

18th ANNUAL REPORT
2008-09



POLYCON International Ltd.

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COMPANY INFORMATION

Board of Directors

Chairman
Mr. B.L. Baid

Managing Director
Mr. L.C. Baid

Independent Director
Mr. L.P. Nahata
Mr. K.K. Ghiya

Executive Director
Mr. Bharat Baid
Mr. Rajiv Baid

Board Committees

Audit Committee
Mr. K.K. Ghiya
Mr. L.P. Nahata
Mr. B.L. Baid

Remuneration Committee
Mr. K.K. Ghiya
Mr. B.L. Baid
Mr. L.P. Nahata
Mr. Rajiv Baid

Shareholders'/Investors' Grievance Committee
Mr. B. L. Baid
Mr. K.K. Ghiya
Mr. L.C. Baid

Finance Controller & Company Secretary
Mr. Gajanand Gupta

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

Bankers
Indian Overseas Bank
Bank of Baroda
ICICI Bank

Registered Office
Rotary Bhawan, Church Road,
M.I. Road, Jaipur-302 001
e-mail: petjar@bsnl.in

Registrar & Share Transfer Agents
Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall, New Delhi-28

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 - No.16, Pandur Village, Chengalpettu Taluk, Via Guduvenchery,
Dist. Kanchipuram, TAMILNADU.
Unit-IV - Plot No. F-954(A) RIICO Industrial Area, Chopanki, (Bhiwadi), Rajasthan

TEN YEARS FINANCIAL HIGHLIGHTS (2000-2009)

(Amount Rs. in Lac)

Particulars	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
PROFIT & APPROPRIATIONS										
Sales & other Income	1663.07	1744.45	2010.48	1778.08	1773.36	2099.97	2404.26	2712.03	2929.65	3432.23
Profit before Depreciation & Tax	154.32	168.28	-727.78	214.83	177.84	166.99	170.56	179.74	191.34	229.34
Depreciation	113.65	127.88	588.73	203.11	161.40	145.72	139.29	139.37	160.30	188.64
Profit before Tax	40.67	40.40	-139.05	11.72	16.44	21.27	31.27	40.37	31.04	40.70
Taxation	4.70	3.95	6.34	-4.58	-3.60	27.21	-6.02	15.01	14.60	15.53
Profit after Tax	35.97	36.45	-145.39	16.30	20.04	-5.94	37.29	25.36	16.44	25.17
Dividend	-	-	-	-	-	-	-	-	-	-
Earning per Share	0.52	0.52	-2.09	0.23	0.29	-0.09	0.76	0.52	0.34	0.51
ASSETS EMPLOYED										
Fixed Assets Gross	1454.90	1615.01	1907.20	1970.12	2010.45	2277.48	2370.52	2909.34	3272.76	3426.87
Depreciation	<u>318.76</u>	<u>444.28</u>	<u>1033.03</u>	<u>1232.55</u>	<u>1391.80</u>	<u>1535.52</u>	<u>1667.43</u>	<u>1777.41</u>	<u>1920.74</u>	<u>2103.41</u>
Net	1136.14	1170.73	874.17	737.57	618.65	741.96	703.09	1131.93	1352.02	1323.46
Capital work in progress	-	-	-	-	-	-	-	120.70	-	-
Investment	66.30	66.38	29.05	36.05	29.05	20.05	20.82	21.04	21.04	21.04
Net Current Assets	691.46	685.07	763.21	804.52	918.19	998.08	1070.63	1254.93	1458.40	1385.97
Miscellaneous Expenditure	<u>35.23</u>	<u>26.59</u>	<u>101.02</u>	<u>79.24</u>	<u>60.35</u>	<u>71.85</u>	<u>26.35</u>	<u>16.14</u>	<u>12.27</u>	<u>8.40</u>
	<u>1929.13</u>	<u>1948.77</u>	<u>1767.45</u>	<u>1657.38</u>	<u>1626.24</u>	<u>1831.94</u>	<u>1820.89</u>	<u>2544.74</u>	<u>2843.73</u>	<u>2738.87</u>
FINANCED BY										
Equity Shares	543.37	543.37	543.37	543.37	543.37	543.50	543.55	543.55	543.55	543.55
Reserves & Surplus	306.20	342.65	243.37	243.37	243.37	243.50	243.55	256.68	273.13	298.29
Loan Funds	1059.56	1026.85	940.57	836.34	810.19	990.34	995.38	1700.69	1955.72	1842.73
Deferred Tax Liability	<u>20.00</u>	<u>35.90</u>	<u>40.14</u>	<u>34.30</u>	<u>29.31</u>	<u>54.60</u>	<u>38.41</u>	<u>43.82</u>	<u>52.03</u>	<u>54.30</u>
	<u>1929.13</u>	<u>1948.77</u>	<u>1767.45</u>	<u>1657.38</u>	<u>1626.24</u>	<u>1831.94</u>	<u>1820.89</u>	<u>2544.74</u>	<u>2824.43</u>	<u>2738.87</u>

NOTICE

Notice is hereby given that the **Eighteenth Annual General Meeting** of the Members of **POLYCON INTERNATIONAL LIMITED** will be held at **Rotary Bhawan, Church Road, M.I. Road, Jaipur - 302 001**, the Registered Office of the Company, on **Wednesday, the 30th day of September, 2009 at 1.00 P.M.**, to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009, Profit and Loss Account for the year ended on that date and the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajiv Baid, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri L.P. Nahata, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. A.Natani & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Date : 30.06.2009

By order of the Board

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

CS. Gajanand Gupta
Finance Controller &
Company Secretary

NOTES :

1. 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.

2. 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.
3. Members who hold shares in Dematerialized form are requested to bring their CLIENT ID & DPID Number for easy identification at the meeting.
4. 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.
5. The Register of Members and Share Transfer Books will remain closed from 25th day of September, 2009 to 30th day of September, 2009 (both days inclusive).
6. Members are requested to lodge the transfer, transmission of shares at the registered office or to the Registrar & Transfer Agent M/s. Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110 028 and to inform any change in their address immediately so as to enable the Company to do future communications at their correct addresses.
7. Shareholders are requested to please bring their attendance slips together with their copies of annual report at the meeting.
8. Information on Directors seeking re-appointment at the forth coming Annual General Meeting pursuant to Clause 49 of the Listing Agreement are as under :-

Name of Director	SHRI RAJIV BAID	SHRI L.P. NAHATA
Date of birth	17.10.1961	06.11.1953
Date of original appointment	01.08.1997	30.01.2003
Qualification	B.Com.	B.Com., FCA
Expertise in specific functional area	Manufacturing & Sales	Independent Director
Directorship in other Public Limited Company	—	—
Category	Presently designated as Executive Director Related to Shri L.C. Baid, Managing Director.	Non-executive Independent Director
Remarks	Retires by rotation at the forth-coming Annual General Meeting and being eligible offers himself for re-appointment.	Retires by rotation at the forth-coming Annual General Meeting and being eligible offers himself for re-appointment.

Date : 30.06.2009

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

By order of the Board
CS Gajanand Gupta
Finance Controller &
Company Secretary

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 18th Annual Report on the business and operations of your company together with Audited Accounts and Cash Flow Statement for the year ended 31st March, 2009.

REVIEW OF OPERATIONS

During the year company's net sales was Rs. 3421.36 lacs compared to Rs. 2919.57 lacs in the last financial year and registered an overall increase of 17.18%.

Sale of PET Containers has increased by 21.19 % in comparison to last year. Sale of tanks has also increased by 1.43% in comparison to last year. The sale of PVC profiles is decreased in comparison to last year.

Financial Results :

The financial results for the year ended 31st March, 2009 are summarized below :

	(Rs. in Lacs) <u>2008-2009</u>	(Rs. in Lacs) <u>2007-2008</u>
Gross Profit before Interest and Depreciation	409.65	361.77
Less : Interest	180.31	170.43
Depreciation	<u>188.64</u>	<u>160.30</u>
Profit/(Loss) for the year	40.70	31.04
Less : Provision for Taxation	<u>15.53</u>	<u>14.60</u>
Profit/(Loss) after Taxation	25.17	16.44
Balance brought forward from Previous Year	<u>29.58</u>	<u>13.14</u>
Balance carried to the Balance Sheet	54.75	29.58

GROWTH & EXPANSION :

All the units of the company are running very well. The company continued to see considerable growth in existing and new areas of business.

DIVIDEND :-

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Development

During the year under review, plastic industries has been in high gear with all categories of plastic products.

As the consumption of plastic is increasing day by day, various plans has been made for the expansion of plastic industry in India.

In this direction the company has increase the production of PET Bottles and Jars by establishing the units at Bhiwadi and Chennai. The production of PET Bottles and Jars has increased considerably during the financial year 2008-09.

Opportunity :

Plastic, as the most convenient and easy to handle, is being used by most of the consumer goods manufacturing companies, the consumption of plastic is increasing at a tremendous rate and the same provides a high rate of turnover to the concern companies.

Polycon International Limited constantly trying for quality upgradation and new inventions. It grant great opportunity for continuous growth of your company.

Threats :

- Temporary decline in the economic activity
- Increase competition in the plastic industry due to new entry
- Introduction of new technologies
- Introduction of new taxes
- Any unfavourable change in Government Policies may effect the profitability of the company.

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

Outlook

Your company is constantly striving to provide quality products. The company is planning and endeavouring to increase its sales by implementing better policies. Your company's endeavour to provide high quality products aiming to grant full value of money to the customer, are expected to place.

From the last few years company has taken a number of initiatives to re-structure and re-engineer the operations to enable the company to compete better in the profound competitive regime.

Risks and Concerns :

The company is facing various risks in internal and external basis. The external business risks included fluctuation in the raw-material prices, entry of new manufactures, introduction of advanced technology by existing manufacturers of plastic goods and shortage in the flow of raw-material. The internal risk consists of operational efficiency and ability to withstand marketing competition.

We cushion this spirit of entrepreneurship by formulating strong risks management policy to anticipate potential downsides and build mitigation plans and the company is guarding itself against these risks by laying down appropriate strategy for product positioning, which is supplemented by business plans, review mechanism and action plans.

Adequacy of Internal Control System

The Company has an adequate system of management supervised internal controls, which aimed to achieve efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws.

The company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company has continued its efforts to align all its process and control with global best practices.

Your company remains committed to maintain the efficiency of operation through a qualified and independent audit committee of the Board, comprising the independent directors. The committee looks after the adequacy of internal controls.

Discussion of financial Performance:

The Company's net turnover for the year ended March 31, 2009 increased to Rs. 3421.36 against Rs. 2919.57 lacs during last year. The increase in turnover was mainly due to increase in sales volume.

The Profit before interest, depreciation and tax has increased to Rs. 409.65 lacs as against Rs. 361.77 lacs during the previous year. However, profit after tax has increased to Rs. 25.17 lacs as compared to Rs. 16.44 lacs in previous year.

Your Company engaged in the manufacturing of plastic containers since 1991 and the income also derived from the sale of these products. The continuous growth in the sale of company's products boost the profitability and better net back.

Human Resources Development/Training

In order to achieve substantial growth, Polycon International Limited manages a lean organization structure. The Company have an experienced and motivated team of professionals. For the benefit of the Company it is necessary to empower the skills of their personnel. Looking to this, the Company provides appropriate training and running development programmes to improve the skills and efficiency of their employees. The Company's human resource activities are focused on building talent to meet future challenges.

Employment Profile & Industrial Relations :

As on 31st March, 2009, the Company employed a total of 211 employees of which 35 were Officers and 176 belongs to non-executive cadre.

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

CAUTIONARY STATEMENT

Statement 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.

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

CAPITAL STRUCTURE

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

DEPOSITORY SYSTEM

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

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

DIRECTORS

In terms of provisions of Sec. 255, 256 of the Companies Act, 1956 and the articles of association of the company, Shri Rajiv Baid and Shri L.P. Nahata, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment. None of the Directors of the Company are disqualified for being appointed as Directors as specified in Sec. 274(1)(g) of the Companies Act, 1956.

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

PUBLIC DEPOSITS :

Your Company has not accepted any Public Deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii) Appropriate accounting policies have been selected and applied consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Profit & Loss Account for the period under review.
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on "going concern basis".

AUDITORS :-

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

COMPLIANCE OFFICER :

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

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE
A. CONSERVATION OF ENERGY :-

Continuous efforts to improve energy efficiency by close monitoring of operational parameters resulted in general improvement in energy consumption across businesses.

The manufacturing units of the Company are well planned and adequately equipped for ensuring optimum energy utilization. These measures also result in cost reduction.

B. TECHNOLOGY ABSORPTION :-

The unit has been installed with indigenous technology provided and developed by promoters. The unit is well equipped and self sufficient in the matter of manufacturing technology. The technology is being modernized and improved along with production itself without incurring additional expenses on research. The innovation intensity in the key businesses improved during the year.

C. FOREIGN EXCHANGE EARNINGS & OUTGO :-
Foreign Exchange Earnings

Export Sale : Rs. 47.76 lacs

OUT GO

Expenses on foreign travels: Rs. 1.70 lacs

Expenses on import on CIF basis for

- Capital Goods : Rs. NIL
 - Raw Material : Rs. NIL
 - Stores & Spares : Rs. NIL

PARTICULARS OF EMPLOYEES :-

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

CORPORATE GOVERNANCE

POLYCON International Ltd. has always been committed to benchmark itself with global standard in all areas including appropriate standards for good Corporate Governance.

A separate section on corporate governance and a certificate from Auditors of the company regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchange forms part of this annual report.

ACKNOWLEDGEMENT

The Directors would like to express their appreciation for the assistance and co-operation received from Rajasthan Financial Corporation, Indian Overseas Bank and various departments of State and Central Government and Trade Associations.

The Company maintained healthy, cordial and harmonious industrial relations at all level. Despite competition, the enthusiasm and unstinting efforts of the employees, have enabled the Company to remain at fore-front of the Industry

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

For and on behalf of the Board

Place : Jaipur
 Date : 30.06.2009

**B.L. BAID
 CHAIRMAN**

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2008-09

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Polycon International Ltd. views Corporate Governance as a systematic process by which companies are directed and controlled to maximize their capacity to generate wealth. Polycon believes that for a Company to be successful, it must maintain global standard of corporate conduct towards all its stakeholders.

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

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

2. BOARD OF DIRECTORS

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

(a) Composition of Board :-

The Board of Directors of the Company ("The Board") is entrusted with authority and responsibility to manage the affairs of the company. The Board is entrusted with the task of managing the company directly or through delegation of authority as may be found appropriate and reasonable to the Board. The present Board consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management, legal, marketing and strategy etc.

The Company has Non-executive Chairman and two Independent Directors comprising one third of the total number of Directors. As on 31st March, 2009, the Board of Directors of the Company consist of 6 Directors out of which 3 i.e. 50% are Non-executive Directors.

The composition of board of Directors is as follows: -

Name of Directors	Category	No. of other Directorship in Public Ltd. Companies	No. of committee Membership/ Chairmanship	
			Chairman	Member
Sh. B.L. Baid	Non-Executive Chairman	-	1	2
Sh. L.C. Baid	Promoter & Managing Director	-	-	1
Sh. Bharat Baid	Promoter & Executive Director	-	-	-
Sh. Rajiv Baid	Promoter & Executive Director	-	-	1
Sh. K. K. Ghiya	Non-Executive Independent Director	-	2	1
Sh. L.P. Nahata	Non-Executive Independent Director	-	-	2

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

(b) Board Meeting

During the financial year 2008-09 Five Meetings of Board of Directors were held on 30th June, 2008, 31st July, 2008, 31st October, 2008, 31st January, 2009 & 06th March 2009. The attendance of the Directors in these meeting were as follows :-

Name of Directors	Board Meeting		Whether Attended AGM held on 29th September, 2007
	Held	Attended	
Sh. B.L. Baid	5	5	YES
Sh. L.C. Baid	5	5	YES
Sh. B.K. Baid	5	4	YES
Sh. Rajiv Baid	5	5	YES
Sh. K. K. Ghiya	5	4	YES
Sh. L.P. Nahata	5	3	NO

(c) Information supplied to the Board among others -

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

1. Review of annual operating plans of business, capital budget, updates.
2. Quarterly results of the company.
3. Any issue which involves possible public or product liability claims of a substantial nature.
4. Significant development in the human resources and industrial relations fronts.
5. Sale of material nature of investments, assets, which is not in the normal course of business.
6. Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholders services, such as delay in share transfer and other grievances.

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

3. AUDIT COMMITTEE
a) Composition

As on 31st March, 2009, the Audit Committee comprises three directors, all being non-executive Directors.

- (1) Shri K.K. Ghiya (2) Shri L.P. Nahata (3) Shri B.L. Baid

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

b) Functions of the Audit Committee

- (1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that financial statements are correct, sufficient and credible.
- (2) Reviewing the efficiency of the internal control mechanism and monitors the risk management policies adopted by the Company.
- (3) Reviewing the report furnished by the internal and statutory auditors and ensures that suitable follow up actions are taken.
- (4) Examining accounting, taxation and disclosure aspects of all significant transactions.
- (5) Discussing with internal auditors regarding any significant finding and follow-up on such issues.
- (6) Reviewing the findings of any internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control system of a material nature, and then reporting such matters to the Board.
- (7) Discussing with external auditors before the audit commences on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- (8) To approve unaudited quarterly financial results and publish the same as required in the Listing Agreement.
- (9) Reviewing company's financial risk and management policies.

c) Meetings & Attendance

The following Four Meetings held during the year 2008-09 -

(1) 30th June, 2008 (2) 31st July, 2008 (3) 31st October, 2008 (4) 31st January, 2009.

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

Name	Category	Held	Attended
Shri K. K. Ghiya	Non-Executive Independent Director	4	4
Shri L.P. Nahata	Non-Executive Independent Director	4	2
Shri B.L. Baid	Non-Executive Director	4	4

4. REMUNERATION COMMITTEE

The Remuneration Committee of the Company decides the Remuneration of the directors, Senior Management Members and relative of Directors.

There are three directors in the Remuneration Committee :-

1. Shri K. K. Ghiya : Chairman —
2. Shri B.L. Baid : Member
3. Shri L.P. Nahata : Member

Shri K.K. Ghiya is the Chairman of the Committee. The Secretary of the company is acting as the Secretary of the Committee.

Remuneration paid to Directors :-

(a) Remuneration paid to non-executive Directors :

Name of Non-Executive Director	Sitting Fee (Rs)
Sh. B.L. Baid	5000
Sh. K.K. Ghiya	3000
Sh. L.P. Nahata	2500

(b) Remuneration paid to Managing Director & Executive Directors

Name of Executive Director	Salary * (Rs)	Contribution to P/F (Rs)	Total (Rs)
Sh. L.C. Baid	600000	57600	657600
Sh. B.K. Baid	600000	57600	657600
Sh. Rajiv Baid	600000	57600	657600

*Includes allowances & perquisites.

NOTES

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

Severance Fees : NIL

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

(5) SHARE TRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

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

The Investor Grievance Committee comprises of four directors under the Chairmanship of Shri B.L. Baid, a Non-executive director. The other members are Shri Kamal Kishore Ghiya, Shri Lal Chand Baid and Shri Rajiv Baid. Shri Gajanand Gupta, the Secretary to the Company and also the Compliance Officer for the stock exchange requirements, acts as the Secretary to this committee.

The committee had 6 meetings. The attendance of each member is given below :-

Name of Directors	Nature of Directorship	No. of Meetings Attended
Sh. B.L. Baid, Chairman	Non-Executive Director	6
Sh. L.C. Baid	Promoter & Managing Director	6
Sh. Rajiv Baid	Promoter & Executive Director	6
Sh. K. K. Ghiya	Non-executive Independent Director	5

No. of Shareholder's complaints received during the year 2008-09	-	NIL
No. of complaints resolved to the satisfaction of shareholders by 31.03.2009	-	N.A
No. of pending complaints as on 31.03.2009	-	NIL

(6) GENERAL BODY MEETING

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

Nature of the Meeting	Date	Venue	If Special Resolution Passed
Annual General Meeting	27.09.2008	Rotary Bhawan, Church Road, M.I. Road, Jaipur-1	Yes
Annual General Meeting	29.09.2007	Rotary Bhawan, Church Road, M.I. Road, Jaipur-1	No
Annual General Meeting	30.09.2006	Parmanand Hall, O-22, Ashok Marg, C-Scheme, Jaipur-302 001	Yes

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

(7) DISCLOSURES :

(a) Related party transactions :

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

(b) Details of Non-compliance

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

(c) Secretarial Audit

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

(8) MEANS OF COMMUNICATION :

	Subject	Details
a	Half Yearly report send to each household of shareholders.	Since company's unaudited quarterly results including half yearly results are published in news papers, the same were not sent to each household of shareholders.
b	Quarterly Results - which published normally in News papers viz.	Samachar Jagat (Hindi) Statesmen (English)
c	Any Website, where displayed	The financial results of the company are placed on the website of the Bombay Stock Exchange Ltd. and SEBI i.e. www.bseindia.com & www.sebi.gov.in
d	Whether it also displays official News release & presentations made to Institutional Investors/Analysis	No such occasion arose during the year
e	Whether MD & A is a part of Annual Report	Yes, incorporated in the Directors Report

9. GENERAL SHAREHOLDERS INFORMATION:
Annual General Meeting

Date & Time	30 th September, 2009 at 1.00 pm
Venue	Polycon International Ltd., Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001

Financial Calender (tentative) for Financial Year 2009-10

Details	On or Before
(a) 1 st Quarterly Result	31.07.2009
(b) 2 nd Quarterly Result & Half Yearly Result	31.10.2009
(c) 3 rd Quarterly Result	31.01.2010
(d) 4 th Quarterly Result & Yearly Audited Result	30.06.2010

Date of : 25th September, 2009 to
Book Closure 30th September, 2009
: (Both days inclusive)

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

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

NOTE:

The Company has paid listing fees, as applicable for
the financial year 2009-10 to the concerned Stock
Exchange.

Stock Code : Bombay Stock Exchange Ltd. : 531397
ISIN No. of the : INE262C01014
Company's Equity
Shares

Stock Price Data

The Company's shares are listed on Bombay Stock
Exchange Ltd. The monthly high & low quotations of
shares traded during the year 2009-10 are as under :-

Month	High	Low
April, 2008	9.84	7.80
May, 2008	10.34	8.80
June, 2008	9.45	9.00
July, 2008	10.40	8.70
August, 2008	12.02	9.31
September, 2008	10.50	9.40
October, 2008	9.50	8.32
November, 2008	8.00	8.00
December, 2008	N.T.	N.T.
January, 2009	N.T.	N.T.
February, 2009	9.38	7.42
March, 2009	7.06	5.25

N.T. : No transaction

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

The Registrar and Share Transfer Agent of the Company

M/s. Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase-II,
Near Batra Banquet Hall, NEW DELHI-110 028

Share Transfer System

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

Distribution of shareholding & shareholding pattern
as on 31st March, 2009 :

Range - No. of Shares	No. of Shareholders	No. of Share	Percentage to total
upto 250	138	16121	0.33
251 - 500	352	134695	2.75
501 - 1000	127	114938	2.35
1001 - 2000	105	166221	3.40
2001 - 3000	23	59749	1.22
3001 - 4000	5	17878	0.37
4001 - 5000	7	34046	0.70
5001 -10000	12	87545	1.79
10001 & above	28	4257907	87.09
TOTAL	797	4889100	100.00

Category Code	Category of Shareholder	Total number of Share	Total Shareholding as a percentage of total number of Shares As a percentage of (A+B+C)
(A)	Shareholding of promoter and promoter group		
(1)	Indian		
(a)	Individuals/Hindu Undivided Family	1862770	38.10
(b)	Central Government/State Government(s)	0	0
(c)	Bodies Corporate	572500	11.71
(d)	Financial Institutions/Bank(s)	0	0
(e)	Others (Specify)	0	0
	Sub-Total(A)(1)	2435270	49.81
(2)	Foreign		
(a)	Individuals (NRIs/Foreign Individuals)	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Others (Specify)	0	0
	Sub-Total(A)(2)	0	0
	Total Shareholding of promoter and promoter group (A)=(A)(1)+(A)(2)	2435270	49.81
(B)	Public Shareholding		
(1)	Institutions	0	0
	Sub-Total(B)(1)	0	0
(2)	Non-Institutions		
(a)	Bodies Corporate	1682968	34.42
(b)	Individual -		
(i)	Individual Shareholders holding nominal Share Capital up to Rs. 1 lakh	569539	11.65
(ii)	Individual Shareholders holding nominal Share Capital exceeding of Rs. 1 lakh	161179	3.30
(c)	Others (Specify)		
(1)	Non Resident Indians	2815	0.06
(2)	Clearing Members	0	0
(3)	Hindu Undivided Families	37329	0.76
	Sub-Total(B)(2)	2453830	50.19
	Total Public Shareholding (B)={(B)(1)+(B)(2)}	2453830	50.19
	Total (A)+(B)	4889100	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	4889100	100.00

Dematerialisation of equity shares and liquidity

The Company's shares are currently traded only in dematerialized form at Bombay Stock Exchange Ltd.. To facilitate trading in dematerialised form the company has tied up arrangements with both the present depositories, National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd.(CDSL) Shareholders can open account with any of the depository participants registered with any of these depositories. As on 31st March, 2009 about 48.95% of the company's shares were held in dematerialised form.

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

Plant Locations (Manufacturing Units)

Address	Item produced
<u>UNIT - I</u> F-11, Hirawala Industrial Area, Kanota, Jaipur - 303 012	- Water Storage Tanks
<u>UNIT-II</u> F-97, 98, 99 & G-96 Hirawala Industrial Area Kanota, Jaipur - 303 012	- PET Containers like Bottles & Jars - PVC Profiles - Telephone Aparatus, Lids etc.
<u>UNIT-III</u> No.16, Pandur Village Chengalpettu Taluk, Near Guduvanchery Dist. Kanchipuram, Tamilnadu	- PET Containers like Bottles & Jars - Lids etc.
<u>UNIT-IV</u> Plot No. F-954(A), RIICO Industrial Area Chopanki, Bhiwadi, Rajasthan.	- PET Containers like Bottles & Jars

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

(10) NON-MANDATORY REQUIREMENTS :

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

AUDITORS' CERTIFICATE

The Members,
Polycon International Limited
JAIPUR

1. We have examined the compliance of Corporate Governance by Polycon International Limited, Jaipur for the year ended on 31st March, 2009 as stipulated in Clause-49 of the Listing Agreement of the said company with Stock Exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and

4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.
5. We, further state that, such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with the Management has conducted the affairs of the Company.

Place : JAIPUR
Date : 30.06.2009

FOR A.NATANI & CO.
Chartered Accountants

CA ASHOK KUMAR NATANI
PARTNER
M.No. 74692

AUDITORS' REPORT

**The Shareholders,
POLYCON International Limited
Jaipur**

We have audited the attached Balance Sheet of **POLYCON International Ltd.** as at 31st March 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books;

- iii) The Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- v) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with significant Accounting Policies, and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2009
 - b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - c) In the case of Cash Flow statement of the Cash Flow for the year ended on that date

FOR A.NATANI & CO.
Chartered Accountants

Place : JAIPUR
Date : 30.06.2009

CA ASHOK KUMAR NATANI
PARTNER
M.No. 74692

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in Paragraph 3 of our report to the members of Polycon International Ltd. (the company) for the year ended on 31st March, 2009. We report that :-

- | | |
|--|--|
| <p>(i) (a) The company has maintained proper records showing full particulars including <i>quantitative details and situation of fixed assets.</i></p> <p>(b) The company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. <i>In accordance with such program, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.</i></p> <p>(c) During the year, the company has not disposed off substantial part of the fixed assets and therefore, do not affect the going concern status of the company.</p> <p>(ii) (a) <i>The Inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.</i></p> <p>(b) <i>The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.</i></p> <p>(c) <i>The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.</i></p> <p>(iii) (a) <i>The company has granted unsecured loan to one company covered in the register maintained under section 301 of the companies Act, 1956. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.</i></p> <p>(b) <i>The company has not taken any secured</i></p> | <p>or unsecured loan from companies, firm or parties covered in the register maintained under sec. 301 of the Companies Act, 1956.</p> <p>(iv) <i>In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.</i></p> <p>(v) (a) <i>According to the information and explanations given to us, the company has not entered into any contract or arrangement with other parties, which needs to be entered in the register maintained under section 301 of the Companies Act, 1956.</i></p> <p>(b) <i>In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies act, 1956 and exceeding Rupees Five Lakhs in respect of such party during the year have been made at prices, which are reasonable having regards to prevailing market prices at the relevant time.</i></p> <p>(vi) <i>In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.</i></p> <p>(vii) <i>In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.</i></p> <p>(viii) <i>According to the information and explanations given to us, there is no requirement to maintain cost records U/S 209(1)(d) of the Companies Act, 1956.</i></p> <p>(ix) (a) <i>According to the information and explanations given to us, the company</i></p> |
|--|--|

has been generally regular in depositing undisputed statutory dues including Provident Fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities during the year.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty cess & other material statutory dues were in arrear, as at 31.03.2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, details of dues of sales tax, wealth tax, service tax, customs duty, excise duty, income tax and Cess which have not been deposited as on 31st March, 2009 on account of any dispute are given below :-

Particulars	Period to which the amount relates	Forum where matter is pending	Amount (Rs) *
Sales Tax	2000-2001	Dy. Commissioner	97,422.00
Excise Duty	31.10.2001 to 31.01.2005	Tribunal	86,547.00
	2007-2008	Tribunal	11,833.00

- (x) The company does not have any accumulated loss at the end of the financial year. The company has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution/bank.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities therefore, maintaining of records are not applicable.
- (xiii) In our opinion, the company is not a chit fund/nidhi/mutual benefit fund/society.
- (xiv) In our opinion and according to the information and explanation given to us, the company does not deal or trade in shares, securities, debentures and other investments. All long term Investments have been held by the company in its own name.

- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company, for loans taken by other from banks or financial institution during the year, are not prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans availed by the company during the year have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no fund raised on short-term basis have used for long-term investment. No long term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us during the period covered by our report, the company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xx) The company has not raised any money by public issue during the year. Accordingly, the provisions of clause 4(xx) of the companies (Auditor's report) Order, 2003 are not applicable to the company.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR A.NATANI & CO.
Chartered Accountants

Place : JAIPUR
Date : 30.06.2009

CA ASHOK KUMAR NATANI
PARTNER
M.No. 74692

POLYCON INTERNATIONAL LIMITED

Balance Sheet

As at 31st March, 2009

	SCHEDULE		As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
I	SOURCES OF FUNDS			
1	Shareholders' Funds			
	a) Share Capital	1	54354600	54354600
	b) Reserves & Surplus	2	29829355	27312859
2	Loan Funds			
	Secured Loans	3	175215620	188615403
	Unsecured Loans (Sale Tax Deferment Scheme)		9057390	6956928
3	Deferred Tax Liability		5430166	5202887
			<u>273887131</u>	<u>282442677</u>
II	APPLICATION OF FUNDS			
1	Fixed Assets			
	a) Gross Block	4	342687216	327275732
	b) Less : Depreciation		<u>210341194</u>	<u>192073982</u>
	c) Net Block		132346022	135201750
2	Investments	5	2104310	2104310
3	Current Assets, Loans & Advances			
	a) Inventories	6	37500329	45065992
	b) Sundry Debtors	7	88554373	72587334
	c) Cash & Bank Balances	8	1968666	7269399
	d) Loans & Advances	9	<u>31707214</u>	<u>36215986</u>
			159730582	161138711
4	Less : Current Liabilities & Provisions			
	a) Liabilities	10	17085280	14082146
	b) Provisions	11	<u>4048033</u>	<u>3146630</u>
			<u>21133313</u>	<u>17228776</u>
	Net Current Assets		138597269	143909935
5	Miscellaneous Expenditure (to the extent not written off or adjusted)			
	Deferred revenue exp.		839530	1226682
	Total		<u>273887131</u>	<u>282442677</u>
	Notes on Accounts	19		

The Schedules referred to above form an integral part of the Balance Sheet.

B.L.Baid Chairman	CA L.C. Baid Managing Director	CA Bharat Baid Executive Director	Rajiv Baid Executive Director	CS Gajanand Gupta Finance Controller & Company Secretary	In terms of our report of even date attached for A.NATANI & COMPANY Chartered Accountants
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Place : Jaipur
Date : 30.06.2009

CA ASHOK KUMAR NATANI
PARTNER
M. No. 74692

POLYCON INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	For the year ended 31.03.09 (Rs)	For the year ended 31.03.08 (Rs)
1	INCOME		
	Gross Sales	405800823	357746887
	Less : Excise Duty & Sales Tax	<u>63664399</u>	<u>65789715</u>
	Sales (Net) 12	342136424	291957172
	Other Income 13	1086200	1008638
	Increase(Decrease)in stockof finished goods 14	<u>(3283057)</u>	<u>1347733</u>
		<u>339939567</u>	<u>294313543</u>
2	EXPENDITURE		
	Material Consumed 15	226958402	195403662
	Manufacturing Expenses 16	46713186	41742340
	Selling,Administrative & Other exp. 17	25303391	20989416
	Interest 18	18031085	17043375
	Depreciation 4	<u>18863728</u>	<u>16029994</u>
		<u>335869792</u>	<u>291208787</u>
3	PROFIT		
	Profit/(Loss) before Taxation	4069775	3104756
	Less : Provision for taxation		
	Current Year (TAXATION)	1110000	430000
	Fringe Benefit Tax	216000	210000
	Deferred Tax(Assets)/Liabilities	<u>227279</u>	<u>820297</u>
	Profit/(Loss) after Taxation	2516496	1644459
	Add : Balance brought forward from previous year	<u>2958259</u>	<u>1313800</u>
4	BALANCE CARRIED TO BALANCE SHEET	5474755	2958259
	Notes on Accounts 19		
	Basic & Diluted earnings per share (refer Note 15 of Schedule-19)	0.51	0.34

The Schedules referred to above form an integral part of the Profit & Loss Account.

B.L.Baid	CA L.C. Baid	CA Bharat Baid	Rajiv Baid	CS Gajanand Gupta	In terms of our report of even date attached
Chairman	Managing	Executive	Executive	Finance Controller &	for A.NATANI & COMPANY
	Director	Director	Director	Company Secretary	Chartered Accountants

Place : Jaipur
Date : 30.06.2009

CA ASHOK KUMAR NATANI
PARTNER
M. No. 74692

POLYCON INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2009

	Current year (Rs.in lacs)	Previous year (Rs.in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	40.70	31.05
Adjustment for :		
Depreciation	188.64	160.30
Preliminary/Deferred Expenses Written off	3.87	3.87
Profit/Loss on sale of Investment/Assets	(0.02)	(0.58)
Foreign Exchange	0	0
Interest & Other income on Investments	(10.86)	(10.09)
Interest	180.31	170.43
Operating profit before working capital changes	402.64	354.98
Adjustment for :		
Trade and other Receivables	(102.81)	92.14
Inventories	75.66	(204.34)
Trade Payables	32.24	(18.58)
Cash generated from operations	407.73	224.20
Interest Paid	(180.31)	(170.43)
Direct taxes paid(Income Tax & TDS Return)	(18.17)	(6.28)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	209.25	47.49
Extraordinary items(Deferred Revenue exp)	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES (A) :	209.25	47.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(168.79)	(263.18)
Sale of fixed assets	8.71	4.08
Acquisitions of companies	0	0
Purchase of Investments	(3.15)	0
Sale of Investments	0	0
Interest received and other income	10.86	10.09
NET CASH USED IN INVESTING ACTIVITIES (B) :	(152.37)	(249.01)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including premium & retained Dividend)	0	0
Proceeds from long term borrowings	97.37	415.79
Repayment of long term loans	(210.41)	(160.76)
Dividends paid	0	0
NET CASH USED IN FINANCING ACTIVITIES (C) :	(113.04)	255.03
Net changes in cash and cash equivalents(A+B+C)	(56.16)	53.51
Cash & Cash equivalents as at 1.4.08 (Opening Balance)	72.14	18.63
Cash & Cash equivalents as at 31.3.00 (Closing Balance)	15.98	72.14

B.L.Baid Chairman	CA L.C. Baid Managing Director	CA Bharat Baid Executive Director	Rajiv Baid Executive Director	CS Gajanand Gupta Finance Controller & Company Secretary	In terms of our report of even date attached for A.NATANI & COMPANY Chartered Accountants
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Place : Jaipur
Date : 30.06.2009

CA ASHOK KUMAR NATANI
PARTNER
M. No. 74692

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.3.2009
AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2009**

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
<u>Schedule 1</u>		
<u>CAPITAL</u>		
<u>Authorised</u>		
7500000 Equity Shares of Rs.10/- each	<u>75000000</u>	<u>75000000</u>
<u>Issued & Subscribed</u>		
(I) 3000000 Equity Shares of Rs.10/- each	30000000	30000000
(II) 3953200 Equity Shares of Rs.10/- each at a premium of Rs. 10/- per share	<u>39532000</u> <u>69532000</u>	<u>39532000</u> <u>69532000</u>
<u>PAID UP</u>		
(I) 3000000 Equity Shares of Rs. 10/- each fully paid up. Out of the above shares : 300000 Shares issued as fully paid up bonus shares out of reserves.	30000000	30000000
(II) 1889100 Equity shares of Rs.10/- each at a premium of Rs. 10/- each fully called up Add: Share forfeited (amount originally paid up)	18891000 5463600 <u>54354600</u>	18891000 5463600 <u>54354600</u>
<u>Schedule 2</u>		
<u>RESERVES AND SURPLUS</u>		
1 Share Premium	24354600	24354600
2 Profit & Loss Account	<u>5474755</u>	<u>2958259</u>
	<u>29829355</u>	<u>27312859</u>

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.3.2009
AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2009**

	As at 31st March,2009 Rs.	As at 31st March,2008 Rs.	
Schedule 3			
<u>SECURED LOANS</u>			
1	Working Capital borrowing from Indian Overseas Bank secured against hypothecation of raw-material, goods in process, finished products receivables and consumable stores and also additionally secured by a second charge over immovable properties of the company as well as personally guaranteed by four directors of the company	74753188	68615510
2	Term Loan from Indian Overseas Bank secured by way of mortgage/hypothecation of plant & machinery purchased out of said loans and also secured by second charge over entire fixed assets of the company & by personal guarantee of four directors of the company (repayable within one year Rs. 46.80 lacs)	9950329	14750279
3	Term Loan from Indian Overseas Bank secured by way of mortgage/ hypothecation of fixed assets at Pandur Village unit and also secured by Personal Guarantee of four Directors of the Company. (Repayable within One year Rs.42.24 lacs)	22939738	27400386
4	Term Loan from Rajasthan Financial Corp. against mortgage/hypothecation of fixed assets and also secured by personal guarantee of four directors of the company.(Repayable within One year Rs. 121.90 lacs)	65261832	76162307
5	Term Loan from ICICI Ltd. against hire purchase agreement for vehicles. (Repayable within One year Rs. 3.06 lacs)	700057	1138366
6	Term Loan from Kotak Mahindra Prime Ltd. against hire purchase agreement for vehicle. (Repayable within One year Rs. 4.63lacs)	1244641	548555
7	Term Loan from Citi Financial against hire purchase agreement for vehicle. (Repayable within One year Rs. 4.63 lacs)	365835	0
	<u>175215620</u>	<u>188615403</u>	
<u>UNSECURED LOANS</u>			
1	Sale Tax Defferment Scheme	9057390	6956928
	<u>9057390</u>	<u>6956928</u>	

Schedule 4
FIXED ASSETS

(Amount in Rupees)

	GROSS BLOCK			DEPRECIATION					NETBLOCK	
	As on 1.4.2008	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31.3.2009	UPTO 31.3.2008	FOR THE YEAR	DEDUCTION DURING THE YEAR	TOTAL DEPRECIA- TION	AS AT 31.03.2009	AS AT 31.03.2008
1 LAND (Leasehold)	5958032	0	0	5958032	0	0	0	0	5958032	5958032
2 FACTORY BUILDING	43764073	612206	0	44376279	19892884	2389131	0	22282015	22094264	23871189
3 PLANT & MACHINERY	198722433	6909690	1156760	204475363	118570229	10950287	461122	129059394	75415969	80152204
4 ELECTRIC INSTALATION	5984572	83068	0	6067640	2668579	462957	0	3131536	2936104	3315993
5 OFFICE EQUIPMENT	2218719	37323	0	2256042	1615351	94490	0	1709841	546201	603368
6 TESTING EQUIPMENT	155254	0	0	155254	101671	7453	0	109124	46130	53583
7 FURNITURE & FIXTURES	1023487	77058	0	1100545	514017	98227	0	612244	488301	509470
8 VEHICLES	3410174	1856179	310434	4955919	1521541	809714	135394	2195861	2760058	1888633
9 COMPUTER	1236086	195461	0	1431547	932943	166977	0	1099920	331627	303143
10 MOULDS & DIES	64802902	7107693	0	71910595	46256767	3884492	0	50141259	21769336	18546135
TOTAL	327275732	16878678	1467194	342687216	192073982	18863728	596516	210341194	132346022	135201750
previous year	290933979	38388125	2046372	327275732	177740847	16029994	1696859	192073982	135201750	113193132

As At	As At
31st March,2009	31st March,2008
Rs.	Rs.

As At	As At
31st March,2009	31st March,2008
Rs.	Rs.

Schedule 5
INVESTMENT (AT COST)
UNQUOTED

1 Govt. Securities 5 Year National Saving Certificate (Pledged to Commercial Tax Deptt)	37604	37604
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2 200000 Equity shares of Rs. 10/- each (fully Paid up) of North Star Commodities Pvt. Ltd.	2000000	2000000
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QUOTED

2500 Equity Shares of Rs.10/- each (Fully paid up) of HFCL	66706	66706
Aggregate amount of Quoted Investment	<u>2104310</u>	<u>2104310</u>
Market Value Rs.20025/- (Previous Year Rs. 47,875/-)	66706	66706
Un-quoted investments	<u>2037604</u>	<u>2037604</u>
	<u>2104310</u>	<u>2104310</u>

Schedule 6
INVENTORIES

 (As verified, valued and certified
by the Management)

Raw Materials	22866409	26797845
Stores	1345100	887122
Fuel	102740	97060
Finished goods	11702830	14985887
Packing Material	1483250	2298078
	<u>37500329</u>	<u>45065992</u>

Schedule 7
SUNDRY DEBTORS

(Unsecured: Considered good)

Debts over Six Months	24374232	16256359
Other debts	64180141	56330975
	<u>88554373</u>	<u>72587334</u>

	As At 31st March, 2009 Rs.	As At 31st March, 2008 Rs.
Schedule 8		
CASH AND BANK BALANCES		
Cash in hand	933112	1691763
Balances with Scheduled Banks :		
On Current Accounts	665231	5522704
On Fixed Deposits	370323	54932
	<u>1968666</u>	<u>7269399</u>

Schedule 9		
LOANS AND ADVANCES		
(Unsecured : Considered Good)		
(Advances recoverable in cash or in kind or for value to be received)		
Advances for Supplies, Services & Exp	19525431	22922614
Deposits (Security) with Govt. & Others	6351375	5279838
Excise credit available	573465	2293825
Income Tax & TDS	2240986	1064041
Loans and advances to Corporate Bodies	2143847	3130815
Sales Tax credit available	872110	1524853
	<u>31707214</u>	<u>36215986</u>

Schedule 10		
LIABILITIES		
Sundry Creditors for Supplies & Exp.	14633187	10898098
Advance from Customers	1491199	2318003
Statutory Liabilities	422678	311118
Security deposits from Dealers	538216	554927
	<u>17085280</u>	<u>14082146</u>

Schedule 11		
PROVISIONS		
FBT	216000	210000
Income Tax	1110000	430000
Gratuity	2722033	2506630
	<u>4048033</u>	<u>3146630</u>

	Figures for the year ended 31.03.09 (Rs)	Figures for the year ended 31.03.08 (Rs)
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Schedule 12		
SALES		
A. Sales (Less of return)		
(i) Export Sales	4776403	6925409
(ii) Domestic Sales	337354351	283951181
	342130754	290876590
B. Revenue from Job Work	5670	1080582
TOTAL (A+B)	<u>342136424</u>	<u>291957172</u>

	Figures for the year ended 31.03.09 (Rs)	Figures for the year ended 31.03.08 (Rs)
Schedule 13		
OTHER INCOME		
1. Interest received (Gross)	1086200	969179
2. Misc. Income	0	39459
	<u>1086200</u>	<u>1008638</u>

Schedule 14		
INCREASE (DECREASE) IN FINISHED GOODS		
1. Closing Stock	11702830	14985887
2. Less: Opening Stock	14985887	13638154
	<u>(3283057)</u>	<u>1347733</u>

Schedule 15		
MATERIALS CONSUMED		
(a) Purchase of finished goods		
Opening Stock	2298078	1750100
Add : Purchases	28757805	23736876
	31055883	25486976
Less : Closing Stock	2122950	2298078
	<u>28932933</u>	<u>23188898</u>

(b) Consumption of Raw Material		
Opening Stock	26797845	10218507
Add : Purchases	185625405	182099550
	212423250	192318057
Less : Closing Stock	23044799	26797845
Less : Sale of Pet Chips	2634300	1005900
Less : Sale of Scrap	148860	258230
	<u>186595291</u>	<u>164256082</u>

(c) Stores Consumed		
Opening Stock	887122	845510
Add : Purchase	2347974	1867680
	3235096	2713190
Less : Closing Stock	527010	887122
	<u>2708086</u>	<u>1826068</u>

(d) Fuel Consumed		
Opening Stock	97060	109760
Add : Purchases	8727772	6119914
	8824832	6229674
Less : Closing Stock	102740	97060
	<u>8722092</u>	<u>6132614</u>
TOTAL (a+b+c+d)	<u>226958402</u>	<u>195403662</u>

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
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Schedule 16
Manufacturing Expenses :

Labour Charges	11014608	7208251
Labour Welfare	509740	380702
Water, Electricity & Power Charges	20763586	21119212
Bonus & Leave with pay	1089350	989466
Repairs & Maintenance		
- Machinery	5836445	3480135
- Building	686758	110863
Contribution to ESI	237554	281176
Contribution to PF	1115532	995713
Job Work Charges	5459613	7176822
	<u>46713186</u>	<u>41742340</u>

Schedule 17
Selling, Administrative & Other exp :

Staff Salary	3594480	3379368
Transportation, Handling & Octroi	7598157	5566158
Travelling Expenses :		
Foreign Tour	166427	69873
Domestic Tour	1779227	1704205
Postage, Telegraph & Telephone	720790	944631
Bank Commission	98359	141883
General & Office Expenses	260518	318171
Printing & Stationery	258137	279350
Subscription & Misc. Fees	693820	444400
Audit Fee	19440	19440
Insurance Premium	488345	1112925
Legal Exp & Professional Fee	152077	226805
Conveyance & Vehicle Maintenance	984521	1177246
Selling Expenses, Discount & Claims etc.. (Net)	1405619	965324
Advertisement & Publicity	265132	192052
Rent	1009173	971448
Rates & Taxes	310218	214816
Remuneration to Directors	1930500	1450500
Books & Periodicals	8841	21026
Provision for Gratuity	283052	548967
Sales Promotion Exp.	14033	0
Bad Debts	2600161	0
Donation	174171	14800
Deferred Revenue Exp.	387152	387152
Profit/Loss on sale of assets	-1815	-57987
Income Tax & FBT	0	669853
Loan Processing charges	59890	227010
Brokerage & Commission	42966	0
	<u>25303391</u>	<u>20989416</u>

Schedule 18
INTEREST

To Rajasthan Financial Corp. for Term Loan	7263743	6644975
To Bank & Others	10767342	10398400
	<u>18031085</u>	<u>17043375</u>

Schedule 19
NOTES ON ACCOUNTS
1. Significant Accounting Policies
Basis of Accounting

- a) The financial statements are prepared under the Historical Cost Convention, based on assumption of going concern, consistency and accrual and in accordance with the standards on accounting issued by the Institute of Chartered Accountants of India and referred to in section 211(3) of the Companies Act, 1956 except few items which are recorded on cash basis like bonus etc.
- b) The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual and estimates are recognized in the period in which the results are known/materialized.

Revenue Recognition

Both income and expenditure items are recognized on accrual basis. Revenue from sale of goods including manufactured products is recognized upon passage of title to the customers which generally coincides with delivery.

Fixed Assets

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

Depreciation

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule-XIV of the Companies Act, 1956, except the Plant & Machinery and Dies & Moulds purchased after 01st April, 2004, depreciation has been provided on Straight Line Method (SLM). Additions/deletions to fixed assets during the year are being depreciated on prorata from the date on which such assets are capitalized/deleted.

Investment

Investment are stated at cost

Inventories

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

Accounting of subsidy

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

Retirement Benefits

The total future liability for retiring Gratuities payable in accordance with the payment of Gratuity Act and the Company's Rules is actually determined as on 31st March, 2009 at Rs. 2722033/- (previous year Rs. 25,06,630/-)

Foreign Currency Transactions

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

Taxes on income
(i) Current Taxation :

Provision for current income tax is made based on the tax liability computed after considering tax allowances and exemptions.

(ii) Fringe Benefit Tax

Fringe benefit tax is determined at current applicable rates on expense falling within the ambit of "Fringe benefit" as defined under the Income Tax Act, 1961.

(iii) Deferred Taxation

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted on the Balance Sheet date.

Deferred Tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be

available against which such deferred tax assets can be realized.

Cenvat Credit/Value Added Tax

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

Borrowing Costs

Borrowing costs that are attributable to the acquisition/construction of fixed assets are capitalized as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they arise.

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current management estimates.

6. Details of Capacities, Production, Stocks and Sales (Figures in brackets relate to previous year)

a. Capacities and Production

Class of goods	Annual Capacity			Actual Production for sales
	Unit	Licensed	Installed	
- Injection Moulded Articles Lids/Pet Preform etc.	MT	N.A.	400 (400)	240 (222)*
- PET Bottles/Jars	MT	N.A.	2700 (2700)	2249 (1992)*
- Extrusion Division PVC Pipe/Fitting/Profiles	MT	N.A.	1280 (1280)	106 (114)**
- Rotomoulded Water Storage Tanks	MT	N.A.	1050 (1050)	302** (344)**

(Note :-Installed capacities are as assessed by Management)

* Including job work of others.

** Including job work by others.

2. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and the provisions for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
3. Figures for the previous year have been reworked/regrouped and recast wherever considered necessary and are nearest to Rupees.
4. **Contingent Liabilities**

Bank Guarantee given to Hindustan Petroleum Corporation Ltd. at the time of application for tender Rs. 12.00 lac (previous year Rs. NIL).
5. The Company has obtained the entitled certificate from State level screening committee/District level screening committee in form of subsidy towards labour and interest payments in respect of expansion projects undertaken by the company at Jaipur Unit. The aforesaid amount of subsidy is not being paid in cash and are being adjusted against the sales tax liability of the company by deducting the respective head of expenses.

b) Details relating to opening & closing stock, purchases and turnover sale of products.

Class of Goods Manufactured	Opening Stock				Closing Stock				Purchase				Turnover			
	2009		2008		2009		2008		2009		2008		2009		2008	
	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)
PET Bottles/ Jars/ Preform *	2069413	10188985	4121308	10590079	2515293	7246983	2069413	10188985	—	—	—	—	64414195	292376026	53313213	236946216
Water Storage Tanks*	1715	1239624	1880	1149672	1298	979168	1715	1239624	—	—	—	—	25430	31596682	26543	31150376
PVC Profiles (Rmt)	45097	1916226	28911	1053153	60049	2665741	45097	1916226	—	—	-13359	-853076	143243	6482385	179074	7923380
Other Items		1641052	—	845250		790938	—	1641052	—	28932933	—	24041974		11675661	—	14856618
TOTAL		14985887		13638154		11702830		14985887		28932933		23188898		342130754		290876590

* Quantity in Nos.

** Refer notes on accounts under Schedule No. 19 to the Balance Sheet and Profit & Loss Account.

c. Raw material Consumed :-

	<u>Quantity(MT)</u>	<u>Value(Rs)</u>
(i) LLDPE Granuals	302 (338)	19878051 (21445352)
(ii) PVC Resin	106 (114)	5455926 (5331643)
(iii) PET Chips	2249 (1948)	136388752 (118709103)
(v) Poly Propylene	240 (222)	15571850 (13517128)
(vi) Others	— (—)	1929723 (1877948)
(vii) PET Preforms (No. in lacs)	45.13 (19.35)	10154149 (4639038)

* Quantity in Nos.

d. Expenses/Income in Foreign Currency :-
INCOME

	<u>Current Year(Rs)</u>	<u>Previous Year(Rs)</u>
- Export Sales	4776403	6925409

EXPENSES

- Expenses on Foreign Travel	166427	69873
- Expenses on Imports on CIF basis for Capital Goods	NIL	NIL

	<u>Current Year(Rs)</u>	<u>Previous Year(Rs)</u>
7 Director's remuneration - Salary	1440000	1080000
Contribution to Provident Fund	172800	86400
House Rent Allowances	360000	360000
Other Directors - Sitting Fees	10500	10500

8 The break up of Deferred Tax Liabilities

as on 31st March, 2009 is as follows :-

Nature of timing difference	<u>Deferred Tax Liability/ (Assets) as at 01.04.2008</u>	<u>Net Deferred Tax Liabilities (Assets) as at 31.03.2009</u>
(A) Related to Fixed Assets	5977435	6249226
(B) Related to Provisions for gratuity	(774548)	(819060)
Net Deferred Tax Liability	5202887	5430166

9 As the company involves only in manufacturing of plastic goods, therefore, Segment reporting as defined under Accounting Standard (AS)-17 is not applicable to the company

10(a) Sundry Creditors for supplies (Item No.1st to Schedule 10) includes Rs. 37.66 lac (Rs. 19.24 lac on 31.03.2008) due to small scale and ancillary undertakings.

(b) Names of Small Scale Industrial Undertakings to whom the company owned any sum which was outstanding more than 30

days as the end of the financial year are - M/s. Color Point, M/s. Colour Shade, M/s. Compact Pack Moulders (P) Ltd., M/s. Empire Packages (P) Ltd., Shyam Adarsh Pack (P) Ltd., Vyankatesh Corrugators (P) Ltd., Maanekar Industries
The above information and the amount due to all SSIs has been identified by the management based on information available and relied upon by the Auditors.

11 Related Party Disclosures ;
A) List of Realedted Parties & relationship

Party	Relationship
Ridam Polymers Pvt. Ltd.	: Relatives of Directors are
HMI Corporation	: either Partner or Director.
Jai Sinter Polycon Pvt. Ltd.	: or held office of profit
Crystal Packaging	:
Vikram Baid	:
Vijay Baid	:

B) Key Management Personnel :

Shri L. C. Baid	: Managing Director
Shri Bharat Baid	: Executive Director
Shri Rajiv Baid	: Executive Director

(C) The following transactions were carried-out during the year with the parties in the ordinary course of business :-

Transactions	2008-09	2007-08
1 Sale of goods	34.62	18.62
2 Receiving of Services	54.24	64.18
3 Rent Paid	0.24	0.24
4 Interest received	6.61	3.69
5 Interest Paid	0.00	0.00
6 Purchases of goods	1.37	0.00
7 Salary (including HRA)	10.68	0.00

Amount Due to/from related parties

1 Debtors against supply & services	42.71	26.00
2 Loans & advances against supply	21.44	12.00

12 As stipulated in AS-28, the Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

13 Earning Per Share

Basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year

	<u>2008-09</u>	<u>2007-08</u>
Profit attributable to equity shareholders (Rs. in Lacs)	25.16	16.44
No. of Shares	4889100	4889100
Nominal Value of Shares (Rs)	10/-	10/-
Basic/diluted Earning per share (Rs)	0.51	0.34

14 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31st MARCH, 09

a. Registration Details :
 CIN No. L28992 RJ1991PLC006265 State Code 17 Balance Sheet Date : 31.03.2009

b. Capital raised during the year
 (Amount in Rs. thousands)
 Public issue (Allotment Money) NIL Rights issue NIL
 Bonus Issue NIL Private Placement NIL

c. Position of Mobilisation and deployment
 of Funds (Amount in Rs. thousands)
 Total Liabilities 273887 Total Assets 273887

Sources of Funds

Paid up Capital 54355 Reserves & Surplus 29829
 Secured Loans 175216 Unsecured Loans 9057
 Deferred Tax Liability 5430

Application of Funds

Net Fixed Assets 132346 Investments 2104
 Net current Assets 138597 Misc. Expenditure 840
 Accumulated Losses 0

d. **Performance of Company (Amount in Rs. thousands)**

Turnover (Total Income) 339940 Total Expenditure 335870
 Profit/Loss before tax 4070 Profit/Loss after Tax 2516
 Earning per share (in Rs) 0.51 Divident Rate % NIL

e. **Generic Names of the principal products/services of the Company**

Item Code(ITC Code) 39252000
Product Description Builders ware of plastics(viz - Master Batches, Powder, PVC Profiles and Sections)

Item Code(ITC Code) 39251000
Product Description LLDPE Containers(Water Storage Tanks)

Item Code(ITC Code) 8477
Product Description Machinery for working rubber or plastics or for the manufacture of products from these materials

Item Code(ITC Code) 39233000
Product Description PET Containers (Bottles, Jars and similar articles)

Signature to Schedules 1 to 19 and Balance Sheet Abstract

B.L.Baid Chairman	CA L.C. Baid Managing Director	CA Bharat Baid Executive Director	Rajiv Baid Executive Director	CS Gajanand Gupta Finance Controller & Company Secretary	In terms of our report of even date attached for A.NATANI & COMPANY Chartered Accountants
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Place : Jaipur
 Date : 30.06.2009

CA ASHOK KUMAR NATANI
 PARTNER
 M. No. 74692

ATTENDANCE SLIP
POLYCON INTERNATIONAL LIMITED

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

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

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

I hereby record my presence at the Eighteenth Annual General Meeting of the Company to be held on the Saturday 30th September, 2009 at 1:00 P.M. at the Registered Office of the company at Rotary Bhawan, Church Road, M I Road, Jaipur-302 001

SIGNATURE OF THE SHAREHOLDER OR PROXY -----

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

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

PROXY FORM
POLYCON INTERNATIONAL LIMITED

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

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

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

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

----- being a

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

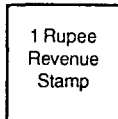
----- of ----- or failing

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

Proxy to vote for me/us on my /our behalf at the Eighteenth Annual General Meeting of the Company to be held on Saturday, 30th September, 2009 and /or at any adjournment thereof.

As witness my/our hand(s) this ----- day of ----- 2009

Signed by the said -----



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

BOOK-POST

POLYCON



If undelivered please return to:

POLYCON International Ltd.
Rotary Bhawan, Church Road, M.I. Road, Jaipur-302 001 (India)