

Outlook :

The Outlook of your Company is promising, in light of its refreshed mission and vision and clear strategic framework. As the raw-material prices are increasing day by day, Polycon International Limited has chalked out plans to invest in better research and developments, focused on product development, team leadership and working towards making it a success. The Company's product development team has developed an exciting range of plastic items which will fuel our growth in future.

Risks and Concerns :

As the competition in plastic industries is increasing day-by-

day throughout the country, the company is facing various risks and obstacles which includes inflation risk, credit risk, interest rate risk, high prices of raw-material etc.

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.

Corporate Social Responsibility :

As a part of the Corporate Social Responsibility plan, your company has been emphasizing on eco-friendly packaging solutions, that is, keeping in mind the economy as well as the environmental friendliness. Your company contributes to a healthy corporate culture in our country.

Adequacy of Internal Control System :

The Company has adequate internal control system in place that ensures its adequacy, adherence to the company policies and compliance, assuring adherence of operating guidelines and statutory requirements, recommending improvements for monitoring and strengthening economy and efficiency of operations and ensuring reliability of financial and operational information and it also safeguard the company's assets against loss from unauthorized use and ensures proper authorization of financial strength. 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.

The well defined and standard reporting structure enables the management to reach to all the classes of employees. It also ensures that no one remains unheard in the company.

Discussion of financial Performance :

The Company's net turnover for the year ended March 31, 2013 is Rs. 3947.49 lacs.

The Profit before interest, depreciation and tax is Rs. 323.76 lacs. However, profit after tax is Rs. 8.77 lacs .

Your Company is engaged in the manufacturing of plastic containers since 1991 and the income also derived from the

sale of these products. The continuous growth in the sale of company's products boost the profitability and better net back.

Human Resources Development/Training :

Human Resources are the important asset of any enterprise. Your company believes that competent and motivated manpower is an important factor for achieving goals. In this regard, your company always tries to implement new procedures and policies to improve human resource quality and competency which is vital to long term success of the enterprise.

Polycon International Limited is keen to retain best of the human resources by effective training and development programmes, by providing reasonable wages and salary by creating good working environment etc. 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, 2013, the Company employed a total of 160 employees of which 14 were Officers and 146 belongs to non-executive cadre.

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

CAUTIONARY STATEMENT

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.

CAPITAL STRUCTURE

The authorised share capital of the Company is Rs. 750 Lacs divided in 75 lacs Equity Shares of Rs. 10 each.

DEPOSITORY SYSTEM :

The ISIN No. allotted to the Company is INE262C01014. The Company has also established the required connectivity with both the NSDL & CDSL through its registrar and share transfer agent Link In-time India Pvt. Ltd., Delhi for both physical and demat segments.

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

DIRECTORS :

In terms of provisions of Sec. 255, 256 of the Companies Act, 1956 and the articles of association of the company Shri Rajiv Baid and Shri Vinod Sacheti, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommended their re-appointment.

Shri S.L. Daga, Independent Director of the Company has resigned from directorship of the company w.e.f. 27.08.2012 due to his personal engagements.

Shri Sarabjit Singh, Independent Director of the company, has resigned from directorship of the company w.e.f. 25.03.2013 due to his personal engagements.

The Board places on record its sincere appreciation for the contributions made for the growth of the Company by Shri S.L Daga and Shri Sarabjit Singh as Directors.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Sec. 274(1) (g) of the Companies Act, 1956.

A brief resume of expertise and details of other directorships of these directors is attached along with Notice of the ensuing Annual General Meeting.

PUBLIC DEPOSITS :

Your Company has not accepted any Public Deposits.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to requirement under section 217 (2AA) of the Companies Act, 1956 and in respect of the annual accounts for the period under review your Directors hereby confirm that :-

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii) The Board of directors have selected and applied appropriate accounting policies 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.

- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on "going concern basis".

AUDITORS :-

M/s. A. Natani & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received the Certificate from them that their re-appointment, if made, would be within the limits prescribed u/s 224(1B) of the Companies Act, 1956.

COMPLIANCE OFFICER :

CS Gajanand Gupta, Finance Controller and Company Secretary, is looking after all compliances under various laws and can be contacted for any investor related matter relating to the company. His contact No. : 0141-2363048/2363049 and e-mail ID is polycon@polycon.in

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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 manufacturing units of the Company are well planned and adequately equipped for ensuring optimum energy utilization. Besides the measures already taken, efforts are continuing to examine and implement fresh proposal for further conservation of energy. Positive impact of measures already taken has been observed on the costs.

B. TECHNOLOGY ABSORPTION :-

As we know technology plays a vital role in any organization. Your company believes that only by using latest technology, the production and productivity can improve. The technology that is being used by your company is eco-friendly that conserve the environment. All the units of the company are well furnished with suitable equipments and self sufficient in the matter of manufacturing process. Efforts are being made towards latest technology absorption, adoption and innovation which adds value to our business. The technology is being updated on a regular basis by keeping abreast of the latest developments in the field.

C. FOREIGN EXCHANGE EARNINGS & OUTGO :-

Foreign Exchange Earnings
Export Sale : Rs. NIL

OUT GO

Expenses on foreign travels : Rs. NIL
Interest on WCFC Loan : Rs. NIL
Expenses on import on CIF basis for
- Capital Goods : Rs. NIL
- Raw Material : Rs. NIL
- Stores & Spares : Rs. NIL

PARTICULARS OF EMPLOYEES :-

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, regarding Employees : NIL

CORPORATE GOVERNANCE :-

POLYCON International Ltd. looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term shareholder value creation. Corporate Governance brings on equilibrium between the expectations of the owners, employees, customers and all other stakeholders and it ensures the commitment of the Board in managing the Company in transparent manner.

The company believes in ethical business conduct, integrity and commitment to value which enhance and retain stake holder's trust.

ACKNOWLEDGEMENT :-

The Board of Directors wish to place on record their sincere appreciation for the continued support and co-operation received from Rajasthan Financial Corporation, Indian Overseas Bank and various departments of State and Central Government and Trade Associations and also to all the employees start working at different level for their dedication, hard work and invaluable contribution.

Your Company continued to receive co-operation & unstinted support from the distributors, retailers, stockists, suppliers and others associated with the company as its trading partners. The Directors wish to place on record their appreciation for the same and your company will continue in endeavour to build and nurture strong links with trade, based on mutuality, respect and cooperation with each other and consistent with consumer interests.

For and on behalf of the Board

**Place : Jaipur
Date : 30.05.2013**

**CA L.C. BAID
CHAIRMAN & MANAGING
DIRECTOR**

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-13

(As required under Clause 49 of the Listing Agreements entered into with the Stock Exchange)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is insight into the management of the affairs of the company. It implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Polycon International Limited is committed to the highest standards of corporate governance in all its activities and processes as they are critical for meeting its obligation towards shareholders and other stakeholders. The company is compliant with the provisions of Clause 49 of the Listing Agreement as amended from time to time.

Polycon's Corporate Governance initiated is based on two core principles:

1. Management must have the executive freedom to drive the organization forward without undue restraints and,
2. This freedom of management, however, should be exercised within a framework of effective accountability and transparency.

Polycon International Limited is committed to achieve excellence in all its activities and maximize the stakeholders wealth. Your Company is continually evolving and adopting appropriate corporate governance practices.

2. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the company and as trustees of stakeholders.

(a) Composition of Board :-

The Board is structured with adequate blend of Executive, Non-Executive & Independent Directors which is responsible for direction, control, conduct management and supervision of the Company's affairs. To enable better and more focused attention on the affairs of the corporation the Board may delegate particular matters to the committees of the Board. The present Board consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management, legal, marketing and strategy etc.

As at March, 31st, 2013 the Board has Four directors out of which 2 members are non-executive directors. Non-executive directors are also independent directors. The Chairman of the Board is Executive director.

The composition of board of Directors is as follows: -

Name of Directors	Category	No. of other Directorship in Public Limited Companies	No. of Committee Membership/Chairmanship	
			Chairman	Member
CAL.C. Baid	Promoter & Managing Director	-	-	2
Sh. Rajiv Baid	Promoter & Executive Director	-	-	1
Sh. Vinod Sacheti	Non-Executive Independent Director	-	2	-
Sh. Adarsh Singhania	Non-Executive Independent Director	-	1	2

Independent Director as defined in clause 49 of the Listing Agreement, is one, who apart from receiving Director's remuneration does not have any other material pecuniary relationship or transactions with the company, its promoters, management or its subsidiaries, which in judgment of the Board may affect independence of judgment of the director and has not been an executive of the company in the immediately preceding three financial years. The Non-executive Directors have no material pecuniary relationship or transactions in their personal capacity with the company.

(b) Board Meeting

During the financial year 2012-13 Eight Meetings of Board of Directors were held on 28th April, 2012, 30th May, 2012, 21st June, 2012, 10th July, 2012, 10th August, 2012, 12th November, 2012, 8th December, 2012 & 11th February, 2013. The attendance of the Directors in these meetings were as follows :-

Name of Directors	Board Meeting		Whether Attended AGM held on 25 th August, 2012
	Held	Attended	
CAL.C. Baid	8	8	YES
Sh. Rajiv Baid	8	8	YES
Sh. Vinod Sacheti	8	7	NO
Sh. S. L. Daga	5	-	YES
Sh. Adarsh Singhanian	8	8	YES
Sh. Sarabjit Singh Kataria	6	3	YES
Sh. B.L. Baid	2	-	NO
Sh. Bharat Baid	2	-	NO

(c) Information supplied to the Board among others -

The Board is presented with all relevant information that is materially significant. Inter alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of Board Meeting and is tabled in the course of Board Meeting :-

1. Review of annual operating plans of business, capital budget, updates.
2. Quarterly results of the company.
3. Any issue which involves possible public or product liability claims of a substantial nature.
4. Significant development in the human resources and industrial relations fronts.
5. Sale of material nature of investments, assets, which is not in the normal course of business.
6. Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholders services, such as delay in share transfer and other grievances.
7. Minutes of meetings of Audit Committee and other committees of the Board
8. The information on recruitment and remuneration of senior officers just below the Board level.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the company prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

3. AUDIT COMMITTEE

a) Composition

As on 31st March, 2013, the Audit Committee comprises Three directors. Two directors are non-executive Directors.

(1) Shri Vinod Sacheti (2) Shri Adarsh Singhanian (3) CAL.C.Baid

The Committee is chaired by Shri Vinod Sacheti, an independent director. The Secretary of the Company is acting as Secretary to the Audit Committee also.

The committee reviewed the financial policies of the company and expressed its satisfaction with the same. The management represented to the committee that the company's financial statements were prepared in accordance with prevailing laws and regulations. The committee discussed the company's audited financial statement, the rationality of significant judgements and clarity of disclosures in the financial statements.

The Committee has also reviewed the internal controls to ensure that the accounts of the company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the committee found no material discrepancy or weakness in the internal control systems of the company.

The committee, after review expressed its satisfaction on the independence of both the internal and the statutory auditors. The committee has also reviewed company's financial and risk management policies. The audit committee also performs such other functions as may be covered in the listing agreement with the stock exchange or as may be required pursuant to Section 292A of Companies Act, 1956 or any other amendment thereof, from time to time over and above any specific functions that may be requested by Board of Directors.

Meetings & Attendance

The following Five meetings held during the year 2012-13

(1) 28th April, 2012 (2) 30th May, 2012 (3) 10th August, 2012 (4) 12th November, 2012 (5) 11th February, 2013

The attendance of each member of the Committee is given below :-

Name	Category	Held	Attended
Sh. Vinod Sacheti	Non-Executive Independent Director	5	5
Sh. Adarsh Singhania	Non-Executive Independent Director	5	5
CA L.C. Baid	Promoter & Managing Director	5	5

4. REMUNERATION COMMITTEE

The Remuneration Committee of the Board is constituted to formulate from time to time (a) process for selection and appointment of new directors and succession plans and (b) recommend to the Board from time to time, a compensation structure for directors, Senior Management members and relative of Directors.

There are two directors in the Remuneration Committee :-

1. Shri Vinod Sacheti : Chairman
2. Shri Adarsh Singhania : Member

Shri Vinod Sacheti is the Chairman of the Committee. The Secretary of the company is acting as the Secretary of the Committee.

Remuneration paid to Directors :-

(a) Remuneration paid to non-executive Directors :

Name of Non-Executive Director	Sitting Fee (Rs)
Sh. Vinod Sacheti	3500
Sh. Adarsh Singhania	3500
Sh. Sarabjit Singh	1500

(b) Remuneration paid to Managing Director & Executive Directors

Name of Executive Director	Salary * (Rs)	Contribution to P/F (Rs)	Total (Rs)
CA L.C. Baid	1338290	129600	1467890
Sh. Rajiv Baid	1338290	129600	1467890

*Includes bonus, allowances & perquisites.

NOTES

- (1) No commission has been paid to any Directors.
- (2) The service contract with Managing/Whole time Directors are normally for a period of five years. The contract may be terminated by either party giving the other party three months notice or the company paying 3 months salary in lieu thereof.

Severance Fees : NIL

- (3) Presently, the company does not have any stock option scheme.

(5) SHARE TRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Share Transfer & Investors Grievances Committee looks after the redressal of Investors Grievances pertaining to share transfer, transfer/transmission of shares, non-receipt of annual report, issue of duplicate share certificate, dematerialization and re-materialization of the securities etc.

The Investor Grievance Committee comprises of Three directors under the Chairmanship of Shri Adarsh Singhania a Non-executive director. The other members are CA Lal Chand Baid and Shri Rajiv Baid. CS Gajanand Gupta, the Secretary to the Company and also the Compliance Officer for the stock exchange requirements, acts as the Secretary to this committee.

The committee had 3 meetings. The attendance of each member is given below :-

Name of Directors	Nature of Directorship	No. of Meetings Attended
Sh. Adarsh Singhania	Non-Executive Independent Director	3
CA L.C. Baid	Promoter & Managing Director	3
Sh. Rajiv Baid	Promoter & Executive Director	3

No. of Shareholder's complaints received during the year 2012-13	-	NIL
No. of complaints resolved to the satisfaction of shareholders by 31.03.2013	-	N.A
No. of pending complaints as on 31.03.2013	-	NIL

(6) GENERAL BODY MEETING

(i) Details of location of last three Annual General Meetings of the company are given below :-

Nature of the Meeting	Date	Venue	If Special Resolution Passed
Annual General Meeting	25.08.2012	Rotary Bhawan, Church Road, M.I. Road, Jaipur-1	Yes
Annual General Meeting	30.09.2011	Rotary Bhawan, Church Road, M.I. Road, Jaipur-1	No
Annual General Meeting	20.11.2010	Rotary Bhawan, Church Road, M.I. Road, Jaipur-1	No

(ii) No postal Ballot was put through during the last three years and as of now there is no proposal pending for passing any resolution through Postal Ballot at the ensuing Annual General Meeting.

(iii) No Extra Ordinary General Meeting was held during the financial year.

(7) DISCLOSURES :
(a) Related party transactions :

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard-18 issued by the Institute of Chartered Accountants of India have been reported in the Notes to the accounts. There is no transaction of a material nature with any of the related party, which is in conflict with the interest of the company.

(b) Details of Non-compliance

Your company has complied with all the requirements with stock exchanges including guidelines and regulations of SEBI. No penalties or strictures have been imposed on the company by stock exchange or SEBI or any statutory authority on any matter related to capital market during the last three years.

(c) Secretarial Audit

A qualified practicing Company Secretary carried out the secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

(d) Code of Conduct - Code of conduct for the Board members and senior management personnel has been adopted by Board.

(8) MEANS OF COMMUNICATION :

Subject	Details
a) Half Yearly Report send to each household of shareholders	Since company's unaudited quarterly results including half yearly results are published in news papers, the same were not sent to each household of shareholders
b) Quarterly Results - Which Published normally in News Papers viz.	Mahaka Bharat (Hindi) The Statesman (English)
c) Any Web Site, where displayed	The financial results of the company are placed on the Web Site of the Bombay Stock Exchange Ltd. at www.bseindia.com and at www.polyconltd.com
d) Whether it also displays official News Release & presentations made to Institutional Investors/Analysis	No such occasion arose during the year
e) Whether MD&A is a part of Annual Report	Yes, incorporated in the Directors Report

9. GENERAL SHAREHOLDERS INFORMATION :
Annual General Meeting

Date & Time	28th September, 2013 at 1.00 pm
Venue	Polycon International Ltd., Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001

Financial Calender (tentative) for Financial Year 2013-14

Details	On or Before
(a) 1 st Quarterly Result	14.08.2013
(b) 2 nd Quarterly Result & Half Yearly Result	15.11.2013
(c) 3 rd Quarterly Result	15.02.2014
(d) 4 th Quarterly Result & Yearly Audited Result	30.05.2014

Date of Book Closure : 25th September, 2013 to
28th September, 2013
(Both days inclusive)

Dividend : In view of marginal profit
during the year under review,
the Board of Directors
decided not to recommend
any dividend on equity
shares of the company.

Listing on stock Exchange : The Bombay Stock
Exchange Ltd.
Floor 25,
Phiroze Jeejeebhoy Towers
Dalal Street,
Fort Mumbai-400 001

NOTE: The Company has paid listing fees, as
applicable for the financial year 2013-14 to
the concerned Stock Exchange.

Stock Code : Bombay Stock Exchange Ltd. : 531397

ISIN No. of the Company's Equity Shares : INE262C01014

Stock Price Data

The Company's shares are listed on Bombay Stock
Exchange Ltd. The monthly high & low quotations of
shares traded during the year 2012-13 are as under :-

Month	High	Low
April, 2012	14.32	12.95
May, 2012	17.27	13.65
June, 2012	20.20	17.10
July, 2012	24.25	19.05
August, 2012	19.20	19.05
September, 2012	19.15	17.15
October, 2012	16.30	10.95
November, 2012	11.41	8.44
December, 2012	9.00	7.63
January, 2013	8.00	7.01
February, 2013	7.51	7.13
March, 2013	-	-

*As per website of the Stock Exchange Mumbai i.e.
www.bseindia.com

The Registrar and Share Transfer Agent of the Company

M/s. Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor,
Naraina Industrial Area,
Phase-I, Near PVR Naraina
NEW DELHI-110 028

Share Transfer System

All the transfer, if received are processed and
approved by the Share Transfer Committee.

**Distribution of shareholding & shareholding pattern
as on 31st March, 2013 :**

Range - No. of Shares	No. of Shareholders	No. of Shares	Percentage to total
Upto - 500	492	137926	2.8211
501 - 1000	107	97933	2.0031
1001 - 2000	95	147043	3.0076
2001 - 3000	22	55800	1.1413
3001 - 4000	6	21468	0.4391
4001 - 5000	5	24515	0.5014
5001 - 10000	7	50927	1.0416
10001 & above	27	4353488	89.0447
Total	761	4889100	100.00

Shareholding Pattern as on 31.03.2013

Category Code	Category of Shareholder	Total number of Share	Total Shareholding as a percentage of total number of Shares As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
a)	Individuals/Hindu Undivided Family	1862781	38.10
b)	Central Government/State Government	0	0
c)	Bodies Corporate	572500	11.71
e)	Any Other(Specify)		
	Sub Total(A)(1)	2435281	49.81
(2)	Foreign		
a)	Individuals(Non-Resident / Foreign Individuals)	0	0
b)	Bodies Corporate	0	0
c)	Institutions	0	0
d)	Any Other (Specify)	0	0
	Sub Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	2435281	49.81
B)	Public Shareholding		
(1)	Institutions		
a)	Mutual Funds/UTI	0	0
b)	Financial Institutions /Banks	0	0
c)	Central Government/State Government	0	0
d)	Venture Capital	0	0
e)	Insurance Companies	0	0
f)	Foreign Institutional Investors	0	0
g)	Foreign Venture Capital Investors	0	0
h)	Any Other(Specify)	0	0
	Sub Total (B) (1)	0	0
(2)	Non-Institutions		
a)	Bodies Corporate	1659483	33.94
b)	Individuals:-		
	i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	499543	10.22
	ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	287288	5.88
c)	Any Other:-		
	i) Non Resident Indians	2000	0.04
	ii) Clearing Members	5505	0.11
	iii) Hindu Undivided family	0	0
	Sub Total (B) (2)	2453819	50.19
	Total Public Shareholding (B)=(B) (1)+(B) (2)	2453819	50.19
	Total(A)+(B)	4889100	100.00
C)	Shares Held by Custodian and against which Depository Receipts have been issued	0	0
	Grand Total(A)+(B)+(C)	4889100	100.00

Dematerialisation of equity shares and liquidity

The Company's shares are currently traded only in dematerialized form at Bombay Stock Exchange Ltd.. To facilitate trading in dematerialised form the company has tied up arrangements with both the present depositories, National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories. As on 31st March, 2013 about 92.47% of the company's shares were held in dematerialised form.

None of the company's shares are lock in period for any purpose.

Plant Locations (Manufacturing Units)

Address	Item produced
UNIT - I F-11, Hirawala Industrial Area, Kanota, Jaipur - 303 012	- Water Storage Tanks
UNIT-II F-97, 98, 99 & G-96 Hirawala Industrial Area Kanota, Jaipur - 303 012	- PET Containers like Bottles & Jars - PVC Profiles
UNIT-III Plot No. F-954(A), RIICO Industrial Area, Chopanki, Bhiwadi, Rajasthan.	- PET Containers like Bottles & Jars
UNIT-IV Plot No. 17, Sector-4, IIE, SIDCUL, Pantnagar-263153 Uttarkhand	- PET Containers like Bottles & Jars (under implementation)

Address for Correspondence : M/s. Polycon International Limited
Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001, RAJASTHAN
Tel. : 91-141-2363048/2363049, Fax : 91-141-2377046
e-mail : polycon@polycon.in

(10) NON-MANDATORY REQUIREMENTS :

The Company at present has not adopted the non-mandatory requirements in regard to sending half yearly financial results to the shareholders at the residence.

Auditor's Certificate on Corporate Governance

To,
The Members,
Polycon International Limited

We have examined the compliance of conditions of Corporate Governance by Polycon International Limited, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

FOR A. NATANI & CO.
Chartered Accountants
Firm Reg. No. 07347C

Place : JAIPUR
Date : 30.05.2013

ASHOK KUMAR NATANI
PARTNER
Membership No. 74692

INDEPENDENT AUDITORS' REPORT

To
The Members
Polycon International Ltd.

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s. Polycon International Ltd. ('the Company') which comprises the Balance Sheet as on 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according

to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013

(b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement of the matters specified in paragraphs 4&5 of the said order.

2. As required by section 227(3) of the Act, we report that :

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

(b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books of account.

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956; and

(e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies act, 1956.

FOR A.NATANI & CO.
Chartered Accountants
Firm Reg. No. 07347C

Place : JAIPUR
Date : 30.05.2013

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP No. 74692

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report of even date to the members of M/s. Polycon International Ltd. (the Company) for the year ended on 31st March, 2013, We report that :-

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets
 (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of the inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section(1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues :
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, CESS and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st

March, 2013 for a period of more than six months from the date of becoming payable.

(b) The disputed statutory dues aggregating Rs. 1,95,802 that have not been deposited on account of disputed matters pending before appropriate authorities are -

Sr. No.	Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
1	Rajasthan Sales Tax	Sales Tax	97422	2000-01	Dy.Commissioner
2	Central Excise Act,1944	Excise Duty	86547	31.10.2001 to 31.01.05	Central Excise & Customs Appellate Tribunal
3	Central Excise Act,1944	Excise Duty	11833	2007-08	Dy.Commissioner Central Excise & Customs Appellate Tribunal
TOTAL Rs.			195802		

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.

12. In our opinion and according to the explanations given to us and based on the information's available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund/midhi/ mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph-4 of the Order are not applicable to the Company.

14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.

15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the year end.

20. The Company has not raised any monies by way of public issues during the year.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

FOR A.NATANI & CO.
Chartered Accountants
Firm Reg. No. 07347C

Place : JAIPUR
Date : 30.05.2013

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP No. 74692

POLYCON INTERNATIONAL LIMITED

Balance Sheet As at 31st March, 2013

(Rupees in Lacs)

SCHEDULE	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	3	543.55	543.55
Reserves and Surplus	4	82.02	73.25
Non-current Liabilities			
Deferred tax liabilities (net)	5	22.78	24.32
Long term liabilities	6	929.28	698.02
Long-term provisions	7	42.50	37.87
		<u>1620.13</u>	<u>1377.01</u>
Current Liabilities			
Short-term borrowings	8	893.10	764.62
Trade Payables	9	128.08	97.45
Other Current liabilities	10	329.36	218.58
Short-term provisions	11	7.85	13.50
		<u>1358.39</u>	<u>1094.15</u>
Total		<u>2978.52</u>	<u>2471.16</u>
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	972.93	837.57
Capital work-in-progress		-	4.48
		<u>972.93</u>	<u>842.05</u>
Non-current investments	13	1.64	1.64
Long-term loans and advances	14	43.67	97.93
		<u>1018.24</u>	<u>941.62</u>
Current Assets			
Current Investments	15	4.34	4.34
Inventories	16	430.91	382.02
Trade receivables	17	922.89	809.96
Cash and cash equivalents	18	42.56	49.24
Short-term loans and advances	19	558.30	282.70
Deferred Revenue expenses		1.28	1.28
		<u>1960.28</u>	<u>1529.54</u>
Total		<u>2978.52</u>	<u>2471.16</u>

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements

CA L.C.BAID
CHAIRMAN &
MANAGING
DIRECTOR

RAJIV BAID
EXECUTIVE
DIRECTOR

VINOD SACHETI
INDEPENDENT
DIRECTOR

CS GAJANAND GUPTA
FINANCE CONTROLLER &
COMPANY SECRETARY

In terms of our report attached
for A.NATANI & COMPANY
Chartered Accountants
Firm Reg. No. 07347C

Place : Jaipur
Date : 30.05.2013

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP NO. 74692

POLYCON INTERNATIONAL LIMITED **STATEMENT OF PROFIT AND LOSS** **FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rupees in Lacs)

	Note No	Year ended 31.03.13	Year ended 31.03.12
Revenue from operations (gross)	20	4634.00	4476.64
Less : Excise duty & Taxes		<u>686.51</u>	<u>510.16</u>
Revenue from operations (net)		3947.49	3966.48
Other income	21	5.34	6.08
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	<u>-25.71</u>	<u>44.00</u>
Total		<u>3927.12</u>	<u>4016.56</u>
EXPENSES			
Cost of raw materials consumed	23	2519.13	2515.24
Employee benefits expense	24	196.88	190.43
Finance Costs	25	185.30	154.85
Depreciation and amortization expense	26	123.39	146.75
Other expenses	27	<u>887.35</u>	<u>966.54</u>
Total		<u>3912.05</u>	<u>3973.81</u>
Profit before tax			
Tax expense		15.07	42.75
Current tax		7.85	13.50
Deferred tax		<u>(1.55)</u>	<u>(1.00)</u>
Total		<u>8.77</u>	<u>30.25</u>
Profit for the year			
Earnings per share (of face value of Rs.10/- each)			
Basic	28	0.18	0.62
Diluted	28	0.18	0.62
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

CA L.C.BAID
CHAIRMAN &
MANAGING
DIRECTOR

RAJIV BAID
EXECUTIVE
DIRECTOR

VINOD SACHETI
INDEPENDENT
DIRECTOR

CS GAJANAND GUPTA
FINANCE CONTROLLER &
COMPANY SECRETARY

In terms of our report attached
for A.NATANI & COMPANY
Chartered Accountants
Firm Reg. No. 07347C

Place : Jaipur
Date : 30.05.2013

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP NO. 74692

POLYCON INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lacs)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	15.07	42.75
adjustments for :		
Depreciation/amortization	123.39	146.75
Loss/(Profit) on sale/write off of fixed assets (net)	(0.75)	-
Net gain/loss on sale of investments	-	-
Interest expense	185.30	154.85
Interest income	(4.59)	(2.41)
Net loss/(gain) on foreign currency transactions	-	-
Deferred Revenue Expenses (Net)	-	(0.63)
Net prior year adjustments	-	(3.67)
Long Term Provisions (Net)	4.63	-
Operating profit before working capital changes	323.05	337.64
(Increase)/decrease in trade receivables	(112.93)	18.35
(Increase)/decrease in inventories	(48.89)	(87.16)
(Increase)/decrease in loans and advances	(221.35)	(141.91)
Increase/(decrease) trade and other payables	52.87	15.39
Cash generated from operations	(7.25)	142.31
Direct taxes paid	(13.50)	(9.90)
Net Cash generated from operating activities	(20.75)	132.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(487.76)	(175.15)
Sale of Fixed Assets	233.51	-
Amounts paid for acquiring of Companies	-	-
Purchase of investments	-	(4.94)
Sale of Investment	-	-
Dividend income	-	-
Interest received & Other Income	5.34	6.08
Net cash (used in) investing activities	(248.91)	(174.01)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of capital	-	-
Buyback of equity shares	-	-
Proceeds from long term borrowing	543.03	250.24
Repayments of long term borrowings	(223.23)	(202.74)
Short term borrowings (net)	128.48	188.34
Dividend paid (including dividend distribution tax)	-	-
Interest expense	(185.30)	(154.85)
Net Cash (used in)/from financing activities	262.98	80.99
Net increase/(decrease) in cash and cash equivalents	(6.68)	39.39
Cash and cash equivalents at the beginning of the year	49.24	9.85
Cash and cash equivalents at the end of the year	42.56	49.24

CA L.C.BAID
CHAIRMAN &
MANAGING
DIRECTOR

RAJIV BAID
EXECUTIVE
DIRECTOR

VINOD SACHETI
INDEPENDENT
DIRECTOR

CS GAJANAND GUPTA
FINANCE CONTROLLER &
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ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP NO. 74692

Notes to Financial statements for the Year ended 31st March, 2013
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 on 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 and Pantnagar, Uttarakhand.

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

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

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

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

b) Use of Estimates

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

c) Tangible fixed assets

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

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedule-XIV of the Companies Act, 1956

except the Plant and Machinery and Dies and Moulds purchased after 01.04.2004 - Straight Line Method at all the units.

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

e) Impairment of tangible assets

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

f) Investments

Investment are stated at cost.

g) Inventories

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

Notes to Financial statements for the Year ended 31st March, 2013

n) Accounting of Subsidy

Amount of subsidy granted under Rajasthan Investment Promotion Scheme towards payment of interest and wages in respect of expansion project have been accounted for as and when received by the Company.

o) 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.

p) 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

	<i>(Rupees in Lacs)</i>	
	As at 31.3. 2013	As at 31.3. 2012
Authorised Shares		
7500000 Equity shares of Rs.10/- each	750.00	750.00
Issued,subscribed and fully paid shares		
4889100 (as at 31st March, 2012 - 4889100)	488.91	488.91
equity shares of Rs. 10/- each, fully paid-up		
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	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended 31st March, 2013		
- Number of shares	4889100	4889100
- Amount (Rs. In lacs)	488.91	488.91
Year ended 31st March, 2012		
- Number of shares	4889100	4889100
- Amount (Rs. In lacs)	488.91	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 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 holding more than 5% shares in the Company :

Equity shares of Rs. 10/- each fully paid	31st March, 2013		31st March, 2012	
	Nos.	% holding	Nos.	% holding
1 Sankalp Granites Pvt. Ltd.	521240	10.66	521240	10.66
2 Maratha Petrochemicals Pvt. Ltd.	291700	5.97	291700	5.97
3 Sigo Polymers Pvt. Ltd.	294700	6.02	294700	6.02
4 Subhraj Traders Pvt. Ltd.	393900	8.06	393900	8.06
5 Bharat Kumar Baid (H)	269570	5.51	269570	5.51
6 Jai Sinter Polycon Pvt. Ltd.	572500	11.71	572500	11.71

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

	<i>(Rupees in Lacs)</i>	
	As at 31.3. 2013	As at 31.3. 2012
Share Premium		
As per last Balance Sheet	NIL	NIL
Less : Transfer pursuant to Scheme of Arrangement		
	NIL	NIL
	0.00	0.00

Surplus in Statement of Profit and Loss

Balance as at the beginning of the year	73.25	43.00
Profit for the year	8.77	30.25
Balance as at the end of the year	82.02	73.25
Total Reserves and Surplus	82.02	73.25

Notes on Financial Statements for the Year ended 31st March, 2013
Note 05 DEFERRED TAX LIABILITIES (NET)
(Rupees in Lacs)

	As at 31.3.2013	As at 31.3. 2012
Difference between book and tax written down values of fixed assets	35.91	36.02
Gross deferred tax liability	35.91	36.02
Deferred Tax Asset		
Gratuity	13.13	11.70
Gross Deferred Tax Asset	13.13	11.70
Total	22.78	24.32

Note 06 LONG-TERM LIABILITIES
(Rupees in Lacs)

	As at 31.3.2013		As at 31.3.2012	
	Current Maturities	Non-current Maturities	Current Maturities	Non-current Maturities
SECURED				
Bank and Financial Institution	287.02	772.43	198.48	594.83
UNSECURED - OTHERS				
Sales Tax Defferment Scheme	-	96.00	-	96.00
Others	-	53.50	-	-
Trade/Security deposits	-	7.35	-	7.19
Total	287.02	929.28	198.48	698.02

- 1 Term Loan from Bank 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.
- 2 Term Loans from Rajasthan Financial Corporation (RFC) are secured by equitable mortgage on fixed assets of the company both present and future situated at Jaipur and Chopanki, Bhiwadi and also secured by Personal Guarantee of two Directors of the Company.

Note 07 LONG-TERM PROVISIONS
(Rupees in Lacs)

	As at 31.3.2013	As at 31.3. 2012
Provisions for employee benefits		
Provision for Gratuity	42.50	37.87
Total	42.40	37.87

Note 08 SHORT-TERMBORROWINGS
Secured

Cash Credit from Bank	893.10	764.62
Total	893.10	764.62

Cash Credit Limit from banks are secured by hypothecation of stocks and book debts of the Company, both present and future and second charge created / to be created on all the fixed assets of the Company situated at Jaipur and Chopanki, Bhiwadi and also secured by Personal Guarantee of two Directors of the Company..

Note 09 TRADE PAYABLES
Trade Payables

(For supplies & Expenses)	128.08	97.45
Total	128.08	97.45

*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. 22.16 lacs (Previous Year 28.34 lacs) (Refer Note 31)

Note 10 OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings (secured)	287.02	198.48
Statutory dues payable	4.61	2.08
Advance from Customers	37.73	18.02
Total	329.36	218.58

Note 11 SHORT-TERM PROVISIONS

Provision for tax	7.85	13.50
Total	7.85	13.50

Note 12 FIXED ASSETS
(Rupees in Lacs)

Tangible Assets	Gross Block				Depreciation/Amortisation					
	As at 1st April 2012	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2013	As at 1st April 2012	For the year	Deductions/ Adjustments	up to 31st March 2013	As At 31st March 2013	As At 31st March 2012
Owned Assets										
Freehold land	0	0	0	0	0	0	0	0	0.00	0
Leasehold land	45.75	196.65	0	242.40	0	0	0	0	242.40	45.75
Buildings	371.74	16.10	68.51	319.33	246.25	11.90	28.22	229.93	89.40	125.49
Plant & Machinery	2003.47	248.27	309.51	1942.23	1430.22	75.19	122.91	1382.50	559.73	573.25
electric Instalation	40.13	0.12	5.62	34.63	31.46	1.17	3.15	29.48	5.15	8.67
Office Equipment	23.57	1.05	0.68	23.94	18.04	0.85	0.20	18.69	5.25	5.53
Testing Equipment	1.55	0	0	1.55	1.26	0.04	0	1.30	0.25	0.29
Furniture and Fixtures	8.08	0.13	0.56	7.65	6.30	0.32	0.28	6.34	1.31	1.78
Vehicles	75.51	0	6.83	68.68	38.25	9.51	6.11	41.65	27.03	37.26
Computer	13.18	1.04	0.21	14.01	12.09	0.60	0.14	12.55	1.46	1.09
Moulds & Dies	671.09	28.90	24.33	675.66	632.63	23.81	21.73	634.71	40.95	38.46
Total	3254.07	492.26	416.25	3330.08	2416.50	123.39	182.74	2357.15	972.93	837.57
As at and for the year ended 31st March, 2012	3083.39	170.68	0	3254.07	2269.75	146.75	0.00	2416.50	837.57	813.65

Note 13 NON-CURRENT INVESTMENTS

	As at 31.3. 2013	As at 31.3. 2012
* (Long Term Investments)		
Investment in Equity Instruments		
In Equity Shares-Quoted, Fully Paid-up		
2500 Equity Shares of HFCL OF	0.66	0.66
Rs. 10 Each (2500)		
In Government Securities - Unquoted		
6 Years National Savings Certificate	0.98	0.98
(Deposited with Sales Tax Department and other Government Authorities)		
TOTAL	1.64	1.64

Note 14 LONG-TERM LOANS AND ADVANCES

Capital advances		
Unsecured, considered good	-	29.11
Security deposits		
Unsecured, considered good	24.99	40.07
Total	24.99	69.18
Advance income-tax net of provision		
Rs. 7.85 lacs (as at 31st March, 2012,	18.68	28.75
Rs. 13.50 lacs) Unsecured,		
considered good)	18.68	28.75
Total	43.67	97.93

Note 15 CURRENT INVESTMENTS

Investment in Equity Instruments		
In Equity Shares-Quoted, Fully		
Paid-up 500 shares of RIL of		
Rs. 10.00 each (NIL)	4.34	4.34
Total	4.34	4.34

Note 16 INVENTORIES

(valued at lower of cost and
net realizable value)

Raw materials	261.14	196.25
Finished goods	127.90	172.47
Traded Goods	26.14	9.30
Stores and Spares	13.18	2.85
Fuel	2.55	1.15
Total	430.91	382.02

Note 17 TRADE RECEIVABLES
Unsecured

Outstanding for a period exceeding six months from the date they are due for payment	207.43	167.59
(Unsecured, considered good)	207.43	167.59

Less : Provision for doubtful trade
receivables

Total	207.43	167.59
Other receivables	715.46	642.37
Total	922.89	809.96

Note 18 CASH AND CASH EQUIVALENTS

	As at 31.3. 2013	As at 31.3. 2012
Cash on hand	4.87	3.26
Balances with banks :		
In current accounts	37.41	42.55
In deposit accounts	0.28	3.43
	42.56	49.24
Total :	42.56	49.24

Note 19 SHORT-TERM LOANS AND ADVANCES
Loan and advances to related parties

Unsecured, considered good	94.98	87.52
	94.98	87.52

Security Deposits

Unsecured, considered good	35.12	35.12
	130.10	122.64
	130.10	122.64

Loans to employees		
(unsecured, considered good)	12.53	7.25
Prepaid expenses		
(unsecured, considered good)	1.59	1.95
CENVAT credit receivable	18.98	16.29
Sales Tax Credit receivable	17.10	2.57
Insurance claim receivable	293.23	-
	343.43	28.06

Other loans and advances

(unsecured, including advance to suppliers)

Unsecured, considered good	84.77	132.00
	84.77	132.00
Total	558.30	282.70

Note 20 REVENUE FROM OPERATIONS

	For the year ended 31.3.2013	For the year ended 31.3. 2012
Revenue from operations		
Sale of products		
Finished goods	4627.07	4473.58
Traded goods	2.14	-
Other operating revenue	2.13	-
Scrap sales	2.66	3.06
Revenue from operations (Gross)	4634.00	4476.64
Less : Excise Duty & Taxes	686.51	510.16
Revenue from Operations (net)	3947.49	3966.48

* Excise Duty deducted from turnover represents excise
duty collected on sale of goods

Details of products sold

PP Cap	215.93	166.42
PET Bottles & Jars	3326.10	3362.84
Water Storage Tanks	271.19	300.01
PVC Profiles	127.34	134.15
Scrap Sale	2.66	3.06
Traded Goods	3943.22	3966.48
Sale of PET Chips/LLDPE	2.14	0
Revenue from Job Work	2.13	0
Total	3947.49	3966.48

Note 21 OTHER INCOME

	For the year ended 31.3.2013	For the year ended 31.3. 2012
Interest income (Refer note 1 below)	4.59	2.41
Other non-operating income (Refer note 2, below)	0.75	3.67
Total	5.34	6.08

Notes :

1	Interest from banks on deposits	0.44	0.18
	Other interest	4.15	2.23
		4.59	2.41
2	Other non-operating income :		
	Provision for Income Tax advances written back/credit balances written back		3.67
	Profit on sale of Assets	0.75	-
		0.75	3.67

Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Inventories at the end of the year		
Finished goods	149.65	172.47
	149.65	172.47
Inventories at the beginning of the year		
Finished goods	172.47	128.47
Finished goods(Purchase)	2.89	-
Total	175.36	128.47
Net increase/Decrease(-)	-25.71	44.00

Note 23 COST OF RAW MATERIALS CONSUMED

Inventories at the beginning of the year	196.26	152.09
Add : Purchases	2608.67	2559.41
	2804.93	2711.50
Less : Inventories at the end of the year	285.80	196.26
Cost of raw-materials consumed	2519.13	2515.24

Details of raw-materials consumed

LLDPE Granual	172.14	173.68
PVC Resin	132.52	90.29
PET Chips	1898.18	1916.75
Polypropolene	190.08	135.10
PET Preforms	109.28	187.61
Others	16.93	11.81
Total	2519.13	2515.24

Note 24 EMPLOYEE BENEFITS EXPENSES

Salaries, wages and bonus	171.89	165.19
Contribution to provident and other funds	16.04	15.65
Staff Welfare Expenses	3.39	3.76
Provision for Gratuity	5.56	5.83
Total	196.88	190.43

Note 25 FINANCE COSTS

	For the year ended 31.3.2013	For the year ended 31.3. 2012
Interest on borrowings	179.91	154.38
Interest on others	5.39	0.47
Total	183.30	154.85

Note 26 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation for the year on tangible assets	123.39	146.75
Total	123.39	146.75

Note 27 OTHER EXPENSES

Consumption of stores and spares	18.81	48.72
Consumption of packing materials	143.41	263.57
Power and fuel	388.75	371.78
Rent	5.95	6.75
Repairs to buildigns	2.93	7.14
Repairs to machinery	47.51	40.98
Insurance	3.92	3.57
Rates and taxes	1.31	0.44
Commission and discounts	0.90	33.70
Transport and freight charges (net)	152.16	88.67
Bad Debts/advances written off	0	-
Donations	2.05	3.00
Legal and professional fees *	0.81	1.70
Miscellaneous expenses	118.84	96.52
Total	887.35	966.54

*** Includes Payments to auditors**

As auditors - statutory audit	0.19	0.19
Total	0.19	0.19

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 outstading during the year, as under :		
Profit attributable to equity shareholders - Rupees in lacs	8.77	30.25
Weighted average number of equity shares outstanding during the year	4889100	4889100
Basic earnings per share - rupees	0.18	0.62
Diluted earnings per share - Rupees	0.18	0.62
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.

Note 30 CONTINGENT LIABILITIES
(Rupees in Lacs)

	As at 31.3. 2013	As at 31.3. 2012
In respect of :		
a) Excise matters disputed in appeal	0.98	0.98
b) Sales tax matters disputed in appeal	0.97	0.97
c) Bank Guarantee issued in favour of HPCL	8.00	10.00

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

	For the year ended 31.3.2013	For the year ended 31.3. 2012
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	22.16	28.34
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, Dist.

Alwar resulted in losses amounting to Rs. 49.01 lac for inventories and Rs. 232.77 lacs for fixed assets. As these assets were insured hence corresponding claim for loss as per insurance policies have been filed with insurers. Pending receipt of Claims from insurance Company the amount has been shown as insurance claims receivables as short term loans and advance under current assets. Shortfall/surplus if any will be accounted for when the claim is settled by Insurance Companies.

Note 34 RELATED PARTY TRANSACTIONS
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) Shri Varun Baid	Held office of profit
d) 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

Details of transactions with related parties during the year/previous year
(Rupees in Lacs)

	For the year ended 31.3.2013	For the year ended 31.3. 2012
Nature of transactions		
1 Sale of finished goods	68.55	118.32
2 Receiving of Services	0.69	1.89
3 Interest Paid	-	-
4 Salary to Shri Varun Baid	9.41	8.58
5 Salary to Ms Varsha Baid	2.00	-
6 Managerial Remuneration to KMP	28.36	20.40

Note 36 Earning in Foreign Currency

FOB Value of Exports	NIL	NIL
Other Income	NIL	NIL

Note 37 EXPENDITURE IN FOREIGN CURRENCY

a) Travelling expenses	NIL	3.20
b) Interest on WCFC Loan	NIL	31.92

Note 38

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

Note 36

The Revised Schedule-VI has become effective from 01st April 2012 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been re-grouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

CA L.C. BAID
CHAIRMAN &
MANAGING
DIRECTOR

RAJIV BAID
EXECUTIVE
DIRECTOR

VINOD SACHETI
INDEPENDENT
DIRECTOR

CS GAJANAND GUPTA
FINANCE CONTROLLER &
COMPANY SECRETARY

In terms of our report attached
for A. NATANI & COMPANY
Chartered Accountants
Firm Reg. No. 07347C

Place : Jaipur
Date : 30.05.2013

ASHOK KUMAR NATANI
PARTNER
MEMBERSHIP NO. 74692

NOTES

ATTENDANCE SLIP
POLYCON INTERNATIONAL LIMITED

Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Share holders may obtain additional Attendance slip on request (Ledger Folio No./Client ID No. and Name of the Share holder/ joint holders/proxy and address as given on the envelope in BLOCK LETTERS to be furnished below) :-

Name & Address of Shareholders/Proxy	Ledger Folio No./Client ID No.	No. Shares held
--------------------------------------	--------------------------------	-----------------

I hereby record my presence at the Twenty Second Annual General Meeting of the Company to be held on the Saturday 28th September, 2013 at 1:00 P.M. at the Registered Office of the company at Rotary Bhawan, Church Road, M I Road, Jaipur-302 001

SIGNATURE OF THE SHAREHOLDER OR PROXY -----

NOTES :

- 1). Shareholders/proxy holders are requested to bring the Attendance Slip with them they come to the meeting and hand it over at the gate after signing it.
- 2). Shareholders are requested to advise the change in their address(s), if any, indicating their Folio Nos. to the Company's Registered Office.

----- TEAR HERE -----

PROXY FORM
POLYCON INTERNATIONAL LIMITED

Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001

(Ledger Folio No./Client ID No. & Name of the Shareholders/joint holders & addresses as given on the envelope in BLOCK LETTERS to be furnished below) :-

Ledger Folio No./Client ID No. -----	No. of Shares held-----
--------------------------------------	-------------------------

I/We ----- of -----

----- being a

member/members of POLYCON INTERNATIONAL LIMITED hereby appoint -----

----- of ----- or failing

him/her ----- of ----- as my/our

Proxy to vote for me/us on my /our behalf at the Twenty Second Annual General Meeting of the Company to be held on Saturday, 28th September, 2013 and /or at any adjournment thereof.

As witness my/our hand(s) this ----- day of ----- 2013

Signed by the said -----

1 Rupee
Revenue
Stamp

Note : The Proxy form should be duly stamped, completed and must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding aforesaid meeting.

BOOK-POST