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**28<sup>th</sup> ANNUAL REPORT**  
**2018-2019**

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**POLYCON International Ltd.**

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**BOARD OF DIRECTORS****Executive Directors**

Mr L.C. Baid Chairman & Managing Director  
(upto 15/09/2018)  
Mr Rajiv Baid Chairman & Managing Director  
(w.e.f 13/11/2018)  
Mr. Varun Baid Executive Director  
(w.e.f 13/11/2018)

**Independent Directors**

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

**Non-Independent Directors**

Mr. K.C. Bhandari

**Chief Financial Officer  
& Company Secretary**

CS Gajanand Gupta

**Bankers**

State Bank of India  
Indian Overseas Bank

**Auditors**

Tambi Ashok & Associates  
Chartered Accountants  
B -19, Padam Niwas,  
New Colony, M.I. Road,  
JAIPUR-302001

**BOARD COMMITTEES****Audit Committee**

Mr. Kamal Kumar Bordia  
Mr. Adarsh Singhanian  
Mr. L.C. Baid (upto 15/09/2018)  
Mr Rajiv Baid (w.e.f. 13/11/2018)

**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. K.C. Bhandari

**Secretarial Auditors**

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

**Registered office**

C-98, Jagan Path, Chomu House, C-Scheme, Jaipur-302001  
Tel. : 0141-2363048, 2363049, Fax : 91-141-2377046  
e-mail : guptag@polycon.in Website : polyconltd.com  
CIN : L28992RJ1991PLC006265

**Registrar & Share Transfer Agents**

Link Intime India Pvt. Ltd.  
Noble Heights 1st Floor Plot No NH-2, C-1 Block  
LSC Near Savitri Market, Janakpuri  
NEW DELHI-110 058

**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

## TEN YEARS FINANCIAL HIGHLIGHTS (2010-2019)

(Amount Rs. in Lac)

Particulars	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>PROFIT &amp; APPROPRIATIONS</b>										
Sales & Other Income	3678.89	3085.02	3972.56	3952.83	4409.69	3858.92	3683.56	3465.36	3580.86	3757.92
Profit Before Depreciation & Tax	266.81	170.63	189.50	138.46	146.82	155.43	136.87	131.55	137.97	120.14
Depreciation	218.43	134.62	146.75	123.39	108.71	120.54	97.51	93.96	100.69	100.00
Profit before Tax	48.38	36.01	42.75	15.07	38.11	34.89	39.36	37.59	37.28	20.14
Taxation	15.43	10.01	12.50	6.30	11.11	10.05	12.19	9.95	6.79	5.31
Profit after Tax	32.95	26.00	30.25	8.77	27.00	24.84	27.17	27.64	30.49	14.83
Dividend	-	-	-	-	-	-	-	-	-	-
Earning per Share	0.67	0.53	0.62	0.18	0.55	0.51	0.56	0.57	0.62	0.30
<b>ASSETS EMPLOYED</b>										
Fixed Assets Gross	3746.15	3083.40	3254.07	3330.08	3528.37	3639.11	3714.80	3889.18	4034.52	4090.55
Depreciation	2318.23	2269.75	2416.50	2357.15	2438.54	2556.08	2647.58	2738.11	2846.14	2940.13
Net	1427.92	813.65	837.57	972.93	1089.83	1083.03	1067.22	1151.07	1188.38	1150.41
Capital work in progress	6.48	-	4.48	-	61.33	41.49	68.44	20.69	20.69	236.41
Investment	21.04	1.04	5.98	5.98	5.55	5.55	1.64	1.64	1.96	1.76
Current Assets	1521.39	1214.86	1445.74	1770.21	2085.10	1604.25	1612.24	1735.45	2039.56	2084.32
Miscellaneous Exp.	4.52	0.65	1.28	1.28	1.02	0.00	0.00	0.00	0.00	0.00
	<b>2981.35</b>	<b>2030.20</b>	<b>2295.05</b>	<b>2750.40</b>	<b>3242.83</b>	<b>2734.32</b>	<b>2749.54</b>	<b>2908.85</b>	<b>3250.59</b>	<b>3472.92</b>
<b>FINANCED BY</b>										
Equity Shares	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55
Reserves & Surplus	331.24	43.00	73.25	82.02	109.03	131.18	158.35	185.99	208.87	223.70
Loan Funds	2051.43	1418.33	1653.93	2102.05	2565.87	2038.66	2025.92	2155.34	2474.79	2684.38
Deferred Tax Liability	55.13	25.32	24.32	22.78	24.38	20.93	21.72	23.97	23.38	21.29
	<b>2981.35</b>	<b>2030.20</b>	<b>2295.05</b>	<b>2750.40</b>	<b>3242.83</b>	<b>2734.32</b>	<b>2749.54</b>	<b>2908.85</b>	<b>3250.59</b>	<b>3472.92</b>

## NOTICE

NOTICE is hereby given that the Twenty-eighth Annual General Meeting of the Members of POLYCON INTERNATIONAL LIMITED will be held at O-22, Parmanand Hall, Ashok Watika Samiti, Ashok Marg, C-Scheme, Jaipur-302001 (Rajasthan), on Saturday, the 28th Day of September, 2019 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, 2019, and the Reports of Board and the Auditors thereon.
2. To appoint a Director in place of Shri K.C.Bhandari (DIN: 07291163), who retires by rotation and is eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

3. **Regularisation of Additional Director - Mr. Varun Baid (DIN: 08268396)**

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 152 and all other applicable provisions, if any of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Varun Baid (DIN : 08268396), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th October, 2018 and who holds office upto the date of this Annual General meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

4. **Appointment of Mr. Varun Baid (DIN: 08268396) as an Executive Director**

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, other applicable provisions, if any of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded for the appointment of Mr. Varun Baid (DIN : 08268396) as whole time Director, designated as Executive Director of the company with effect from 13th November, 2018 for a period of five years on such remuneration and terms & conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors (including any committee of the Board constituted to exercise its powers) to alter and vary and/or modify the terms and conditions of appointment including remuneration, commission etc. payable to Mr. Varun Baid within the overall limits under the Act and in case of loss or inadequate profits as per Schedule V to the Companies Act, 2013 and as may be agreed between the Board of Directors and Mr. Varun Baid."

5. **Appointment of Mr. Rajiv Baid (DIN: 00212265) as Chairman and Managing Director**

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, other applicable provisions, if any of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded for the appointment of Mr. Rajiv Baid (DIN : 00212265) as Chairman and Managing Director of the company with effect from 13th November, 2018 for a period of five years on such remuneration and terms & conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors (including any committee of the Board constituted to exercise its powers) to alter and vary and/or modify the terms and conditions of appointment including remuneration, commission etc. payable to Shri Rajiv Baid within the overall limits under the Act and in case of loss or inadequate profits as per Schedule V to the Companies Act, 2013 and as may be agreed between the Board of Directors and Mr. Rajiv Baid."

6. **Reclassification of status from Promoters to Public Shareholders.**

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

"RESOLVED THAT pursuant to regulation 31A (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, from the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI, Stock Exchanges and other appropriate Statutory authorities as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons forming part of the Promoter group, from "Promoter & Promoter Group Category" to "Public Category":

Name of Shareholder	No. of Shares Held	% of Paid up Capital
Mr. Mahendra Nahata	10000	0.20

**RESOLVED FURTHER THAT** on approval of the SEBI or Stock Exchange(s) upon application for reclassification of the aforementioned applicants, the company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and other applicable provisions.

**RESOLVED FURTHER THAT** any of the Directors of the Company or Mr. Gajanand Gupta, Company Secretary be and is hereby severally authorized to file the application for reclassification to the SEBI or the BSE and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution and thereby execute all such documents, instruments, papers and writings etc., on behalf of the Company, as may be required from time to time for the aforesaid matter."

7. **Re-appointment of Mrs. Tiyana Sacheti as an Independent Director of the Company for the second term of 5 (five) consecutive years**

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

**Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Tiya Sacheti (DIN : 06966430), Independent Director of the Company, who holds office up to 19th September, 2019 and being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (Five) consecutive years with effect from 20th September 2019 to 19th September, 2024".

**8. Re-appointment of Mr. Kamal Kumar Bordia as an Independent Director of the Company for the second term of 5 (five) consecutive years**

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

**Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kamal Kumar Bordia (DIN : 06964584), Independent Director of the Company, who holds office up to 19th September, 2019 and being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (Five) consecutive years with effect from 20th September 2019 to 19th September, 2024".

**9. Re-appointment of Mr. Adarsh Kumar Singhania as an Independent Director of the Company for the second term of 5 (five) consecutive years**

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

**Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Adarsh Kumar Singhania (DIN : 00738940), Independent Director of the Company, who holds office up to 19th September, 2019 and being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the

office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (Five) consecutive years with effect from 20th September 2019 to 19th September, 2024".

Place: Jaipur  
Date: 13.08.2019

By order of the Board  
**CS Gajanan Gupta**  
**CFO & 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. 3 to 9 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 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 24th day of September, 2019 to 28th day of September, 2019 (both days inclusive).
7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no

- resolution is proposed for ratification of appointment of Auditors, who were appointed in Annual General Meeting held on 29th September, 2017.
8. 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 required information about the directors proposed to be appointed/re-appointed are given in the Annexure forming part of the Notice.
  9. The Notice of the AGM along with the Annual Report 2019 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](http://www.polyconltd.com) and website of Central Depository Services Ltd. at [www.cdslindia.com](http://www.cdslindia.com)
  10. 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.
  11. 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.
  12. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendments) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
  13. 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.
  14. For shares in physical form, shareholders can register their e-mail address with the Company at [polycon@polycon.in](mailto: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.
  15. 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.
  16. 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 28th 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)
  17. Mr. Brij Kishore 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.
  18. 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.
  19. 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.
  20. The route map showing direction to reach the venue of the 28th AGM is annexed at the end of the Report.
  21. The instructions for Members for voting electronically are as under:-
    - A (i) The voting period begins on September 25, 2019 at 9.00 A.M. and ends on September 27, 2019 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 21, 2019, 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>● Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>● 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.</li> <li>● 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).</li> </ul>

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 21A above to cast your vote.
- 22. 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 21, 2019.
- 23. 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.
- 24. Any Member(s) who require any special assistance of any kind at the venue of the Twenty Eighth 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.

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

**Item No. 3 & 4:**

Mr. Varun Baid has been appointed as an Additional Director in the meeting of the Board of Directors held on 30th October, 2018, who may hold the office of Director till the ensuing Annual General Meeting. The company has received Notice alongwith requisite deposit under Section 160 of the Companies Act, 2013 for his candidature for appointment as regular Director of the Company.

The Board of Directors of the Company ("the Board"), at its meeting held on 13th November, 2018, has also appointed Mr. Varun Baid (DIN: 08268396) as Whole Time Director designated as Executive Director, for a period of 5 (Five) years from the date of his appointment i.e. 13.11.2018, subject to approval of members, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

It is proposed to seek members' approval for the appointment of and remuneration payable to Mr. Varun 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 appointment of and remuneration payable to Mr. Varun Baid are as under:

- (I) **Basic Salary** : Rs. 1.10 lacs per month w.e.f. 13th November, 2018 which can be increased upto maximum of Rs.3.00 lacs per month during five years of tenure.
- (II) **Perquisites** : In addition to above the following perquisites not exceeding the overall ceiling as prescribed under Schedule-V, annexed to the Companies Act, 2013 will be provided to the Executive Director :

**CATEGORY (A)**

**a) Housing**

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

**b) Club Fees**

Fees payable subject to a maximum of two clubs.

**CATEGORY (B)**

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

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

**CATEGORY (C)**

**(a) Conveyance**

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

**(b) Telephone**

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

**(c) Reimbursement of Expenses**

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

**(d) Sitting Fee**

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

He shall be liable to retire by rotation.

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

**Other Terms and Conditions:**

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

As per requirement of Regulation 36 (3) of listing Regulations and Secretarial Standard 2, Issued by The ICSI, the required details of Mr. Varun Baid are appended in the Annexure forming part of the Notice.

The Board recommends the Ordinary Resolutions(s) set out at Item No. 3 & 4 of the Notice for approval by the members.

None of the Directors and/or Key Managerial personnel of the Company and/or their relatives, except Mr. Varun Baid and Mr. Rajiv Baid and their relatives, are concerned or interested, financially or otherwise in the said resolution(s) except to the extent of their shareholding.

**Item No. 5:**

The Board of Directors of the Company ("the Board") at its meeting held on 13th November, 2018 has subject to approval of members, appointed to Mr. Rajiv Baid (DIN: 00212265) as Chairman and Managing Director of the Company, for a period of 5 (Five) years from the date of his appointment that is, 13.11.2018 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 appointment of and remuneration payable to Mr. Rajiv Baid as a Chairman and Managing Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Rajiv Baid are as under:

- (I) **Basic Salary** : Rs. 1.40 lacs per month fixed w.e.f. 13th November, 2018 which can be increased upto maximum of Rs.3.00 lacs per month during five years of tenure.
- (II) **Perquisites** : In addition to above the following perquisites not exceeding the overall ceiling as prescribed under Schedule-V, annexed to the Companies Act, 2013 will be provided to the Managing Director :

**CATEGORY (A)**
**a) Housing**

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

**b) Club Fees**

Fees payable subject to a maximum of two clubs.

**CATEGORY (B)**

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

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

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

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

**(b) Telephone**

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

**(c) Reimbursement of Expenses**

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

**(d) Sitting Fee**

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

He shall not be liable to retire by rotation.\

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

**Other Terms and Conditions:**

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

As per requirement of Regulation 36 (3) of listing Regulations and Secretarial Standard 2, Issued by The ICSI, the required details of Mr. Rajiv Baid are appended in the Annexure forming part of the Notice.

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

None of the Directors and/or Key Managerial personnel of the Company and/or their relatives except Mr. Varun Baid and Mr. Rajiv Baid and their relatives, are concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding.

**Item No. 6 :**

As per Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the promoter(s) seeking re-classification shall make a request for re-classification to the listed entity seeking such re-classification. The company has received an application from Mr. Mahendra Nahata.

The Board of Directors, in its meeting held on 30th May, 2019, has analyzed the request and decided to place the same before the Shareholders in the ensuing Annual General Meeting for approval. The Board of Directors are of the view that request may be considered being the shareholding of Mr. Mahendra Nahata is very less, i.e., 0.20% of the share capital of the company.

The Company is compliant with the requirement of minimum public shareholding as per Regulation 38 of the SEBI (LODR) Regulations, 2015. The Board of Directors also ensured the compliance of other terms of the Regulation 31A of these Regulations.

The Board of Directors accordingly placed the Ordinary resolution set out at Item No 6 of the Notice for approval by the Members.

None of the Directors and/or Key Managerial personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution(s) except to the extent of their shareholding.

**Item No. 7 to 9**

Mrs. Tiyana Sacheti (DIN : 06966430), Mr. Kamal Kumar Bordia (DIN : 06964584 )and Mr. Adarsh Kumar Singhania (DIN : 00738940) were appointed as Independent Directors of the Company in the Annual General Meeting of the Company held on 20th September, 2014 for a period of five years and they hold office up to 19th September, 2019 ("first term").

It is proposed to re-appoint them as Independent Directors, not liable to retire by rotation, for the second term of 5 (Five) consecutive years with effect from 20th September, 2019. As per Section 149 of the Companies Act, 2013 (the Act 2013) such re-appointment requires the approval of the shareholders by way of Special Resolution.

Nomination and Remuneration Committee and Board of Directors have recommended the reappointment. Both the Nomination & Remuneration Committee and the Board were of the opinion that, after evaluating their performance, appropriate mix of skills, experience, competency and other attributes, that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors.

All these Independent Directors fulfil the terms and conditions specified under the Companies Act, 2013 and rules made there under for their appointment as Independent Directors. They meet the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015).

As per requirement of Regulation 36 (3) of listing Regulations and Secretarial Standard 2, Issued by The ICSI, a brief profile of all Independent Directors, who are proposed to be re-appointed for second term of five years in terms of the applicable provisions of the Act, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholding and relationship with other directors in the Company are appended in the Annexure forming part of the Notice.

Copy of draft letter of appointment of the Independent Directors setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Notices have been received from members of the Company under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidatures of the aforesaid Independent Directors and to move the resolutions as set out in Item Nos. 7 to 9 of this Notice.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Listing Obligations with the Stock Exchange.

The Board therefore, recommends the Special Resolutions as set out at Item Nos. 7 to 9 of the Notice for approval by the shareholders of the Company.

Except Mrs. Tiyana Sacheti, Mr. Kamal Kumar Bordia, and Mr. Adarsh Kumar Singhania , Directors, being appointees, none of the other directors or key managerial personnel of the Company or their relatives is concerned or interested, in their respective resolutions for appointment as set out in Item Nos. 7 to 9 of this notice.

Place: Jaipur  
Date: 13.08.2019

By order of the Board  
**CS Gajanand Gupta**  
**CFO & Company Secretary**

**Annexure to Item No. 3 to 5 and 7 to 9 of the Notice of AGM**

Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the required information about the directors proposed to be appointed / re-appointed are given below:-

Name of the Director	Mr. K.C.Bhandari	Mr. Varun Baid	Mr. Rajiv Baid	Mrs. Tiyana Sacheti	Mr. Kamal Kumar Bordia	Mr. Adarsh Kumar Singhania
Date of Birth	14.08.1946	17.12.1986	17.10.1961	04.07.1967	06.01.1949	02.09.1966
Date of First Appointment on Board	30.09.2015	30.10.2018	1.08.1997	20.09.2014	20.09.2014	29.03.2010
Designation	Director	Executive Director	Chairman and Managing Director	Independent Director	Independent Director	Independent Director
Qualification(s)	B.Com.	B.Tech.	B.Com.	M.A., B.ED.	B.Com.	Graduate
Expertise in specific Functional Areas	Mr. K.C.Bhandari having experience of more than 26 years of business.	Manufacturing & Production Management for more than 6 years	Marketing & Sales Management for more than 22 years	Independent Director since last 5 years	Independent Director since last 5 years	Independent Director since last 9 years
Terms and conditions of appointment / reappointment	Reappointment as a Director liable to retire by rotation	As per Explanatory statement of Item No. 3&4	As per Explanatory statement of Item No. 5	As per Explanatory statement of Item No.7 to 9	As per Explanatory statement of Item No.7 to 9	As per Explanatory statement of Item No.7 to 9
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None	Son of Mr. Rajiv Baid (Chairman and Managing Director)	Father of Mr Varun Baid (Executive Director)	None	None	None
Name of other Companies in which directorship held as on March 31, 2019	None	None	None	None	None	None
Chairman/Member of the Committee of the Board of other companies	None	None	None	None	None	None
Number of Equity Shares held in the Company as on 31st March, 2019	NIL	130000	360970	NIL	NIL	NIL
Number of Board Meetings attended during the year	5	2	5	5	5	5

## BOARD'S REPORT

To,  
The Members, Polycon International Limited  
Your Directors have the pleasure of presenting the 28th Annual Report of the Company together with Audited Financial Statements and Cash Flow Statement for the financial year ended 31st March, 2019.

### FINANCIAL RESULTS

The financial results for the year ended 31st March, 2019 are summarized below:

	(Rs. In lacs)	
	2018-2019	2017-2018
<b>Revenue from Operations</b>	3757.92	3580.86
Gross Profit before Interest and Depreciation	319.78	278.15
Less : Interest	199.64	140.18
Less : Depreciation	100.00	100.69
Profit/(Loss) for the year	<b>20.14</b>	<b>37.28</b>
Less : Provision for Taxation	5.31	6.79
Profit/(Loss) after Taxation	14.83	<b>30.49</b>

### PERFORMANCE AND FINANCIAL POSITION OF COMPANY

The Gross Revenue from the Operations of the company during FY 2018-19 was Rs.3757.92 lacs against Rs. 3580.86 lacs in the year 2017-18. The Net Profit for the year 2018-19 was Rs.14.83 Lacs against Rs. 30.49 Lacs in previous year. Revenue from operations for current year is a net off of goods and service tax whereas that of last year, Gross of Excise Duty for the first quarter, accordingly the figures are not comparable.

### 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 any 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

annexed 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 NIL.

### AUDITORS AND AUDITORS' REPORT

#### A. STATUTORY AUDITORS AND THEIR REPORT

M/s. Tambi Ashok & Associates, Chartered Accountants (Firm Registration No. 005301C) Jaipur were appointed in 26th Annual General Meeting as Statutory Auditors to hold office till the conclusion of the 31st Annual General Meeting of the Company subject to ratification from the members of the Company every year.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7th May, 2018, by the Ministry of Corporate Affairs ratification of auditors' appointment is no longer required.

There is no reservation, qualification or adverse remark contained in the Statutory Auditors' Report attached to Balance Sheet as at 31st March, 2019. Information referred in Auditors' Report are self-explanatory and do not require any 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 do not require any comments.

**C. COST AUDITOR**

Cost Audit is not applicable to the company as per the companies (Cost Record & Audit) Rules, 2014 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 2018-19. He has submitted Internal Audit Report for the current year to the Board. No audit observations were observed during the Internal Audit for the Financial Year 2018-19.

**AUDIT COMMITTEE**

The Audit Committee comprises Mr. Kamal Kumar Bordia (Chairman), Mr. Adarsh Singhania, Mr. Lal Chand Baid (upto 15.09.2018) and Mr. Rajiv Baid ( w.e.f. 13.11.2018) 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, 2019 in this regard.

**MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors met Five times during the financial year 2018-19 on 30th May 2018, 13th August 2018, 30th October 2018, 13th November 2018 & 13th February, 2019. 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 as under:-

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	Executive Director (upto 15th September, 2018)	2	2	No	-	1	-
Mr. Rajiv Baid	Executive Director	5	5	YES	-	2	-
Mr. Varun Baid	Executive Director	3	2	YES	-	-	-
Mr. K. C. Bhandari	Non-executive Non Independent Director	5	5	YES	-	1	-
Mrs. Tiyana Sacheti	Non Executive Independent Director	5	5	YES	-	1	1
Mr. Kamal Kumar Bordia	Non Executive Independent Director	5	5	YES	-	2	1
Mr. Adarsh Singhania	Non Executive Independent Director	5	5	No	-	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 :

<b>Name of the Committee</b>	<b>Composition of the Committee</b>	<b>Highlights of duties, responsibilities and activities</b>
Audit Committee	Kamal Kumar Bordia, Chairman Adarsh Singhania Lal Chand Baid (upto 15.09.2018) Rajiv Baid (w.e.f. 13.11.2018)	<ul style="list-style-type: none"> <li>● All recommendations made by the audit committee during the year were accepted by the Board.</li> <li>● 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.</li> <li>● In accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has formulated policies on related party transactions.</li> <li>● The policies, including the Whistle Blower Policy, are available on our website - <a href="http://www.polyconltd.com">www.polyconltd.com</a></li> </ul>
Nomination and Remuneration Committee	Tiyana Sacheti, Chairman Adarsh Singhania Kamal Kumar Bordia	<ul style="list-style-type: none"> <li>● The Committee oversees and administers executive compensation, operating under a written policy adopted by our Board of Directors</li> <li>● 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.</li> </ul>
Stakeholders Relationship Committee	Adarsh Singhania, Chairman Rajiv Baid K.C.Bhandari	<ul style="list-style-type: none"> <li>● The Committee reviews and ensures redressal of investor grievances.</li> <li>● The Committee noted that all the grievances of the investors have been resolved during the year.</li> </ul>

**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 Committee and Nomination & Remuneration Committee.

**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-IV 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 the compliance of corporate governance 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,

consequently Corporate Governance Report does not forms part of the Annual Report for the Financial Year 2018-19. However, the Company is following industry's 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 these financial statements relate and 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 has set a new goal to be one of the most innovative, best performing and trusted company. The Company has also defined a new set of expectations to realize this goal-courage, Accountability, Development and Teamwork.

The new expectations alongside the values will be the foundation of the culture it want to establish.

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.

The Company continuously works to nurture this environment to keep its employees highly motivated, result oriented and adaptable to changing business environment. Your company's value proposition is based on providing value to our customer, through innovation and by consistently improving efficiency at all levels.

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, 2019, the Company employed a total of 106 employees of which 13 were Officers and 93 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**

The Board of the Company as at March 31, 2019 consists of six Directors, out of which three are Independent Directors, one is Non-executive Non -Independent Director and two are Whole-time Directors.

As at the end of FY 2019, Rajiv Baid -Chairman & Managing Director , Varun Baid-Executive Director, Gajanand Gupta - Chief Financial Officer & Company Secretary are the KMP as per the provisions of the Act and rules made thereunder.

The Board of Directors in its meeting held on 30th May, 2019 had re-appointed to Mrs. Tiyaana Sacheti (DIN : 06966430), Mr. Kamal Kumar Bordia (DIN : 06964584) and Mr. Adarsh Kumar Singhania (DIN : 00738940) as Independent Directors of the Company for the second term of consecutive period of Five Years w.e.f.20th September 2019 to 19th September 2024.

Mr. L.C. Baid has been ceased to Director due to demise on 16th September, 2018. He was the Chairman and Managing Director of the Company.

The Board of Directors had appointed Mr. Varun Baid (DIN : 08268396) as an Additional Director subject to the regulatory approvals, if any, w.e.f. 30th October, 2018 up to the ensuing AGM . Further he was also appointed as whole time Director designated as Executive Director of the Company for a period of five years w.e.f. 13th November, 2018 subject to the approval of the members of the Company.

The Board of Directors in its meeting held on 13th November,

2018 have appointed to Mr. Rajiv Baid (DIN : 00212265) as Chairman and Managing Director of the Company (earlier he was Executive Director and CFO upto 12th November, 2018).

In terms of provisions of the Companies Act, 2013 and the articles of association of the company Shri K.C.Bhandari, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Based on the notice received from members under section 160 of the Act and recommendation of the NRC, the Board of Directors recommends for respective appointment of Directors as set out in Item No 2 to5 and 7 to 9 in the Notice of AGM for approval by the Members .

Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the required information about the directors proposed to be appointed / re-appointed are given in the Annexure forming part of the Notice

Mr. Gajanand Gupta, Company Secretary was also appointed as Chief Financial Officer w.e.f. 13th November, 2018.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under section 149 of the Act and Regulation 16 of Listing Regulations which have been relied upon by the Company

#### **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 are to be disclosed in Form No. AOC -2 is contained in Note 40 of the Financial Statements. The Related Party Transaction Policy is disclosed on the website of the Company.

#### **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 :-

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (b) 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;



- (c) 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;
- (d) They have prepared the annual accounts on a "going concern basis";
- (e) 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.
- (f) 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;

#### LISTING OF SECURITIES

At present the equity shares of the Company are listed with the BSE Limited and the Listing fee for the year 2018-19 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-III

#### 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 : May 30, 2019

**RAJIV BAID**  
**CHAIRMAN & MANAGING**  
**DIRECTOR**

## Annexures to the Board's Report

### Annexure-I

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019

[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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, 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 ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; There was no FDI, ODI and ECBs 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. There was 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, 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 and the Securities and Exchange Board of India (Buy Back of securities) Regulations, 2018. Not applicable to the company during the period under review.
- (i) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (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 BSE Limited (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, 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.

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  
FRN - P2013RJ233500

PLACE: Jaipur  
DATE: 30th May, 2019

[BRIJKISHORE SHARMA]  
Proprietor  
M. No. : FCS - 6206  
COP No.: 12636

'Annexure A'

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, Service Tax and GST Acts.
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  
FRN - P2013RJ233500

PLACE: Jaipur  
DATE: 30th May, 2019

[BRIJKISHORE SHARMA]  
Proprietor  
M. No. : FCS - 6206  
COP No.: 12636

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2019**

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

<b>I. REGISTRATION AND OTHER DETAILS :</b>			
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	:	C-98, Jagan Path, Chomu House, C-Scheme, Jaipur-303001, 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. Noble Heights 1st Floor Plot No NH-2,C-1 Block, LSC Near Savitri Market, Janakpuri NEW DELHI-110 058 Ph : 011-49411000 Fax : 011-41410591 E-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 :-

<b>Sl. No.</b>	<b>Name and Description of main products/services</b>	<b>NIC Code of Products/services</b>	<b>% to total turnover of the company</b>
1	LLDPE Containers, Tanks etc.	22208	7.07
2	PET Containers, Bottles, Jars etc.	22203	86.10

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

<b>S. NO</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% of shares held</b>	<b>Applicable Section</b>
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, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1862781	-	1862781	38.10	1862781	-	1862781	38.10	-
b) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	572500	-	572500	11.71	572500	-	572500	11.71	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1183556	119700	1303256	26.65	1179665	119700	1299365	26.58	-0.08
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	301254	242320	539374	11.03	307469	234920	542389	11.09	0.06
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	575147	-	575147	11.76	575147	-	575147	11.76	0.00
c) Any Others									
i) Non Resident Indians	-	2000	2000	0.04	-	2000	2000	0.04	-
ii) Clearing Members	3649	-	3649	0.07	4638	-	4638	0.09	0.02
iii) HUF	30393	-	30393	0.62	30280	-	30280	0.62	-
<b>Sub-total(B)(2):-</b>	<b>2093999</b>	<b>359820</b>	<b>2453819</b>	<b>50.19</b>	<b>2097199</b>	<b>356620</b>	<b>2453819</b>	<b>50.19</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>2093999</b>	<b>359820</b>	<b>2453819</b>	<b>50.19</b>	<b>2097199</b>	<b>356620</b>	<b>2453819</b>	<b>50.19</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>4529280</b>	<b>359820</b>	<b>4889100</b>	<b>100.00</b>	<b>4532480</b>	<b>356620</b>	<b>4889100</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A +B +C)</b>	<b>4529280</b>	<b>359820</b>	<b>4889100</b>	<b>100.00</b>	<b>4532480</b>	<b>356620</b>	<b>4889100</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2018)			Shareholding at the end of the year (As on March 31, 2019)			
		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	Jai Sinter Polycon Pvt. Ltd.	572500	11.71	-	572500	11.71	-	-
2	Bharat Kumar Baid (HUF)	269570	5.51	-	269570	5.51	-	-
3	Lal Chand Baid	219970	4.50	-	-	-	-	-4.50
4	Pushpalata Baid	156200	3.19	-	156200	3.19	-	-
5	Sadhna Baid	152710	3.12	-	152710	3.12	-	-
6	Rajiv Baid	141000	2.88	-	360970	7.38	-	4.50
7	Bharat Kumar Baid	140400	2.87	-	140400	2.87	-	-
8	Varun Baid	130000	2.66	-	130000	2.66	-	-
9	Rajiv Baid(HUF)	123000	2.52	-	123000	2.52	-	-
10	Bhanwar Lal Baid	119900	2.45	-	119900	2.45	-	-
11	Vijay Baid	118770	2.43	-	118770	2.43	-	-
12	Vikram Baid	109800	2.25	-	109800	2.25	-	-
13	Vinod Baid	73800	1.51	-	73800	1.51	-	-
14	Bhanwar Lal Baid(HUF)	69950	1.43	-	69950	1.43	-	-
15	Lal Chand Baid(HUF)	27700	0.57	-	27700	0.57	-	-
16	Mahendra Nahata	10000	0.20	-	10000	0.20	-	-
17	Samta Baid	11	0.00	-	11	0.00	-	-
	<b>Total</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>	<b>-</b>

**(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, 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total shares of the company
1	<b>Jai Sinter Polycon Pvt. Ltd.</b>	572500	11.71	572500	11.71
	At the beginning of the year	-	-	-	-
	NIL movement during the year	-	-	-	-
	At the end of the year			572500	11.71
2	<b>Bharat Kumar Baid (HUF)</b>	269570	5.51	269570	5.51
	At the beginning of the year	-	-	-	-
	NIL movement during the year	-	-	-	-
	At the end of the year			269570	5.51
3	<b>Lal Chand Baid</b>	219970	4.50	219970	4.50
	At the beginning of the year	-	-	-	-
	Movement during the year	-	-	-219970	-4.50
	At the end of the year			-	-
4	<b>Pushpalata Baid</b>	156200	3.19	156200	3.19
	At the beginning of the year	-	-	-	-
	NIL movement during the year	-	-	-	-
	At the end of the year			156200	3.19

Sl. No.		Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year	
5	<b>Sadhna Baid</b>				
	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
6	<b>Rajiv Baid</b>				
	At the beginning of the year	141000	2.88	141000	2.88
	Movement during the year	-	-	219970	4.50
	At the end of the year			360970	7.38
7	<b>Bharat Kumar Baid</b>				
	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
8	<b>Varun Baid</b>				
	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
9	<b>Rajiv Baid (HUF)</b>				
	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
10	<b>Bhanwar Lal Baid</b>				
	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
11	<b>Vijay Baid</b>				
	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
12	<b>Vikram Baid</b>				
	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
13	<b>Vinod Baid</b>				
	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
14	<b>Bhanwar Lal Baid (HUF)</b>				
	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
15	<b>Lal Chand Baid (HUF)</b>				
	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
16	<b>Mahendra Nahata</b>				
	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
17	<b>Samta Baid</b>				
	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

**(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, 2019)	Date of event	Buy / Sale	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year	
				No. of shares	% of total share of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Sankalp Granites Pvt. Ltd.</b>						
	(a) At the beginning of the year	01-04-2018	-	521240	10.66	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	521240	10.66	
<b>2</b>	<b>Sigo Polymers Private Ltd.</b>						
	(a) At the beginning of the year	01-04-2018	-	294700	6.02	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	294700	6.02	
<b>3</b>	<b>Maratha Petrochemicals Pvt Ltd.</b>						
	(a) At the beginning of the year	01-04-2018	-	291700	5.96	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	291700	5.96	
<b>4</b>	<b>Raj Kumar Sethia</b>						
	(a) At the beginning of the year	01-04-2018	-	151969	3.11	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	30-03-2019	-	-	-	151969	3.11	
<b>5</b>	<b>Ridam Polymers Private Ltd.</b>						
	(a) At the beginning of the year	01-04-2018	-	139390	2.85	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	139390	2.85	
<b>6</b>	<b>Vishakha Arora</b>						
	(a) At the beginning of the year	01-04-2018	-	139000	2.84	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	139000	2.84	
<b>7</b>	<b>Divya Kalra</b>						
	(a) At the beginning of the year	01-04-2018	-	130710	2.67	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	130710	2.67	
<b>8</b>	<b>Prateek Arora</b>						
	(a) At the beginning of the year	01-04-2018	-	105000	2.14	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	105000	2.14	
<b>9</b>	<b>Sanjay Kumar Sarawagi</b>						
	(a) At the beginning of the year	01-04-2018	-	48468	0.99	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	48468	0.99	
<b>10</b>	<b>Aadinath Global Private Ltd.</b>						
	(a) At the beginning of the year	01-04-2018	-	32106	0.66	-	-
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2019	-	-	-	32106	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	<b>Lal Chand Baid (Chairman &amp; MD upto 15 Sept. 2018)</b> At the beginning of the year Movement during the year At the end of the year	219970 - -	4.50 - -	219970 -219970 -	4.50 -4.50 -
2	<b>Rajiv Baid (Chairman &amp; MD w.e.f. 12 Nov. 2018)</b> At the beginning of the year Movement during the year At the end of the year	141000 - -	2.88 - -	141000 219970 360970	2.88 4.50 7.38
3	<b>Varun Baid (Executive Director w.e.f. 13 Nov. 2018)</b> At the beginning of the year NIL movement during the year At the end of the year	130000 - -	2.66 - -	130000 - 130000	2.66 - 2.66
4	<b>Gajanand Gupta (KMP)</b> 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1843.20	287.00	--	2130.20
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	6.92	21.96	--	28.88
<b>Total (i+ii+iii)</b>	<b>1850.12</b>	<b>308.96</b>	<b>--</b>	<b>2159.08</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	335.00	33.81	--	368.81
● Reduction	-245.32	-	--	-245.32
<b>Net Change</b>	<b>18.67</b>	<b>33.81</b>	<b>--</b>	<b>123.49</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1932.88	323.87	--	2256.75
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	7.24	18.90	--	26.14
<b>Total (i+ii+iii)</b>	<b>1940.12</b>	<b>342.77</b>	<b>--</b>	<b>2282.89</b>



**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 upto 15 Sept. 2018)	Mr. Rajiv Baid Executive Director appointed as CMD w.e.f. 13.11.2018)	Varun Baid (Executive Director w.e.f. 13.11.2018)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	945560	1989776	612720	3548056
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19800	192648	11040	223488
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	965360	2182424	623760	3771544
	Ceiling as per the Act	As per Schedule V of 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. Kamal Bordia	Mr. Adarsh Singhnia	Mrs. Tiwana Sacheti	Mr. K. C. Bhandari	
1.	Independent Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	12000/-	12000/-	12000/-	-	36000/-
	Total (1)	12000/-	12000/-	12000/-	-	36000/-
2.	Other Non-Executive Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	Nil	Nil	Nil	12000/-	12000/-
	Total (2)	Nil	Nil	Nil	12000/-	12000/-
	Total (B)=(1+2)	12000/-	12000/-	12000/-	12000/-	48000/-
	Total Managerial Remuneration					3819544/-
	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 & CFO (w.e.f. 13 Nov. 2018)	Mr. Rajiv Baid (Upto 12th Nov. 2018)	Total
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	1301946	already mentioned in WTD column	1301946
		21600	-do-	21600
		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
	<b>Total</b>	1323546	Nil	1323546

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**
**Annexure-III**

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

**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	Remuneration in FY 2018-19 (Rs. In Lacs)	Remuneration in FY 2017-18 (Rs. In Lacs)	% increase/ decrease in remuneration	Ratio to Median
Mr. Lal Chand Baid	9.65	19.18	-	-
Mr. Rajiv Baid	21.82	20.32	7.38	9.48
Mr. Varun Baid	6.23	-	-	-

**B. Remuneration paid to KMPs**

Directors of the Company remuneration	Remuneration in FY 2018-19 (Rs. In Lacs)	Remuneration in FY 2017-18 (Rs. In Lacs)	% increase/ decrease in remuneration	Ratio to Median
Mr. Rajiv Baid	21.82	20.32	7.38	9.48
Mr. Gajanand Gupta	13.24	12.14	9.06	5.75

- C) The median remuneration of employees was Rs.230133/- in financial year 2018-19 and Rs. 231351/- in financial year 2017-18. There was Decrease of 0.52 % in MRE in financial year 2018-19 of as compared to financial year 2017-18.
- D) Number of permanent employees on the rolls of Company was 106 employees as on 31.03.2019.
- E) Average Salary increase of non-managerial employees was 2.16% and that of managerial employees 1.69 % in financial year 2018-19.
- F) No Director received any variable component of remuneration in the financial year 2018-19.
- 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, 2019 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 2018-19 as per the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 :

Name	Designation	Remuneration (in Rupees)	Nature of Employment	Qualification	Experience (Years)	Joining Date	Age (Years)	Last Employment	Name of Director or Manager of whom such employee is relative	% of equity shares held by employee alongwith spouse and dependent
Rajiv Baid	Chairman and Managing Director	2182424	Contractual	B.Com	22	01.04.2004	58	-	Father of Mr. Varun Baid (Executive Director)	7.38 3.12 (Spouce)
Varun Baid	Executive Director	1569440	Contractual	B.Tech.	9	01.11.2009	33	-	Son of Mr. Rajiv Baid, Chairman & Managing Director	2.66
Gajanand Gupta	Company Secretary & CFO	1323546	On Roll	B.Com, FCS, LLB	24	01.06.1996	51	-	-	-
Lal Chand Baid	Managing Director	965360	Contractual	B.Com, FCA	Till 15.09.2018	01.10.1997	N.A	-	-	-
Dhiraj Kumar	Engineer	650035	On Roll	B.Sc.(Hons) PGD, CIPET	24	01.09.1997	49	-	-	-
Mallik arjun	Engineer	621014	On Roll	B.Sc (Electronics)	24	01.05.2011	51	-	-	-
Chandra Bhan Singh	Marketing Manager	571181	On Roll	12th	38	01.09.1997	60	Jai Industrial Works	-	-
Radhey Shyam Sharma	Diploma (Engineering)	542885	On Roll	12th	39	01.09.1997	63	Hulasi Metal Industries	-	-
Lalit Kumar Vijay	Engineer	509336	On Roll	Diploma in Mechanical Engg	29	01.06.2003	53	-	-	-
Naresh Kumar Sharma	Engineer	490489	On Roll	Diploma in Mechanical Engg	22	01.03.2010	56	-	-	-

**Annexure-IV**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Overview**

The Financial statements have been prepared in compliance with the requirements of the companies Act,2013 and adopted "IND AS" with effect from 1st April 2017. Accordingly the, financial statements for the year 2018-19 have been prepared in compliance

(Indian Accounting Standard) Rules, 2015. The estimates and Judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner.

#### 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

The company supplies PET containers like bottles, jars Caps, to Industrial Buyers including some multinational companies for packing their products mainly engaged in Confectionery, liquor, pharma hair oil etc. Usage of plastics is increasing in automobiles, consumer packaging and impact of increased infrastructure spending, the plastics industry is expected to continue growth. The industry grew annually in last five years and expected to continue double-digit growth beyond 2018-19. 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.

#### 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, 2019 is Rs. 3757.92 lacs. The Profit before interest, depreciation and tax is Rs. 319.78 lacs. However, profit after tax is Rs 14.83 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 Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of Polycon International Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  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, the Statement of Profit and Loss, and the 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B".
    - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
    - (h) 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 does not have any pending litigations which would impact its financial position.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iii. The Company has provided requisite disclosures in the financial statements, on the basis of information available with the Company. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**FOR TAMBIA SHOK & ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg. No. 005301C**

**Place : JAIPUR**  
**Date : 30-05-2019**

**ASHOK TAMBIA**  
**PARTNER**  
**Membership No. 074100**

**Annexure A**

**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**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies

were noticed on such physical verification.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not made any investments under Section 186 of the Companies Act, 2013. There are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) 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.
- (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.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to

- information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or to government during the year and there were no outstanding debentures.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that the managerial remuneration paid / provided during the year is within the limits specified u/s 197 read with Schedule V to the Companies Act, 2013. Proper approval has been obtained from Members by the Company.
- (xii) In our opinion, the Company is not a nidhi company. therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, transactions with the Related parties are in compliance with section 177 and 188 of Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of

shares or fully or partly convertible debentures during the year under review and hence not commented upon.

- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**FOR TAMBIA SHOK&ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg. No.005301C**

**Place : JAIPUR**  
**Date : 30-05-2019**

**ASHOK TAMBIA**  
**PARTNER**  
**Membership No. 074100**

**ANNEXURE B 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 (i) 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, 2019 in conjunction with our audit of the 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 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.

#### **Auditors' 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, issued by ICAI and deemed to be prescribed 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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, judging by the nature and quantum of transactions appearing in the financial statements, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

**FOR TAMBIA SHOK & ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg. No.005301C**

**Place : JAIPUR**  
**Date : 30-05-2019**

**ASHOK TAMBIA**  
**PARTNER**  
**Membership No. 074100**

## POLYCON INTERNATIONAL LIMITED

### Balance Sheet As at 31st March, 2019

(Amount in Lacs)

Particulars	Note No.	As at March 31,2019	As at March 31,2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3A	1,150.43	1,188.38
(b) Capital work-in-progress	3B	236.41	20.69
(c) Intangible asset	4	0.21	0.34
(d) Financial Assets			
(i) Investments	5	1.55	1.62
(ii) Others Financial Assets	6	178.86	177.00
(g) Other Non Current Assets	7	15.07	15.03
<b>Total Non Current Assets</b>		<u>1,582.53</u>	<u>1,403.06</u>
<b>Current assets</b>			
(a) Inventories	8	644.89	469.54
(b) Financial Assets			
(i) Trade Receivables	9	1,097.89	1,202.22
(ii) Cash and Cash Equivalents	10	34.75	13.71
(iii) Bank Balances other than (ii)above	11	0.02	0.02
(iv) Others Current Financial Assets	12	20.70	19.96
(c) Other Current Assets	13	85.73	138.57
(d) Current Tax Asset (Net)	14	6.41	3.51
<b>Total Current Assets</b>		<u>1,890.39</u>	<u>1,847.53</u>
<b>Total Assets</b>		<u>3,472.92</u>	<u>3,250.59</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	543.55	543.55
(b) Other Equity	16	223.70	208.87
<b>Total Equity</b>		<u>767.25</u>	<u>752.42</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	1,027.78	965.07
(ii) Other Long Term Liabilities	18	6.10	7.49
(b) Provisions	19	98.22	85.96
(c) Deferred Tax Liabilities (Net)	20	21.29	23.38
(d) Other Non Current Liabilities		-	-
<b>Total Non Current Liabilities</b>		<u>1,153.39</u>	<u>1,081.90</u>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	940.00	908.06
(ii) Trade Payables	22	115.69	137.95
(iii) Other Financial Liabilities	23	346.35	324.68
(b) Other Current Liabilities	24	150.24	45.58
(c) Provisions			
<b>Total Current Liabilities</b>		<u>1,552.28</u>	<u>1,416.27</u>
<b>Total Equity and Liabilities</b>		<u>3,472.92</u>	<u>3,250.59</u>

**Significant accounting policies & Notes  
Forming Part of Financial Statements**

2 to 42

In terms of our separate Audit Report of even date

For & on behalf of the Board

**For TAMBIA SHOK & ASSOCIATES**  
Chartered Accountants  
FRN : 005301C

**RAJIV BAID**  
DIN:00212265  
CHAIRMAN & MANAGING  
DIRECTOR

**VARUN BAID**  
DIN:08268396  
EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**  
CFO &  
COMPANY SECRETARY

CA Ashok Tambi  
Partner  
M.NO. 074100  
Place : JAIPUR  
Dated: May 30, 2019

**POLYCON INTERNATIONAL LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2019**

(Amount in Lacs)

	Note No	Year ended 31.03.19	Year ended 31.03.18
I	25	3,752.89	3,560.83
I	26	5.03	20.03
<b>III</b>		<b>3,757.92</b>	<b>3,580.86</b>
<b>IV</b>		<b>EXPENSES</b>	-
	27	2,064.59	1,979.51
	28	-36.32	-21.09
	29	55.75	62.73
	30	325.43	317.73
	31	199.64	140.18
	3A	100.00	100.69
	32	1,028.69	999.06
		<b>3,737.78</b>	<b>3,578.81</b>
V		20.14	2.05
VI	33	-	35.23
VII		20.14	37.28
VIII		-	-
	34	6.87	7.50
	34	-1.56	-0.71
IX		14.83	30.49
XI		-	-
XII		-	-
X		14.83	30.49
XI		-	-
A		-	-
		-	-
B		-	-
		-	-
XII		14.83	30.49
XIII			
	35	0.30	0.62
	35	0.30	0.62

**Significant accounting policies & Notes  
Forming Part of Financial Statements**

2 to 42

In terms of our separate Audit Report of even date

For & on behalf of the Board

For **TAMBI ASHOK & ASSOCIATES**  
Chartered Accountants  
FRN : 005301C

**RAJIV BAID**  
DIN:00212265  
CHAIRMAN & MANAGING  
DIRECTOR

**VARUN BAID**  
DIN:08268396  
EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**  
CFO &  
COMPANY SECRETARY

CA Ashok Tambi  
Partner  
M.NO. 074100

Place : JAIPUR  
Dated: May 30, 2019

**POLYCON INTERNATIONAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH 2019**

**A. Equity Share Capital ( Refer Note 15)** (Amount In Lakhs)

Particulars	Amount
Changes in Equity Share Capital	-
As at March 31, 2018	543.55
Changes in Equity Share Capital	-
As at March 31, 2019	543.55

**B. Other Equity** (Amount In Lakhs)

Particulars	Surplus in Profit and Loss Account	Other Comprehensive Income	Total
<b>Balance as at March 31, 2018</b>	<b>208.87</b>	-	<b>208.87</b>
Profit for the year	16.28	-	16.28
INDAS adjustment	-1.45	-	-1.45
<b>Balance as at March 31, 2019</b>	<b>223.70</b>	-	<b>223.70</b>

In terms of our separate Audit Report of even date

For & on behalf of the Board

For **TAMBI ASHOK & ASSOCIATES**  
Chartered Accountants  
FRN : 005301C

**RAJIV BAID**  
DIN:00212265  
**CHAIRMAN & MANAGING  
DIRECTOR**

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COMPANY SECRETARY**

**CA Ashok Tambi**  
Partner  
M.NO. 074100

Place : JAIPUR  
Dated: May 30, 2019

**POLYCON INTERNATIONAL LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(Amount in Lakhs)

	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
	DETAILS	AMOUNT	DETAILS	AMOUNT
A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Profit For The Year	20.14	37.28	
	Adjusted for :-			
	Finance Cost	199.64	140.18	
	Interest received	(3.33)	(3.47)	
	Loss/(Profit) on Sale/written off of Fixed Assets			
	Depreciation/amortization expenses	99.99	100.69	
	Long term provision	12.26	2.39	
	Loss/(Profit) on due to fair valuation of investment	0.07	(0.33)	
	Operating Profit before Working Capital Changes	328.77	276.74	
	Adjusted for:-			
	Increase /( Decrease) in Trade Payables	(22.26)	37.09	
	Increase /( Decrease) in Other current financial liabilities	21.67	44.26	
	Increase /( Decrease) in Other current liabilities	104.66	18.56	
	Increase /( Decrease) in Current Tax Liabilities (Net)	2.90	5.82	
	Increase /( Decrease) in Short term borrowing	31.94	10.75	
	(Increase)/Decrease in Inventory	(175.35)	(16.11)	
	(Increase)/Decrease in Trade receivables	104.33	(125.30)	
	(Increase)/Decrease in Others current financial assets	(0.74)	(4.39)	
	(Increase)/Decrease in Other current assets	52.84	(65.07)	
	(Increase)/Decrease in Other non current assets	(0.04)	9.73	
	Cash Generated From Operations	448.72	192.08	
	Net Cash used in Operating Activities Before Extraordinary Items	448.72	192.08	
	Less:- Extraordinary Items	-	-	
	Cash Generated From Operations	448.72	192.08	
	Less:- Taxes Paid	13.28	11.01	
	Net Cash Flow/(used)From Operating Activities	435.44	181.07	181.07
B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	(Increase) / Decrease in Long Term Loans & Advances	(1.86)	66.52	
	Purchase of Fixed Assets	(277.67)	(145.69)	
	(Increase)/decrease to CWIP	-	-	
	Intangible assets addition/Deduction	0.13	(0.24)	
	Proceeds From Sales/written off of Fixed Assets			
	Interest received	3.33	3.47	
	Net Cash Flow/(used) in Investing Activities	(276.07)	(75.94)	(75.94)
C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Net Procurement/(Repayment) of Borrowings	62.71	(46.55)	
	Net Procurement/(Repayment) of Other long term liability	(1.40)	(6.28)	
	Interest paid	(199.64)	(140.18)	
	Net Cash Flow/(used) From Financing Activities	(138.33)	(193.01)	(193.01)
	Net Increase/(Decrease) in Cash and Cash Equivalent	21.04	(87.88)	(87.88)
	Opening balance of Cash and Cash Equivalent	13.71	101.59	101.59
	Closing balance of Cash and Cash Equivalent	34.75	13.71	13.71

Significant accounting policies & Notes  
Forming Part of Financial Statements

2 to 42

In terms of our separate Audit Report of even date

For & on behalf of the Board

**For TAMBIA SHOK & ASSOCIATES**  
Chartered Accountants  
FRN : 005301C

**RAJIV BAID**  
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**CS GAJANAND GUPTA**  
CFO &  
COMPANY SECRETARY

**CA Ashok Tambi**  
Partner  
M.NO. 074100

Place : JAIPUR  
Dated: May 30, 2019

## 1 COMPANY OVERVIEW

POLYCON International Limited (the Company) is a public limited company domiciled in India and has its registered office at C-98, Jagan Path, Chomu House, C-Scheme, Jaipur- 302001, Distt. Jaipur (Rajasthan) 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

### 2.1 BASIS OF PREPARATION

2.1.1 Ministry of corporate affairs has notified roadmap to implement IND AS notified under Companies (Indian Accounting Standard) Rules 2015 as amended by the Companies (Indian Accounting Standard) Rules 2016. And according to the said roadmap the company is required to apply IND AS in preparation of financial statements from the financial year beginning from 1st April 2017.

2.1.2 The Company has prepared its financial statements as per the IND AS for the financial year beginning on April 1, 2016 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the IND AS notified by Ministry of Company Affairs ("MCA").

2.1.3 The significant accounting policies used in preparing the financial statements are set out in Notes to the Standalone Financial Statements.

2.1.4 The preparation of the financial statements requires management to make estimates, judgements and assumptions. Actual results could vary from these estimates. The estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.1.5 Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'rupees in lakhs' upto two decimal points.

### 2.2 Statement of Compliance

The financial statements comprising of the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow together with notes comprising of a summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2019 and comparative information in respect of the preceding period have been prepared in accordance with IND AS as notified and duly approved by the Board of Directors, along with proper explanation for material departures.

## 2.3 ACCOUNTING POLICIES

### 2.3.1 Basis of Measurement

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Financial assets and liabilities except those carried at amortised cost
- Defined benefit plans – Plan assets measured at fair value

The standalone financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency.

### 2.3.2 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is classified as current when it is :

- Expected to be settled in normal operating cycle,
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.3.3 Inventories

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

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

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

Finished Goods and Work in Progress: Cost includes cost of direct materials and labour and a proportion of

fixed manufacturing overheads based on the normal operating capacity. Cost is determined on first in first out basis.

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

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

#### 2.3.4 Statement of cash flows

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

#### 2.3.5 Revenue recognition and other income

- "Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant. "Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. "Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers"

#### Other income

##### a Interest

- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 2.3.6 Property, Plant and Equipment

"Property, plant and equipment are tangible items that:"(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and"(b) are expected to be used during more than one period."

Items such as spare parts, stand-by equipment and

servicing equipment are classified as inventory since they do not meet the definition of PPE.

Initial recognition : The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenses and recognition: Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

Depreciation: Property, Plant and Equipments except lease hold land is depreciated on Written Down Method in the manner prescribed in Schedule II to the Companies Act, 2013.

Financial Land Lease : Company has taken certain lands on financial lease. The amount of lease has been amortised over the period of lease.

Component accounting: When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major components) and are depreciated over the useful life respectively.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-progress.

#### 2.3.7 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

Lease hold land have been recognized as finance lease as per IND -As 17 (Leases) and therefore have been classified under the head of property, plant and equipment and have been ammortised on the basis of remaining life of the land on straight-line basis.

Rental expense from operating leases is generally recognised on a straight-line basis over the relevant lease term other than where the rentals are structured solely to increase in line with expected general inflation to compensate for the increase in lessor's expected inflationary cost, such increase is recognised in the year in which such benefits accrue. In the event that lease premiums are paid to enter into operating leases, such premiums are recognised as a prepaid

expenditure and amortised over the period of lease.

### 2.3.8 Employee benefit expenses

#### a. Short - term Employee Benefits:-

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related services

The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability after deducting any amount already paid.

Bonus and Leave encashment expenses are paid in the year in which they are incurred. Hence, they are classified as short term benefits.

#### b. Post-employment Benefits:-

(a) Defined Contribution Plan: Contribution to PF and ESI is recognised as an expense in the Statement of Profit & Loss as it is incurred. There are no other obligations other than the contribution payable to the respective trust. Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

"(b) Defined Benefit Plans : Retirement benefits in the form of gratuity is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date."

### 2.3.9 Borrowing Cost

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

### 2.3.10 Earnings per share

- Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.
- Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

### 2.3.11 Impairment of assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. Any impairment gain loss is transferred to profit and loss.

### 2.3.12 Provisions, Contingent Liabilities and Contingent Assets

#### a Provisions

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources.

- If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate.
- Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### b Contingencies

- Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liabilities is disclosed in the Notes to the Financial Statements.
- Contingent assets are not recognised in the books of the accounts but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset and the corresponding income is booked in the Statement of Profit and Loss.

### 2.3.13 Taxation

- Income tax expense represents the sum of Current Tax and Deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in Equity or Other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income.
- Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the Income Tax Act 1961. Current tax assets and current tax liabilities are off set and presented as net.
- Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

### 2.3.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand and



at bank, deposits held at call with banks.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, having maturity less than 3 months.

### 2.3.15 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a Financial Assets

- Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on the judgment of the management for managing those financial assets and the assets' contractual cash flow characteristics.

how to determine classification in practical case?

- Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, financial assets are assessed individually.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower

#### De-recognition of financial Asset

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

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

#### Impairment of financial assets (other than fair value)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

**how to check?**

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

no such treatment made

#### Trade receivables :

- A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost , less expected credit loss if any.

- Impairment is made for the expected credit losses. The estimated impairment losses are presented as a deduction from the value of trade receivables and the impairment losses are recognised in the Statement of Profit and Loss under "Other expenses".

- Subsequent changes in assessment of impairment are recognised in ECL and the change in impairment losses are recognised in the Statement of Profit and Loss under "Other Expenses".

- Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Profit and Loss under "Other Expenses".

- Subsequent recoveries of amounts previously written off are credited to "Other Income".

#### Investments in Equity Instruments

- Investments in Equity Instruments have been valued at their fair values through Profit and Loss, as on the closing date. The fair value has been taken from the stock exchange where the shares are listed. Investments have also been made in NSC deposits, which have been carried at their book values.

#### b Financial liabilities

At initial recognition, all financial liabilities other than those valued at fair value through profit and loss are recognised at fair value less transaction costs that are directly related to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss.

Financial liabilities measured at amortised cost

After initial recognition, interest free Security Deposits and other financial liabilities are valued at Amortised cost using Effective Interest Rate method (EIR Method). The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and

the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### **Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **De-recognition of financial liability**

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

#### **Offsetting of financial instruments**

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

#### **2.3.16 Intangible assets**

Intangible assets have been shown at cost, less accumulated amortisation and impairments, if any.

#### **2.3.17 Segment Reporting**

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

The Company is principally engaged in the business of manufacture and sale of pets and other Plastic Products and there are no other reportable segments.

### **2.4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectation of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events that existed as at the reporting date, or that which occurred after the date but provide additional evidence about the conditions existing at the reporting date.

#### **a Property, plant and equipment**

- Management assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

#### **b Income taxes**

- Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities.

- The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

#### **c Contingencies**

- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

#### **d Impairment of accounts receivable and advances**

- Trade receivables carry interest and are stated at their fair value as reduced by appropriate allowances for expected credit losses. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised for the expected credit losses.

#### **e Employee benefit expenses**

- Actuarial valuation for gratuity liability of the Company has been done by an independent actuarial valuer on the basis of data provided by the management and assumptions used by the actuary. The data so provided and the assumptions used have been disclosed in the notes to accounts.

#### **f Discounting of Security deposit, and other long term liabilities**

- For majority of the security deposits received, the timing of outflow, as mentioned in the underlying contracts, is not substantially long enough to discount. The treatment would not provide any meaningful information and would have no material impact on the financial statements.

#### **g Government Grants**

"Grants from the government are recognized at fair value where there is reasonable assurance that the grant will be received and the company will comply with all attached conditions." Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income."

**3A Property, Plant & Equipment**

Particulars	Lease Hold Land	Building	Mould and Dies	Plant & Machinery	Electric Installation	Testing Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total
<b>Gross Carrying Amount</b>											
As at March 31, 2017	344.36	375.19	756.12	2,250.72	38.65	1.55	8.81	70.34	26.73	16.36	3,888.83
Additions	32.24	5.29	16.18	90.90	-	-	0.36	-	0.03	0.69	145.69
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	376.60	380.48	772.30	2,341.62	38.65	1.55	9.17	70.34	26.76	17.05	4,034.52
Additions	-	-	22.58	28.55	-	-	0.08	10.48	0.26	-	61.95
Disposals	-	-	-	-	-	-	-	5.92	-	-	5.92
As at March 31, 2019	376.60	380.48	794.88	2,370.17	38.65	1.55	9.25	74.90	27.02	17.05	4,090.55
<b>Accumulated Depreciation</b>											
As at March 31, 2017	7.59	266.08	673.11	1,646.48	36.92	1.55	8.14	63.94	25.94	15.95	2,745.70
Additions	4.34	11.14	20.87	60.26	0.43	-	0.26	2.36	0.28	0.50	100.44
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	11.93	277.22	693.98	1,706.74	37.35	1.55	8.40	66.30	26.22	16.45	2,846.14
Additions	1.03	9.79	20.82	64.83	0.31	-	0.22	2.26	0.22	0.38	99.86
Disposals	-	-	-	-	-	-	-	5.87	-	-	5.87
As at March 31, 2019	12.96	287.01	714.80	1,771.57	37.66	1.55	8.62	62.69	26.44	16.83	2,940.13
<b>Net carrying amount</b>											
As at 31.03.2018	364.67	103.26	78.32	634.88	1.30	-	0.77	4.04	0.54	0.60	1,188.38
As at 31.03.2019	363.64	93.47	80.08	598.60	0.99	-	0.63	12.21	0.58	0.22	1,150.42
<b>3 B CAPITAL WORK IN PROGRESS</b>											
Particulars	As at March 31, 2019	As at March 31, 2018									
	(GAAP)	(GAAP)									
CWIP	236.41	20.69									
Total	236.41	20.69									
<b>4 Other Intangible Assets</b>											
Particulars	<b>Amount</b>										
As at March 31, 2017	0.35										
Add : Addition	0.24										
less Ammortization	0.25										
As at March 31, 2018	0.34										
Add : Addition	-										
less Ammortization	0.13										
As at March 31, 2019	0.21										

**5 Investments**

Particulars	As at March 31,2019	As at March 31,2018
(i) 2500 Equity Shares In HFCL Shares of Rs. 1/- each fully paid-up. (Previous year 2,500 shares)	0.57	0.64
<b>Quoted investments</b>	<b>0.57</b>	<b>0.64</b>
(ii) "6 Years National Savings Certificate (Deposited with Sales Tax Department and other Government Authorities)"	0.98	0.98
Unquoted investments	0.98	0.98
<b>Total</b>	<b>1.55</b>	<b>1.62</b>

**6 Other Financial Assets**

Particulars	As at March 31,2019	As at March 31,2018
Unsecured and considered Good		
(i) Security deposits	83.87	82.02
(ii) Receivable as per Demerger (Vinayak Polycon International)	94.98	94.98
<b>Total</b>	<b>178.86</b>	<b>177.00</b>

**7 Other Non-current Assets**

Particulars	As at March 31,2019	As at March 31,2018
(i) Advance to suppliers	12.14	13.43
(ii) Unamortized Transaction Fees	-0.50	1.60
(iii) Prepaid Expense	3.43	-
<b>Total</b>	<b>15.07</b>	<b>15.03</b>

**8 Inventories**

Particulars	As at March 31,2019	As at March 31,2018
(i) Raw Material	325.84	218.76
(ii) Traded Goods	-	28.12
(iii) Finished Goods	261.47	204.21
(iv) Stores, Spares and Consumables	20.50	17.30
(v) Fuels	1.35	1.15
(vi) Packaging Material	35.72	-
<b>Total</b>	<b>644.89</b>	<b>469.54</b>

**9 Trade Receivables**

Particulars	As at March 31,2019	As at March 31,2018
1 Trade Receivables	638.68	722.87
2 Other Receivables	459.21	479.35
Less: Allowance for doubtful trade receivables	-	-

Total Receivables	1,097.89	1,202.22
Breakup of Security Details		
Unsecured, considered good	1,097.89	1,202.22
Doubtful	-	-
Total	1,097.89	1,202.22
Allowance for Doubtful Trade Receivables	-	-
Total Trade Receivables	<u>1,097.89</u>	<u>1,202.22</u>

**10 Cash and Cash Equivalents**

Particulars	As at March 31,2019	As at March 31,2018
(i) Bank Balances (Current Account)	21.25	4.19
(ii) Cash on Hand	13.49	9.52
Total	<u>34.75</u>	<u>13.71</u>

**11 Bank Balances other than (ii) above**

Particulars	As at March 31,2019	As at March 31,2018
Bank Balances (FDR with Central Excise Dept)	0.02	0.02
Total	<u>0.02</u>	<u>0.02</u>

**12 Others Current Financial Assets**

Particulars	As at March 31,2019	As at March 31,2018
1 Loan to employees	18.10	17.04
2 Other loans and advances	2.60	2.92
Total	<u>20.70</u>	<u>19.96</u>

**13 Other Current Assets**

Particulars	As at March 31,2019	As at March 31,2018
1 Prepaid Expenses	2.06	5.88
2 CENVAT credit receivable	-	33.36
3 Income Tax & TDS Refundable	3.48	5.37
4 Gst Balances	31.48	-
5 Advances to Suppliers	48.68	93.52
6 Unamortised Transaction Fees	-0.44	0.44
7 Previous year UTF Reversed	0.47	-
Total	<u>85.73</u>	<u>138.57</u>

**14 Current Tax Asset (Net)**

Particulars	As at March 31,2019	As at March 31,2018
1 Advance Tax for the year	13.28	11.01
less: Provision for Income Tax	6.87	7.50
Total	<u>6.41</u>	<u>3.51</u>

**15 Equity Share Capital**

Particulars	As at March 31,2019	As at March 31,2018
Share Capital		
1 Authorised : 75,00,000 Equity Shares of Rs.10/- each	750.00	750.00
2 Issued & Subscribed 48,89,100 Equity shares of Rs.10 each/-	488.91	488.91
3 Fully Paid Up 48,89,100 Equity Shares of Rs.10/-each fully paid	-	-
Add: Forfeited Equity Shares	54.64	54.64
<b>TOTAL</b>	<b>543.55</b>	<b>543.55</b>

**(a) Reconciliation of the number of shares outstanding :-**

Particulars	As at March 31,2019	As at March 31,2018
At the beginning of the year (Rs. 10/- each)	4,889,100.00	4,889,100.00
Add: Issued during the year	-	-
Less: Bought Back during the year	-	-
At the end of the year (Rs. 10/- each)	<u>4,889,100.00</u>	<u>4,889,100.00</u>

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

Particulars	As at March 31,2019		As at March 31,2018	
	Percentage of holding	No.of Shares held	Percentage of holding	No.of Shares held
JAI SINTER POLYCON Pvt. Ltd.	11.71%	572,500	11.71%	572,500
Sankalp Granites Pvt. Ltd.	10.66%	521,240	10.66%	521,240
Rajiv Baid	7.38%	360,970	2.88%	141,000
Sigo Polymers Pvt. Ltd.	6.02%	294,700	6.02%	294,700
Maratha Petro Chemicals Pvt. Ltd.	5.97%	291,700	5.97%	291,700
Bharat Kumar Baid HUF	5.51%	269,570	5.51%	269,570

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.

**16 Other Equity**

Particulars	As at March 31,2019	As at March 31,2018
Reserves and Surplus		
1 Surplus		
At the beginning of the year	208.87	178.37
Add; Additions during the year	16.28	33.43
Add: Loss /Gain on Fair Valuation of Equity investments	-	0.33
Less: Unamortised Transaction Cost	-0.47	1.60
Less: Leasehold land amortisation	-1.03	-4.34
Less Other Exp.	-0.07	-
Add: Deferred Tax Liability (Assets)	0.12	-0.52
Balance at the year end	223.70	208.87
TOTAL	223.70	208.87

**17 Non Current Financial Borrowings**

Particulars	As at March 31,2019	As at March 31,2018
Term Loan		
Secured		
From Bank		
Term Loan from SBI	11.88	71.70
Term Loan from Rajasthan Financial Corporation	835.45	869.80
Car Loan From Kotak Mahindra Prime Ltd.	-	0.56
Car Loan from AXIS BANK CAR LOAN NO. 116	8.43	-
SBI Term Loan Solar Energy	137.12	-
Unsecured		
Other (Intercorporate Loans)	265.86	246.96
Other Loans	76.91	62.00
Total	1,335.65	1,251.02
Less : Current maturities of long term borrowings	307.87	285.95
TOTAL	1,027.78	965.07

17.1 Term Loan from SBI 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. 11. Lac. The last balance amount of which is due in June, 2019. Rate of Interest on Term Loan is at 10% P.A.

17.2 Term Loan from RFC

17.2.1 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

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

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2019-20	258.00	10.75% to 11.75%
2	2020-21	267.35	10.75% to 11.75%
3	2021-22	185.80	10.75% to 11.75%
4	2022-23	117.95	10.75% to 11.75%
5	2023-24	38.47	10.75% to 11.75%

**17.3 SBI TERM LOAN-SOLOR ENERGY**

Term Loan from SBI is secured by way of First Charge on certain Solar Plant 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. 8 Lac. The last balance amount of which is due in June, 2023. Rate of Interest on Term Loan is at 8.55% P.A.

**17.4 Axis Bank Loan**

Loan repayment schedule against loans from Axis bank on car-

S.No.	Repayable During Years	Repayable Amount	Range of Interest Rate
1	2019-20	1.50	9.72%
2	2020-21	1.65	9.72%
3	2021-22	1.82	9.72%
4	2022-23	2.00	9.72%
5	2023-24	1.40	9.72%

**18 Other Long Term Financial Liabilities**

Particulars	As at March 31,2019	As at March 31,2018
1 Security Deposit from Customers	6.10	6.26
2 Miscellaneous Payable	-	1.23
<b>TOTAL</b>	<b>6.10</b>	<b>7.49</b>

**19 Provisions**

Particulars	As at March 31,2019	As at March 31,2018
Provision for gratuity	98.22	85.96
<b>TOTAL</b>	<b>98.22</b>	<b>85.96</b>

**20 Deferred tax liabilities (Net)**

Particulars	As at March 31,2019	As at March 31,2018
1 Deferred tax liabilities (Net)	21.29	23.38
<b>TOTAL</b>	<b>21.29</b>	<b>23.38</b>



**21 Short term Borrowings**

Particulars	As at March 31,2019	As at March 31,2018
Overdraft and CC limits (SBI, Jhotwara, jaipur)	940.00	908.06
<b>TOTAL</b>	<b>940.00</b>	<b>908.06</b>

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 9.45% - 10% p.a, computed on monthly bases on actual amount utilized, and are repayable on demand.

**22 Trade Payables**

Particulars	As at March 31,2019	As at March 31,2018
Trade Payables	115.69	137.95
<b>TOTAL</b>	<b>115.69</b>	<b>137.95</b>

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

**23 Other Current Financial Liabilities**

Particulars	As at March 31,2019	As at March 31,2018
<b>Current maturities of long term borrowings</b>		
<u>Secured</u>		
Term Loan from SBI	11.88	58.58
SBI Term Loan Solar Energy	32.00	-
Term Loan from Rajasthan Financial Corporation	258.00	204.85
Car Loan From Kotak Mahindra Prime Ltd.	-	0.56
Car Loan from AXIS BANK CAR LOAN NO. 116	1.50	-
<u>Unsecured</u>		
Other (Intercorporate Loans)	4.50	21.96
Other Loans	-	-
<b>Total</b>	<b>307.87</b>	<b>285.95</b>
Provisions for expenses	33.66	25.45
Miscellaneous Payable	4.82	13.28
<b>TOTAL</b>	<b>346.35</b>	<b>324.68</b>

**24 Other Current Liabilities**

Particulars	As at March 31,2019	As at March 31,2018
Statutory Liabilities	-	-
TDS	3.58	0.57
GST payable	16.88	3.13
Advance from Customers	12.77	41.88
Advance against Sale of Fixed Assets	117.00	-
<b>TOTAL</b>	<b>150.24</b>	<b>45.58</b>

**25 Revenue From Operations**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>(a) Sale of products</b>		
Finished goods including		
excise duty	3,697.13	3,488.98
Traded goods	55.75	64.19
<b>(b) Other operating revenue</b>		
Scrap sales	-	7.67
<b>Total</b>	<b>3,752.89</b>	<b>3,560.83</b>

**25(a) Details of products sold**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) PP Cap	160.68	192.45
b) PET Bottles & Jars	3,231.34	2,831.74
c) Water Storage Tanks	265.62	432.35
d) PVC Profiles	28.80	28.97
e) Scrap Sales	3.01	7.67
f) Others	7.68	1.46
g) Traded Goods	-	-
h) PET Chips/ LLDPE	55.75	64.19
i) Revenue from Job Work	-	2.00
<b>Total</b>	<b>3,752.89</b>	<b>3,560.83</b>

**26 Other Income**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>(a) Interest</b>		
Interest from banks on deposits	2.89	3.24
Other interest	0.44	0.23
<b>(b) Other non operating revenue</b>		
Provision for Gratuity Written Off	-	16.19
Credit Balances written back	-	0.04
Profit on sale of Assets	1.70	-
Loss on fair valuation of Investment	-	0.33
<b>Total</b>	<b>5.03</b>	<b>20.03</b>

**27 Cost of Material Consumed**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Raw Material Consumed</b>		
Opening Stock	218.76	239.49
Add: Purchases	2,171.67	1,771.46
	2,390.43	2,010.95
Less: Closing Stock	325.84	218.76
	2,064.59	1,792.19
ADD:Excise Duty	-	187.32
<b>Total</b>	<b>2,064.59</b>	<b>1,979.51</b>

**28 Changes in inventories of Finished Goods & WIP**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Opening Inventories</b>		
Finished Goods	204.21	143.44
Finished goods (Purchase)	20.94	39.68
	225.15	183.12
<b>Closing Inventories</b>		
Finished Goods	261.47	204.21
<b>INCREASE/(DECREASE)</b>	<b>36.32</b>	<b>21.09</b>

**29 Purchase of traded goods**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) PET Chips	55.75	62.73
<b>Total</b>	<b>55.75</b>	<b>62.73</b>

**30 Employee benefits expense**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Salaries & Wages	283.74	263.03
(ii) Contribution to Provident and other Fund	20.84	22.43
(iii) Provision to Gratuity & Paymnet	14.02	24.39
(iv) Staff welfare Expenses	6.84	7.88
<b>Total</b>	<b>325.43</b>	<b>317.73</b>

**31 Financial cost**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Interest Expenses	199.17	116.39
(ii) Other Borrowing Costs	0.47	23.67
(iii) Amortization of Loan Fees	-	0.12
<b>Total</b>	<b>199.64</b>	<b>140.18</b>

**32 Other expenses**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Consumption of Stores & Spares	12.51	33.18
(ii) Consumption of Packing materials	214.85	203.63
(iii) Power & fuel	464.38	456.87
(iv) Rent	5.33	6.13
(v) Repairs to Buildings	3.78	2.06
(vi) Repairs to Machinery	49.26	7.64
(vii) Insurance	-	4.13
(viii) Rates & Taxes	1.67	2.08
(ix) Commission and Discounts	-	5.18
(x) Transport & Freight Charges	153.58	133.87
(xi) Donations	-	0.11
(xii) Legal & Professional fees		
- Payment to auditors	0.60	0.60
- Payment to others	-	-
(xiii) Miscellaneous Expenses	121.96	143.58
Lease rent	0.36	-
Operation and Maintenance Charges	0.33	3.00
(xiv) Loss on Fair valuation of Investment	0.08	-
<b>Total</b>	<b>1,028.62</b>	<b>999.06</b>

**33 Exceptional Items**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Insurance Claim	-	35.23
<b>Total</b>	<b>-</b>	<b>35.23</b>

**34 Income Tax Expenses**
**Tax expense recognized in the Statement of Profit and Loss**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Current Tax</b>		
Current Tax on taxable income for the year	6.87	7.50
Total Current Tax expense	6.87	7.50
<b>Deferred Tax</b>		
Deferred Tax charge/(credit)	-1.56	-0.71
Total Deferred Income Tax expense/(benefit)	-1.56	-0.71
Tax in respect of earlier years	-	-
Total income tax expense	5.31	6.79

**35 EARNINGS PER SHARE**

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

(in number)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Issued number equity shares	4,889,100	4,889,100
Potential Equity Shares	-	-
<b>Weighted average shares outstanding - Basic and Diluted</b>	<b>4,889,100</b>	<b>4,889,100</b>

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

(in Lac)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Profit and loss after tax	<b>14.83</b>	<b>30.49</b>
Profit and loss after tax for EPS	14.83	30.49
Basic Earnings per share	0.30	0.62
Diluted Earnings per share	0.30	0.62

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

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

**36 INCOME TAX EXPENSE**

(Amount in lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Current Tax	6.87	7.50
Deferred Tax		
--- Relating to origination & reversal of temporary differences	-1.56	-0.71
<b>Total tax expense</b>	<b>5.31</b>	<b>6.79</b>

**Effective Tax Reconciliation**

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

(Amount in lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Profit as per AS	21.71	39.69
Ind AS Adjustments (before tax)	-1.57	-2.41
Net Income before taxes	20.14	37.28
Applicable Tax Rate	26%	26%

Computed Tax Expense	5.24	9.60
Increase/decrease in taxes on account of :		
Non deductible expenses	28.97	25.39
Expense deductible under income tax act	(27.48)	-28.12
Income not taxable	-0.44	-0.01
Income tax on income chargeable under other head		
Impact of Ind AS Adjustments	0.58	0.65
Computed Income Tax Expense	6.29	6.85
Income Tax Expense Reported	6.87	7.50

**Deferred Tax Assets (Liabilities)**

The analysis of deferred tax assets and deferred tax liabilities is as follows : (Amount in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
<b>Deferred Tax Asset</b>		
Gratuity	25.32	22.13
<b>Total</b>	<b>25.32</b>	<b>22.13</b>
<b>Deferred Tax Liability</b>		
Property, Plant & Equipment	46.62	44.87
Unamortised Transaction Costs	-0.01	0.64
<b>Total</b>	<b>46.61</b>	<b>45.51</b>
<b>Net Deferred Tax Asset(Liability)</b>	<b>21.29</b>	<b>23.38</b>

**37 Fair Value Measurement**

(Amount in Lakhs)

Particulars	As at 31st March 2019		As at 1st April 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at amortised cost				
Trade Receivables	1,097.89	-	1,202.22	-
Cash & Cash Equivalents	34.77	-	13.73	-
Other Financial Assets	199.56	-	196.96	-

Particulars	As at 31st March 2019		As at 1st April 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through other comprehensive income	-	-	-	-

Particulars	As at 31st March 2019		As at 1st April 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through profit and loss	1.55	1.55	1.62	1.62

Particulars	As at 31st March 2019		As at 1st April 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost				
Borrowings (Non-Current and Current)	1,967.78	-	1,873.13	-
Trade Payables	115.69	-	137.95	-
Other Financial Liabilities	352.45	-	332.17	-

Particulars	As at 31st March 2019		As at 1st April 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost at fair value through profit and loss	-	-	-	-

#### Fair Value of Financial Assets and Liabilities

- The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- Majorly the security deposits are redeemable on demand and hence the fair values of security deposits are approximately equivalent to the carrying amount.
- There is no material difference between carrying amount and fair value of non-current borrowings as on March 31, 2019 and March 31, 2018.

### 38 FINANCIAL RISK MANAGEMENT

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

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

#### A. Market risk

##### • Foreign Currency Risk:

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

##### • Interest Rate Risk:

The exposure of the Company's borrowing to interest rate charges at the end of the reporting period is on the amount of outstanding balance of cash credit facilities from State Bank Of India. The interest rates are linked to 1 year MCLR and are changed at the time of annual renewal. The rates will either increase or decrease depending on changes in RBI's and Bank's policies.

##### • Price Risk:

The Company faces price risk due to change in price of Raw Materials from time to time. To shield itself from them, all sales contracts and orders are variable to changes in prices from time to time. They are based on

the price of raw materials at the beginning of each month or weighted average price of last 3 months.

#### B. Liquidity Risk

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

#### C. Credit risk

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

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

• The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess

whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

#### Trade and Other Receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs.1097.89 Lakhs, Rs. 1202.22 Lakhs and Rs. 1076.92 Lakhs as at March 31, 2019, March 31, 2018 and April 1, 2017, respectively. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry. The Company monitors its exposure to credit risk on an ongoing basis at various levels. Outstanding customer receivables are regularly monitored.

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

#### Cash and Cash Equivalents and Bank Deposits

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

#### Cash Credit Facilities

Cash credits facilities from State Bank Of India, Jhotwara Industrial Area Branch, Jhotwara ( Jaipur) together with interest and other charges thereon, is secured by mortgage of company's land and building together with plant and machinery thereon both present and future and by way of a hypothecation charge over all movable assets including book debts, stock etc. of the company and secured by personal guarantee of three directors of the company. Cash credit is payable on demand and carries interest rate @ 9.45%- 10% p.a. on monthly rest.

### 39 CAPITAL RISK MANAGEMENT

#### Objective

The primary objective of the Company's capital management is to maximize the shareholder value. i.e. to provide maximum returns to the shareholders. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns to the shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and

March 31, 2018.

#### Policy

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

#### Process

The Company manage its capital by maintaining sound/optimal capital structure financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. Debt-to-equity ratio as of March 31, 2019 and March 31, 2018 is as follows:

(in lacs)

Particulars	As on 31st March 2019	As on 31st March 2018
Total debt	1,967.78	1,873.13
Total equity	767.25	752.42
Ratio	2.56	2.49

### 40 Related Party Transactions

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

#### (i) Related party name and relationship

Particulars	Designation
(a) Key Management Personnel :	
Shri Lal Chand Baid	Chairman & Managing Director (upto 15.09.2018)
Shri Rajiv Baid	Chairman & Managing Director (w.e.f 13.11.2018 )
Shri Varun Baid	Executive Director (w.e.f 13.11.2018)
Shri Gajanand Gupta	CFO & Company Secretary

#### (b) Relatives of Key Management Personnel / Enterprises with whom transactions have taken place:

Particulars	Relation
Mrs. Sadhna Baid	Wife of Shri Rajiv Baid
Mrs. Sangeeta agarwal	Wife of Shri Gajanand Gupta
Jai Sinter Polycon Pvt Ltd	Relative of Directors are Director
Vinayak Polycon International Ltd	Relative of Directors are Director
Crystal Packaging	Relative of Directors are Partner
Bassi Mechanical Works	Relative of Directors are Partner

(ii) Transactions Carried Out With Related Parties referred in point 1 above in ordinary course of Business  
(Rs. In lakhs)

Nature of Transactions	Related Parties	
	Referred to in KMP above	Referred to in Relative of Kmp above
Purchases	-	9.45
Goods & Material	-	-
Sales		
Goods & Material & Services	-	-
Employee Benefit Expenses	-	12.68
Managerial Remuneration	50.95	-
Interest Paid	-	0.78

Nature of Transactions	Related Parties	
	As at 31st March 2019	As at 31st March 2018
<b>Outstandings</b>		
Payable (Trade Paybles and other Liabilities)	-	-
Key Management Personnel Relatives of Key Managerial Personnel	76.91	62.01
End of the year	4.41	13.23
Receivables		
Relatives of Key Managerial Personnel	95.27	95.02
End of the year		

(III). Disclosure in respect of Material Transactions with Related parties during the year( Included in 2 above)

	As at 31st March 2019	As at 31st March 2018
<b>Purchases</b>		
Goods and Materials		
Bassi Mechanical Works	9.45	1.80
<b>Sales</b>		
Goods Material & Services		
Bassi Mechanical Works	-	-
Crystal Packaging	-	-
Expenses		
Employee Benefit Expenses		
Mrs. Sadhna Baid	1.77	-
Mr Varun Baid	9.45	14.54
Mrs. Sangeeta Agarwal	1.46	1.46
Managerial Remuneration		

Shri Gajanand Gupta	13.24	12.13
Shri Lal Chand Baid	9.65	19.18
Shri Rajiv Baid	21.82	20.32
Shri Varun Baid (KMP)	6.24	-
<b>Interest Paid</b>		
Bassi Mechanical Works	0.78	0.54
<b>Outstandings</b>		
Payable		
Bassi Mechanical Works	2.98	6.05
Shri Lal Chand Baid	-	30.48
Shri Rajiv Baid	65.35	31.53
Shri Varun Baid	11.56	-
Mrs. Sadhna Baid	1.43	7.18
Receivables		
Bassi Mechanical Works	-	-
Jai Sinter Polycon Pvt Ltd	0.04	0.04
Shri Gajanand Gupta	0.08	0.02
Jai Sinter Polycon Pvt Ltd	94.98	94.98
Sangeeta Agarwal	0.25	-

41 CONTINGENT LIABILITIES

(Rs. In lakhs)

S. No.	Particulars	As at 31st March 2019	As at 31st March 2018
(I)	Contingent Liabilities		
a	Excise matters disputed in appeal	0.12	0.12
b	Sales Tax matters		
	CST Demand		
	In respect of year 2007-08	1.92	-
	In respect of year 2014-15	65.17	48.65
	In respect of year 2015-16	21.19	53.06
	In respect of year 2016-17	19.83	-
	<b>TOTAL</b>	<b>108.23</b>	<b>101.84</b>

\* Company does not have any capital commitments during the reported years

42 FAIR VALUE HEIRARCHY

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

a Quoted prices/published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

b Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, interest free security deposits) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

c Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Fair Value of Financial Assets and Financial Liabilities accounted for in the Standalone Financial Statements as on the reporting date of the entity**

(In Rupee)

	As at 31st March 2019		
	Level 1	Level 2	Level 3
Financial Assets			
Equity Investments	0.57	-	-
Financial Liabilities			

	As at 31st March 2018		
	Level 1	Level 2	Level 3
Financial Assets			
Equity Investments	0.65	-	-
Financial Liabilities			

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2019 and March 31, 2018, respectively:

Particulars	Fair Value Hierarchy	Valuation Technique	Inputs Used
<b>Financial Assets</b>			
Equity Investments	Level 1	Shares have been valued using the prevalent price in the stock exchange where the shares	Quoted prices

In terms of our separate Audit Report of even date

For & on behalf of the Board

For **TAMBI ASHOK & ASSOCIATES**  
Chartered Accountants  
FRN : 005301C

**RAJIV BAID**  
DIN:00212265  
CHAIRMAN & MANAGING  
DIRECTOR

**VARUN BAID**  
DIN:08268396  
EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**  
CFO &  
COMPANY SECRETARY

**CA Ashok Tambi**  
Partner  
M.NO. 074100

Place : JAIPUR  
Dated: May 30, 2019





PROXY FORM
Form MGT-11

POLYCON INTERNATIONAL LIMITED

CIN: L28992RJ1991PLC006265

Regd. Office : C-98, Jagan Path, Chomu House, C-Scheme, Jaipur- 302001, Distt. Jaipur (Rajasthan)

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 28th Annual General Meeting (AGM) of the Company to be held on the Saturday, 28th Sept, 2019 at 1.00 p.m. at O-22 Parmanand Hall ,Ashok Watika Samiti ,Ashok Marg, C-Scheme,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 : C-98, Jagan Path, Chomu House, C-Scheme, Jaipur- 302001, Distt. Jaipur (Rajasthan)

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 28th Annual General Meeting of POLYCON INTERNATIONAL LIMITED at the Registered Office of the Company at O-22 Parmanand Hall ,Ashok Watika Samiti ,Ashok Marg, C-Scheme,Jaipur-302001, on Saturday, 28th day of Sept, 2019 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
	<b>Ordinary Business</b>		
1.	Adoption of the Audited Financial Statements for the year ended 31st March, 2019 along with the Reports of Board and Auditors thereon.		
2.	Appointment of a Director in place of Shri K.C.Bhandari ,(DIN :07291163) who retires by rotation and, being eligible, offers himself for re-appointment		
	<b>Special Bussiness</b>		
3	Regularisation of Additional Director Mr. Varun Baid (DIN: 08268396)		
4.	Appointment of Mr. Varun Baid (DIN: 08268396) as an Executive Director		
5.	Appointment of Mr. Rajiv Baid (DIN: 00212265) as Chairman and Managing Director		
6.	Approval For Reclassification of status From Promoters group to Public Shareholder under Regulation 31 A of SEBI (LODR).		
7.	Reappointment of Mrs Tiyana Sacheti (DIN:06966430) as an Independent Director of the Company for the second term of 5 consecutive years		
8.	Reappointment of Mr.Kamal Kumar Bordia (DIN:06964584 as an Independent Director of the Company for the second term of 5 consecutive years		
9.	Reappointment of Mr. Adarsh Kumar Singhanian (DIN:00738940) as an Independent Director of the Company for the second term of 5 consecutive years		

Signed this.....day of.....2019.



\_\_\_\_\_  
Signature of Share holder

\_\_\_\_\_  
Signature of First Proxy holder

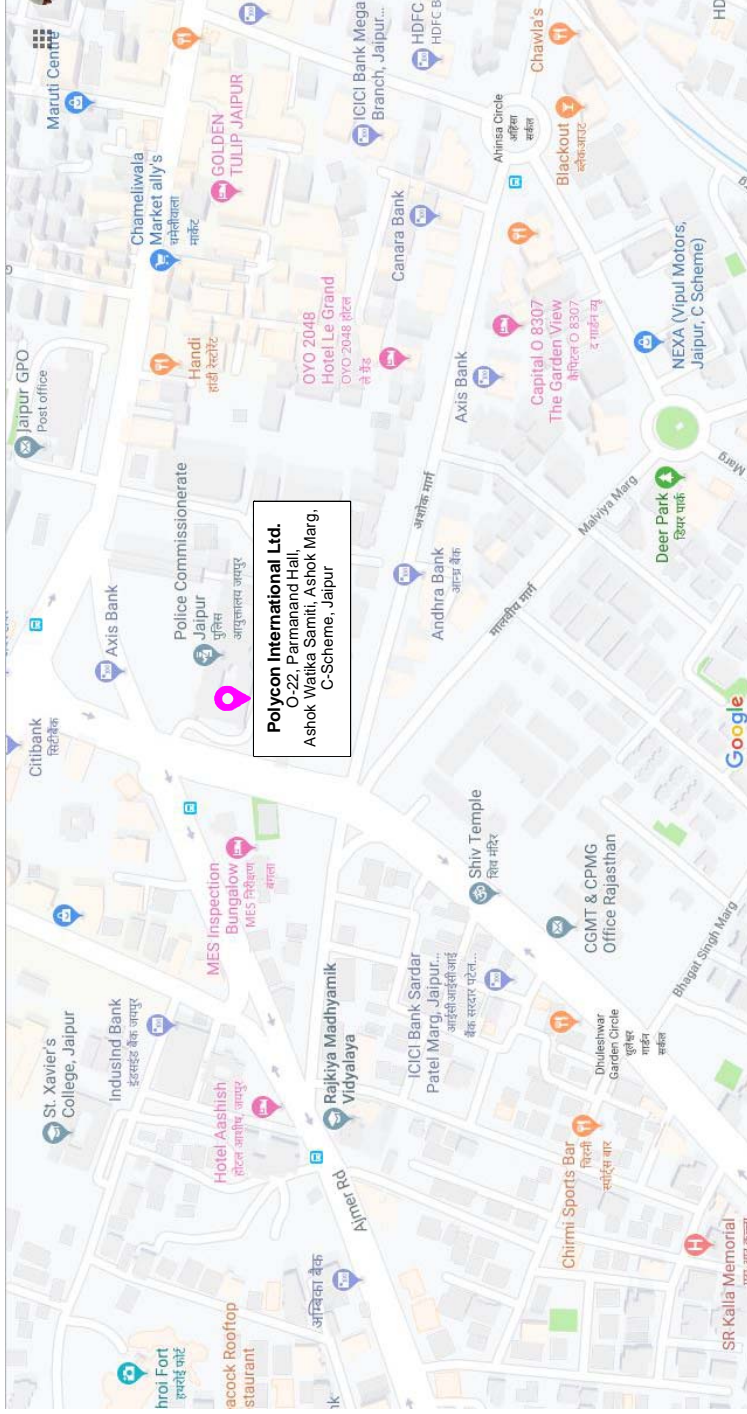
\_\_\_\_\_  
Signature of Second Proxy holder

\_\_\_\_\_  
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.

## Route Map to the Venue of AGM

O-22 Parmanand Hall ,Ashok Watika Samiti ,Ashok Marg, C-Scheme,Jaipur-302001



If undelivered please return to :  
**IP POLYCON INTERNATIONAL LIMITED**

C-98, Jagan Path, Chomu House, C-Scheme,Jaipur-302001