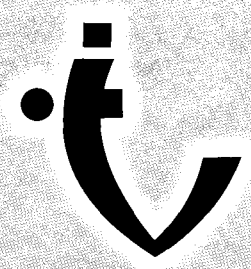


3rd ANNUAL REPORT 2011-2012

VINAYAK POLYCON International Ltd.



CONTENTS	PAGE (Nos)
• Financial Highlights	2
• Notice	3-4
• Directors' Report	} 5-7
• Management Discussion & Analysis Report	
• Compliance Certificate	8-9
• Corporate Governance Report	10-15
• Auditors' Report	} 16-17
• Annexure to the Auditors' Report	
• Balance Sheet	18
• Statement of Profit & Loss	19
• Cash Flow Statement	20
• Notes forming part of the Financial Statement	21-30
• Attendance Slip & Proxy Form	33

BOARD OF DIRECTORS

Mr. Bhanwar Lal Baid
Chairman

CA Bharat Baid
Managing Director

CA Vikram Baid
Executive Director

CA Laxmipat Nahata
Independent and Non Executive Director

Mr. M.S. Bhandari
Independent and Non Executive Director

Mr. Tej Kumar Dugar
Independent and Non Executive Director

Statutory Auditors
A. Natani & Co.
Chartered Accountants
6-7, Samod Tower
II Floor, Dadu Marg
S.C.Road, Jaipur

BOARD COMMITTEES

Audit Committee
Mr. Laxmipat Nahata
Mr. M.S. Bhandari
Mr. Vikram Baid

Remuneration Committee
Mr. M.S. Bhandari
Mr. Laxmipat Nahata
Mr. Vikram Baid

Shareholders'/Investor's
Grievance Committee
Mr. M.S. Bhandari
Mr. Laxmipat Nahata
Mr. Vikram Baid

Corporate Advisors
V.M. & Associates
Company Secretaries
403, Royal World
Sansar Chandra Road
Jaipur- 302 001

Registrar and Share Transfer Agent

M/s MAS Services Limited
T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020,
Phone No: 91-11-26387281-13,
Fax:-91-11-26387384, Email: -info@masserv.com

Principal Banker
Indian Overseas Bank

Registered and Correspondence Office

312, Navjeevan Complex, 29, Station Road, Jaipur- 302 006 (Rajasthan), India
Phone No: 91-141-2377007, Fax:-91-141-2378830,
Email:- investor@vinayakpolycon.com
Website:- www.vinayakpolycon.com

Works :
Unit-1

16, Pandur Village, Kayarambedu Post, Via Guduvanchery Dist.Kanchipuram - 603202,
TAMIL NADU.

FINANCIAL HIGHLIGHTS

(Amount Rs. In Lac)

Particulars	2010	2011	2012
PROFIT & APPROPRIATIONS			
Sale & Other Income	0.00	1388.03	1357.76
Profit Before Depreciation & Tax	0.00	116.52	105.58
Depreciation	0.00	109.80	95.33
Profit before Tax	0.00	6.72	10.25
Taxation	0.00	1.55	3.18
Profit After Tax	0.00	5.17	7.07
Dividend	0.00	0.00	0.00
Earning per Share	0.00	0.17	0.23
ASSETS EMPLOYED			
Fixed Assets Gross	0.00	950.27	998.75
Depreciation	0.00	289.02	383.35
Net	0.00	661.25	615.40
Capital work in progress	0.00	0.00	1.50
Investment	0.00	0.00	0.00
Net Current Assets	4.47	478.93	102.07
Miscellaneous Expenditure	2.11	4.64	3.70
	6.58	1144.82	722.67
FINANCED BY			
Equity Shares	5.00	308.12	308.13
Reserve & Surplus	0.00	35.58	42.64
Loan Funds	1.58	771.51	342.13
Deferred Tax Liability	0.00	29.61	29.77
	6.58	1144.82	722.67

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Third Annual General Meeting of members of Vinayak Polycron International Limited will be held on Saturday, the 1st day of September, 2012 at 3.00 P.M. at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Bhanwar Lal Baid, who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint M/s A. Natani & Co., Chartered Accountants, as auditors to hold office from the conclusion of this Annual general meeting until the Conclusion of next Annual General Meeting and to authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s V. M. & Associates, Company Secretaries, Jaipur be and is hereby appointed as Company Secretary for the issuance of Compliance Certificate under section 383A of the Companies Act, 1956 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company in consultation with the said firm.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. **APPOINTMENT OF MR. BHANWAR LAL BAID AS CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY W.E.F. 01.04.2012**

To consider and, if thought fit, to give assent or dissent to the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Articles of Association of the Company and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and all other statutory provisions, the board hereby appoints Mr. Bhanwar Lal Baid, as the Chairman of the Board of Director of Vinayak Polycron International Limited for a period of 5(Five) years with effect from 01.04.2012, on such terms and conditions as determined by the Board.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

BY ORDER OF THE BOARD

PLACE: JAIPUR
DATE: 19.07.2012

Sd/-
BHARAT BAID
MANAGING DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE 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 proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
3. Corporate members are requested to send a duly certified true copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. In terms of Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Bhanwar Lal Baid, Director of the Company, retire by rotation at the ensuing Meeting and being eligible, offers himself for reappointment. The Board of Directors of the Company commends this re-appointment.
5. A brief resume of Mr. Bhanwar Lal Baid and other information required under clause 49(VI) (A) of the listing agreement is included in the Report of Corporate Governance.
6. The registers of the members and share transfer books of the company shall remain closed from Friday, 31st August, 2012 to Saturday, 1st September, 2012 (Both days inclusive).
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
8. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.

9. Explanatory Statement for Item Nos. 4 & 5 pursuant to Section 173(2) of the Companies Act, 1956 is enclosed herewith.
10. M/s MAS Services Limited, having its Registered Office at T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi is appointed as the Company's Registrar & Transfer Agent w.e.f. 22nd July, 2011.
11. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
12. Members are requested to bring the following with them at the Annual General Meeting:
 - a. Copy of the Annual Report.
 - b. Duly filled Attendance Slip for attending the meeting and the same should be deposited at the entrance of the Meeting Hall.
 - c. Depository account number (Client ID), if any, for easier identification and recording of attendance at the meeting.
13. Members are informed that Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Your company has also decided to be a part of this initiative and request the shareholders to send/update their email id's in the company's record. This initiative will enable better flow of the information required to be disseminated to the members and save the environment by saving the paper. We seek your whole-hearted support for this initiative.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 4

As per the requirements of section 383A of the Companies Act, 1956 and (Companies Compliance) Certificate Rules, 2001 the Company has to obtain a certificate from Company Secretary in practice certifying that legal and procedural requirement under the Companies Act have been duly complied with by the Company. For which appointment of M/s V. M. & Associates, Company Secretaries, Jaipur for conducting and issuing Compliance Certificate u/s 383A of Companies Act, 1956 is sought.

None of the directors are interested in the said resolution.

The Directors recommend the above ordinary resolution stated at item No. 4 for your approval.

ITEM NO. 5

Mr. Bhanwar Lal Baid, aged 82 years, possesses the degree of Bachelor of Legislative Laws from Banaras Hindu University. He proved himself a great leader taking his self-established organization to the higher echelons. Always being a self-reliant person he took initiatives to better the surroundings and conditions. Considering his long association with the Company & group and being the senior most person in the Group, Board of Directors are desirous of electing him as Chairman of Board of Director of Vinayak Polycon International Limited.

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

Your directors recommend the above resolution for your approval.

BY ORDER OF THE BOARD

Sd/-

**BHARAT BAID
MANAGING DIRECTOR**

PLACE: JAIPUR
DATE: 19.07.2012

ANNEXURE TO THE NOTICE OF THIRD AGM

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting to be held on 1st September, 2012:

Name of Director	Mr. Bhanwar Lal Baid
Date of Birth	30.09.1930
Date of Appointment	31.12.2009
Designation	Chairman
Expertise in specific Functional areas	Having expert knowledge & experience in general office administration & legal matters.
Qualifications	B.Sc., LL.B.
Name of Companies in Which Directorship held As on 31/03/2012	Polycon International Limited
Member of The Committees Of the Board of other Companies as on 31/03/2012	NIL

DIRECTORS' REPORT

To,
The members,
Vinayak Polycron International Limited

Your Directors are pleased to present their Third Annual Report on the business and operations of the Company alongwith the Audited Statement of Accounts for the financial year ended on 31st March, 2012.

FINANCIAL RESULTS :

The financial performance of the company for the year ended March 31, 2012 is summarized below :

(Amount in Rs.)

Particulars	2011-12	2010-11
Income	13,57,75,616	13,68,84,976
Expenses	13,47,50,660	13,62,13,218
Profit for the year before Tax	10,24,956	6,71,758
Tax expenses	3,18,480	1,54,697
Net Profit after Tax	7,06,475	517061

DIVIDEND :

In view of future working and expansion projects of the Company, your Directors do not recommend payment of any dividend for the year ended 31st March, 2012.

CORPORATE DEVELOPMENTS / GROWTH & EXPANSION :

The Scheme of Arrangement i.e. demerger between Vinayak Polycron International Ltd and Polycron International Ltd., has been approved by the Hon'ble Rajasthan High Court, Jaipur Bench by its order dated 21st July, 2011, which was made effective on 8th August, 2011. In accordance with the said scheme of Arrangement, the Chennai unit stood transferred and vested in Vinayak Polycron International Ltd. with effect from appointed date, i.e. 1st April, 2010. As a result of increase in demand for larger sized packaging, your company has expanded in this area in 2011-12 by increasing installed capacities for larger sized containers.

DEMERGER :

The Scheme of Arrangement between Vinayak Polycron International Ltd and Polycron International Ltd., which was approved by the Hon'ble Rajasthan High Court, Jaipur Bench by its order dated 21st July, 2011 was made effective on 8th August, 2011. In accordance with the said scheme of Arrangement, the Chennai unit stood transferred and vested in Vinayak Polycron International Ltd. with effect from appointed date, i.e., 01st April, 2010.

MANAGEMENT DISCUSSION AND ANALYSIS INDUSTRY STRUCTURE & DEVELOPMENT

During the period under review there is significant increase

in the use of plastic including PET Containers throughout the country. Clear Visibility of packed product in primary and secondary packaging has gained importance. The buyer wants to clearly see the inner contents before buying and wants the container to be unbreakable, child safe and durable. This led to great increase in manufacturing of plastic wares in the country specially PET.

Your company is on its way to capitalize on this trend, through improved production of plastic products and through alliances with the suppliers who have specific expertise in the related field.

OPPORTUNITY :

The consumption of plastic is increasing at the rapid speed as it is easy and convenient to use and can easily be recycled. It paves a path to the companies to make new development for the better positioning in the market.

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

THREATS :

- Temporary decline in the economic activity
- Increase competition in the plastic industry due to entry of new players
- Introduction of new technologies
- Introduction of new taxes
- Introduction of new Tax Free Zones in India
- Any unfavourable change in Government Policies may affect the profitability of the company.
- Threat of substitutes.

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

OUTLOOK

The Outlook of your Company is promising, in light of its refreshed mission and vision and clear strategic framework. Vinayak Polycron International Limited leadership team and employees at all levels are in line with the strategy and working towards making it a success. The Company's product development team has developed an exciting range of plastic items which will fuel our growth in future.

RISKS AND CONCERNS:

Competition is increasing day-by-day in all fields of business. Similarly, there is competition in plastic industries too. The company is facing various risks and obstacles which includes inflation risk, credit risk, interest rate risk, non-availability of raw-material, high prices etc.

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

ADEQUACY OF INTERNAL CONTROL SYSTEM

The Company has a comprehensive system of internal controls to safeguard the company's assets against loss from unauthorized use and ensure proper authorization of financial transactions.

The company has an exhaustive budgetary control system to monitor all expenditures against approved budget on an ongoing basis.

The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirement.

The management duly considers and take appropriate actions on the recommendation made by Audit Committee of the Board of Directors.

HUMAN RESOURCES DEVELOPMENT/TRAINING

Human Resources are the important asset of any enterprise. Success of any enterprise mainly depends on its human power. In this regard, your company has made best efforts to employ good professionals, staff members, labourers etc.

Vinayak Polycon International Limited is keen to retain best of the human resources by effective training and development programs, by providing reasonable wages and salary by creating good working environment etc. Company's human resources are mobilized in order to strengthen the company internally to face future challenges. Your company is providing a "state of art" working environment to the employees with a view to optimize their performance.

EMPLOYMENT PROFILE & INDUSTRIAL RELATIONS :

As on 31st March, 2012, the Company employed a total of 50 employees of which 12 were Officers and 38 belong to non-executive cadre.

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

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 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.

SHIFTING OF REGISTERED OFFICE

During the year, registered office of the Company was shifted from K-18, Durga Das Path, Malviya Marg, C-Scheme, Jaipur-302001 to 312, Navjeevan Complex, 29, Station Road Jaipur-302 006 w.e.f. 02.07.2011.

ALLOTMENT OF SHARES

During the year the Company has made Allotment of 3,031,295 Equity Shares of Rs. 10/- each fully paid on 16th September, 2011 pursuant to the scheme of demerger approved by Hon'ble Rajasthan High Court, Jaipur Bench by their order dated 21.07.2011. These shares were allotted to existing share holders of Polycon International Limited (PIL) pursuant to above Demerger Scheme.

LISTING :

The company shall be listed on the Bombay Stock Exchange as per the guidelines of the order of Rajasthan High Court, Jaipur Bench dated 21st July 2011. The process for the same has been initiated and the application is submitted to BSE. Company has already obtained approval of Securities and Exchange Board of India in this regard, only approval from BSE is awaited.

DEMAT CONNECTIVITY WITH NSDL AND CDSL :

During the Financial Year, the Company made application to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to admit the securities/ shares of Company. M/s MAS Services Limited, New Delhi was appointed as Connectivity Agent for dematerialization of securities of the company with NSDL and CDSL.

CORPORATE GOVERNANCE :

The Company has complied with all the mandatory requirements of Corporate Governance specified by Securities & Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement. As required by the said clause, a separate Report on Corporate Governance, forms part of the Annual Report of the Company. A certificate from M/s A.NATANI & CO., Chartered Accountants, Jaipur Auditor of the Company, confirming compliance of conditions of Corporate Governance is annexed with this report.

BOARD OF DIRECTORS :

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri Bhanwar Lal Baid retires by rotation at the ensuing Annual General

Meeting and is eligible for re-appointment. Your Directors recommend his re-appointment.

During the year :

- i.) Mr. Bharat Baid was appointed as Managing Director of the Company w.e.f. 01.04.2011 for a period of three years.
- ii.) Mr. Vikram Baid was appointed as Executive Director of the Company w.e.f. 01.04.2011 for a period of three years.
- iii.) Mr. Laxmi Pat Nahata was appointed as Director of the Company w.e.f. 14.09.2011.
- iv.) Mr. Mahendra Singh Bhandari was appointed as Director of the Company w.e.f. 14.09.2011.
- v.) Mr. Tejkumar Malchand Dugar was appointed as Director of the Company w.e.f. 14.09.2011.

AUDITORS & AUDITORS' REPORT :

The Statutory Auditors of the Company M/s A Natani & Co., Chartered Accountants, Jaipur, retires at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Auditors, if reappointed. The appointment of Statutory Auditors of the company shall be from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. Your Directors recommend their reappointment.

The Auditor's report is self-explanatory and does not call for any explanation.

COMPLIANCE CERTIFICATE :

As per the requirements of Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from M/s V. M. & Associates, Company Secretaries in Whole-time Practice, confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of the Compliance Certificate is annexed to this report.

The appointment of M/s V. M. & Associates, Company Secretaries in Whole-time Practice, is also sought, for the year 2012-13, given in the notice.

PARTICULARS OF EMPLOYEES :

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956, as amended read with Companies (Particulars of Employees) Rules, 1975 is NIL.

FIXED DEPOSIT :

During the year under review, your Company has not invited any fixed deposit from public in terms of provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

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

The particulars regarding foreign exchange earnings and expenditure were Nil. The other particulars relating to conservation of energy; research and developmental activities and technological absorption are not applicable. However, the management has taken all the necessary steps to conserve the resources to the extent possible.

DIRECTORS'S RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that :

- (i) in preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) the Directors have taken 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 the preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern basis'.

ACKNOWLEDGEMENT :

Your Directors place on record their sincere appreciation for the contribution made by the employees through their dedication, hard work and commitment.

We also acknowledge the support and wise counsel extended to us by the banks and government agencies. We look forward to get the same support in our future endeavors.

PLACE: JAIPUR FOR AND ON BEHALF OF THE BOARD
DATE: 19.07.2012

Sd/- BHARAT BAID MANAGING DIRECTOR	Sd/- VIKRAM BAID EXECUTIVE DIRECTOR
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COMPLIANCE CERTIFICATE

CIN: - U25209RJ2009PLC030620
Nominal Capital: - Rs. 32,500,000/-

To,
The Members,
VINAYAK POLYCON INTERNATIONAL LIMITED
312, Navjeevan Complex,
29, Station Road,
JAIPUR - 302006

We have examined the registers, records, books and papers of VINAYAK POLYCON INTERNATIONAL LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year :

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the Company has duly filed the forms as stated in Annexure 'B' to this certificate, with the Registrar of Companies, through Ministry of Corporate Affairs with additional filing fees as prescribed under the Act and the rules made thereunder. However, no forms were required to be filed with Regional Director, Central Government, Company Law Board or other authorities.
3. the Board of Directors duly met 10 (Ten) times on 21.05.2011, 02.07.2011, 22.07.2011, 18.08.2011, 14.09.2011, 16.09.2011, 29.09.2011, 01.11.2011, 24.01.2012 and 30.03.2012 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. However, no resolution was passed by circulation.
4. the Annual General Meeting for the financial year ended on 31st March, 2011 was held on 14.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
5. the Company has made necessary entries in the register maintained under section 301 of the Act.
6. the Company has:-
 - i.) delivered all the certificates on allotment of securities in accordance with the provisions of the Act.
 - ii.) duly complied with the requirements of section 217 of the Act.
7. the Board of Directors of the Company is duly constituted and the appointment of director liable to retire by rotation at the Annual General Meeting has been duly made. During the year:
 - i.) Mr. Bharat Baid was appointed as Managing Director of the Company w.e.f. 01.04.2011 for a period of three years.
 - ii.) Mr. Vikram Baid was appointed as Whole Time Director of the Company w.e.f. 01.04.2011 for a period of three years.
 - iii.) Mr. Laxmi Pat Nahta was appointed as Director of the Company w.e.f. 14.09.2011.
 - iv.) Mr. Mahendra Singh Bhandari was appointed as Director of the Company w.e.f. 14.09.2011.
 - v.) Mr. Tej Kumar Malchand Dugar was appointed as Director of the Company w.e.f. 14.09.2011.

However there was no appointment of Additional Directors, Alternate Directors and Director to fill casual vacancy during the financial year.
8. the appointment of Mr. Bharat Baid as Managing Director and Mr. Vikram Baid as Whole Time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
9. the Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
10. the Company has issued 30,31,295 Equity Shares of Rs. 10/- each at par on 16.09.2011, for consideration other than cash, pursuant to the

scheme of demerger approved by Hon'ble High Court of Rajasthan, Jaipur Bench by their order dated 21.07.2011, during the year ending 31.03.2012 and complied with the provisions of the Act.

11. the Company has complied with the provisions of Section 58A and 58AA read with Rule 2(b)(iv) of the Companies (Acceptance of Deposit) Rules, 1975 to the extent of unsecured loans taken from Body Corporates, being exempted.
12. the company has generally deposited both employee's and employer's contribution to provident fund with prescribed authorities pursuant to section 418 of the Act.
13. other paras of the Companies (Compliance Certificate) Rules, 2001 are either NIL or NOT APPLICABLE for the current period.

PLACE: JAIPUR
DATE: 19.07.2012

FOR V. M. & ASSOCIATES
COMPANY SECRETARIES
Sd/
CS V. M. DAVE
PARTNER
Certificate of Practice No: 452

Annexure A

Registers as maintained by the Company:		
1.	Register of Charges	u/s 143
2.	Register of Members	u/s 150
3.	Minutes Book of Board and General Meeting	u/s 193
4.	Register of contracts in which directors are interested	u/s 301
5.	Register of Directors	u/s 303
6.	Register of Directors' Shareholding	u/s 307
7.	Register of Investments	u/s 372A
8.	Register of Application for & Allotment of Shares	-----

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, through Ministry of Corporate Affairs during the financial year ending on 31st March, 2012:

1. E-Form No. 18 dated 02.07.2011 for change of the address

of the registered office of the Company was filed in time on 01.08.2011.

2. E-Form No. 21 dated 21.07.2011 regarding filing of Rajasthan High Court order for sanctioning the scheme of arrangement of demerger was filed in time on 08.08.2011.
3. E-Form No. 21 dated 26.08.2011 regarding filing of Rajasthan High Court order for sanctioning the scheme of arrangement of demerger was filed in time on 16.09.2011.
4. E-Form No. 2 dated 16.09.2011 for allotment of 30,31,295 shares pursuant to the scheme of demerger of Rs. 10/- each at par was filed in time on 23.09.2011.
5. E-form No. 23 dated 14.09.2011 for registration of shareholders' resolution for appointment of Mr. Bharat Baid as Managing Director and Mr. Vikram Baid as Whole Time Director, passed in the Annual General Meeting was filed in time on 23.09.2011.
6. E-form No. 23 dated 14.09.2011 for registration of shareholders' resolution for authorizing the Board u/s 293(1) (a) and 293 (1) (d), passed in the Annual General Meeting was filed in time on 12.10.2011.
7. E-Form No. 25C dated 01.04.2011 for appointment of Mr. Bharat Baid as Managing Director was filed on 23.09.2011 with additional filing fees.
8. E-Form No. 25C dated 01.04.2011 for appointment of Mr. Vikram Baid as Whole Time Director was filed on 23.09.2011 with additional filing fees.
9. E-Form No. 32 dated 14.09.2011 was filed in time on 24.09.2011.
10. E-Form No. 23AC & 23ACA alongwith Balance Sheet and Profit & Loss Account for the year ended on 31.03.2011, filed u/s 220 in time on 12.10.2011.
11. E-Form No. 20B alongwith Annual Return under Schedule V, for the Annual General Meeting held on 14.09.2011, filed in time on 12.10.2011.
12. E-Form No. 8 dated 29.09.2011 for creation of charge was filed on 23.11.2011 with additional filing fees.
13. E-Form No. 8 dated 29.09.2011 for creation of charge was filed on 24.11.2011 with additional filing fees.
14. E-Form No. 8 dated 29.09.2011 for creation of charge was filed on 24.11.2011 with additional filing fees.
15. E-Form No. 8 dated 29.09.2011 for creation of charge was filed on 24.11.2011 with additional filing fees.
16. E-Form No. 8 dated 30.03.2012 for creation of charge was filed on 27.05.2012 with additional filing fees.

CORPORATE GOVERNANCE REPORT

In compliance with the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and lists the practices followed/ to be followed by the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company's Philosophy on Corporate Governance envisages working towards high levels of transparency, accountability and responsibility, consistent value systems, delegation, fairness and timely disclosures across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers and statutory authorities.

2. CORPORATE GOVERNANCE STRUCTURE:

Vinayak Polycron structure is based on freedom to the executive management within the given framework to ensure that the power is vested in the Executive management are exercised with due care and responsibilities to meet our mission to create the value for all stakeholders. It ensures distribution of role and responsibilities among different participants in the organization for smooth and uninterrupted functioning of the corporate as in whole.

3. BOARD OF DIRECTORS

Composition, Category of Directors & their attendance at Board Meeting and Last Annual General Meeting:

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The composition of the Board of Directors

with reference to number of Executive and Non-Executive Directors meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a Director in more than 15 (Fifteen) companies and member on more than ten Committees or act as Chairman of more than five Committees as per Clause 49 (C)(ii) and Companies Act, 1956 across all Companies in which they are Directors. The change in the composition of the Board of Directors during the financial year under review is as follows:

- i.) Mr. Bharat Baid was appointed as Managing Director of the Company w.e.f. 01.04.2011 for a period of three years.
- ii.) Mr. Vikram Baid was appointed as Executive Director of the Company w.e.f. 01.04.2011 for a period of three years.
- iii.) Mr. Laxmi Pat Nahata was appointed as Director of the Company w.e.f. 14.09.2011.
- iv.) Mr. Mahendra Singh Bhandari was appointed as Director of the Company w.e.f. 14.09.2011.
- v.) Mr. Tejkumar Malchand Dugar was appointed as Director of the Company w.e.f. 14.09.2011.

The Board duly met 10 (TEN) times during the year on 21.05.2011, 02.07.2011, 22.07.2011, 18.08.2011, 14.09.2011, 16.09.2011, 29.09.2011, 01.11.2011, 24.01.2012 and 30.03.2012. Agenda papers alongwith relevant details are circulated to all Directors, well in advance of the date of the Board Meeting.

Board Members have complete and unfettered access to any information within the Company.

The particulars of Directors, their attendance at the Board Meeting during the financial year 2011-2012 and also other directorships (Excluding directorship in private companies, Section 25 Companies and foreign companies) and Board Committees as at 31st March, 2012 are as under:

Name of Directors	Status	Board Meetings attended	Attendance at last AGM	Number of Directorship Held in other Public companies*	Board Committee Membership/ Chairmanship held in other Public companies
Mr. Bhanwar Lal Baid	Chairman & Non-executive Director	10	Yes	1	NIL
Mr. Bharat Baid	Managing Director	10	Yes	1	NIL
Mr. Vikram Baid	Executive Director & Compliance Officer	10	Yes	NIL	NIL
Mr. Laxmipat Bahadursingh Nahata Appointed w.e.f. 14.09.2011	Independent & Non Executive Director	3	-	1	NIL
Mr. Tejkumar Malchand Dugar Appointed w.e.f. 14.09.2011	Independent & Non Executive Director	3	-	NIL	NIL
Mr. Mahendra Singh Bhandari Appointed w.e.f. 14.09.2011	Independent & Non Executive Director	3	-	NIL	NIL

*The category of public Companies also includes subsidiary Company of public Companies under the Companies Act, 1956.

The Board performs all the specific functions in compliance with the requirements of Clause 49 of the Listing Agreements.

4. AUDIT COMMITTEE

The Audit committee was constituted on September 14, 2011. The Constitution of the Audit Committee is as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges.

The terms of reference of the Audit Committee, inter-alia, include:

1. To oversee the financial reporting process and disclosure of financial information.
2. To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board.
3. To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations.
4. To recommend the appointment of the internal and statutory auditors and fixing their remuneration.
5. To hold discussions with the statutory and internal auditors.

COMPOSITION :

The Audit Committee comprises of three Directors, Two of whom are Non-Executive, Directors. The Chairman of the Audit Committee possesses knowledge by corporate finance, accounts and company law. The constitution of the Audit Committee of Directors is as under:

S.NO.	NAME OF DIRECTOR	DESIGNATION IN COMMITTEE	NATURE OF DIRECTORSHIP
1.	Mr. Laxmipat Nahata	Chairman	Independent Director
2.	Mr. Mahendra Singh Bhandari	Member	Independent Director
3.	Mr. Vikram Baid	Member	Executive Director

MEETINGS AND ATTENDANCE :

During the financial year ended March 31, 2012, 2 (Two) Audit Committee Meetings were held on 01.11.2011 & 24.01.2012.

The attendance at the Audit Committee Meetings is as under:

Name of Director	No. of meetings attended
Mr. Laxmipat Nahata	2
Mr. Mahendra Singh Bhandari	2
Mr. Vikram Baid	2

The Compliance Officer of the Company acts as the secretary to the committee.

5. REMUNERATION COMMITTEE :

The Remuneration Committee was reconstituted by a meeting of the Board of Directors held on September 14, 2011.

Terms of reference - The terms of reference of Remuneration Committee, inter-alia, include: -

1. To recommend to the Board, compensation terms of the Executive Directors.
2. To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.

COMPOSITION :

The Remuneration Committee comprises of three Directors, Two of whom are Non-Executive Independent Directors. The constitution of the Remuneration Committee of Directors is as under:

S.NO.	NAME OF DIRECTOR	DESIGNATION IN COMMITTEE	NATURE OF DIRECTORSHIP
1.	Mr. Mahendra Singh Bhandari	Chairman	Independent Director
2.	Mr. Laxmipat Nahata	Member	Independent Director
3.	Mr. Vikram Baid	Member	Executive Director

MEETINGS AND ATTENDANCE :

1 (One) meeting viz. 24.01.2012 was held for the financial year ended 31st March, 2012.

The attendance at the Remuneration Committee Meetings is as under:

Name of Director	No. of meetings attended
Mr. Mahendra Singh Bhandari	1
Mr. Laxmipat Nahata	1
Mr. Vikram Baid	1

REMUNERATION POLICY

A. Remuneration to Managing Director and Whole-time Directors

Payment of remuneration to Managing and Whole-time Directors is governed by the respective Agreements executed between them and the Company and which is recommended by the Remuneration Committee and further is within the limits set by the Shareholders at the Annual General Meetings.

DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2012.

Name of Director	Salary	Benefits	Commission	Sitting fees
Mr. Bhanwar Lal Baid	NIL	NIL	NIL	NIL
Mr. Bharat Baid	9.20 Lacs	NIL	NIL	NIL
Mr. Vikram Baid	7.60 Lacs	NIL	NIL	NIL

Note :

The Company does not have any pecuniary relationship with any Non-Executive Independent Directors.

No sitting fee is paid to any of the Directors of the Company for attending the Board Meetings.

6. Share Transfer and Shareholder's Grievance Committee:

The Board of Vinayak Polycron International Limited has constituted a Committee of Directors which also functions as 'Share Transfer and Shareholder's Grievance Committee', consisting of three members, chaired by Non-executive Independent Director. The Share Transfer and Shareholder's grievance Committee was constituted on September 14, 2011.

Terms of Reference:

The scope, terms of reference and functioning of the Committee is as prescribed under Clause 49 of the Listing Agreement. The primary functions carried out by the Committee are to approve requests for share transfers and transmissions to approve the requests pertaining to demat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. and for this purpose the required authority has been delegated to Shri Vikram Baid.

Composition of the Committee is as under:

S.NO.	NAME OF DIRECTOR	DESIGNATION IN COMMITTEE	NATURE OF DIRECTORSHIP
1.	Mr. Mahendra Singh Bhandari	Chairman	Independent Director
2.	Mr. Laxmipat Nahata	Member	Independent Director
3.	Mr. Vikram Baid	Member	Executive Director

There was no transfer/transmission of shares during the year.

COMPLIANCE OFFICER

The Board has designated Mr. Vikram Baid as the Compliance Officer.

MEETINGS AND ATTENDANCE

No meeting of Share Transfer and Shareholder's Grievance Committee was held for the financial year ended 31st March, 2012.

DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS:

RECEIVED FROM	TOTAL COMPLAINTS RECD. IN 2011-2012	TOTAL COMPLAINTS RESOLVED	PENDING COMPLAINTS AS ON 31/03/2012
Investor	Nil	Nil	Nil
SEBI	Nil	Nil	Nil
Stock Exchanges	Nil	Nil	Nil
Other Govt./ Statutory Authority	Nil	Nil	Nil

7. Code of Business Conduct and Ethics for Directors and Senior Management :

The code of Business conduct and ethics for Directors and Senior Management covers amongst other things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environmental performance, health & safety, transparency and compliance of law & regulation etc. The code of conduct has been posted on the website of the Company.

All the board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director to that effect has been reproduced below.

Declaration regarding compliance with the code of business conduct and ethics :

I hereby confirm that :

The Company has obtained from all the members of the board and senior management, affirmation that they have complied with the code of business conduct and ethics for directors and senior management in respect of the financial year 2011-12.

Sd/
Bharat Baid
Managing Director

8. GENERAL BODY MEETINGS :

Financial Year	Date	Location of the Meeting	Time
1st AGM	27/12/2010	K-18, Durgadas Path, Malviya Marg, C-Scheme, Jaipur-302001	11.00 A.M.
2010-2011	14/09/2011	312, Navjeevan Complex, 29, Station Road, Jaipur-302006.	4.30 P.M.

Extra Ordinary General Meeting

In addition to the Annual General Meeting, the Company holds general meeting of the shareholders as and when needed.

One Extra Ordinary General Meeting was held on 11.01.2011 for increase in authorised share capital of the Company from Rs. 1,00,00,000/- (Rupees One Crore) to Rs. 3,25,00,000/- (Rupees Three Crores Twenty Five Lacs). However there was no such meeting held during the year 2011-12.

9. DISCLOSURES :

1. **Board:** The Managing Director of Vinayak Polycron International Limited is Bharat Baid. He is an executive director of the Company.
2. **Related Party Transactions:** There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their relatives etc. that may have potential conflict with the interests of the Company at large.
3. **Details of non-compliance, penalty imposed on the company by stock exchange, SEBI or any other statutory authorities:** Since Incorporation of the Company, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital market.
4. **Audit Qualifications:** The auditors have not qualified the financial statements.
5. **Training of Board Members:** The company believes that the board be continuously empowered with the knowledge of the latest developments in the Company's businesses and the external environment affecting the industry as a whole. The company has taken various steps to train the board members with the best of the methods and procedures in order to enhance their knowledge.

10. MEANS OF COMMUNICATION

In compliance with the requirements of Listing Agreement, the Company shall regularly intimates unaudited as well as audited financial results to the Stock Exchanges in accordance with the Listing Agreement.

Management Discussions and Analysis Report forms part of the Report of Directors.

11. GENERAL SHAREHOLDER'S INFORMATION

1. Annual General Meeting

The Annual General Meeting of the Company will be held on Saturday, the 1st day of September, 2012 at 3.00 P.M. at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001.

Financial Calendar (Tentative)

Result for the quarter ending 30th June, 2012	Within 45 days from the end of the quarter
Result for the quarter ending 30th September, 2012	Within 45 days from the end of the quarter
Result for the quarter ending 31st December, 2012	Within 45 days from the end of the quarter
Result for the quarter ending 31st March, 2013	Within 60 days from the end of the quarter

2. Book Closure:

The Share transfer books of the Company shall remain closed from Friday, 31st August, 2012 to Saturday, 1st Day of September, 2012 (Both days inclusive).

3. Dividend Payment Date: N.A

4. Listing at Stock Exchanges:

The company shall be listed on the Bombay Stock Exchange as per the guidelines of the order of Rajasthan High Court, Jaipur Bench dated 21st July 2011. The process for the same has been initiated and the application is submitted to BSE. Company has already obtained approval of Securities and Exchange Board of India in this regard, only approval from BSE is awaited.

5. Stock Code: N.A.

6. Demat ISIN exchange number in NSDL & CDSL for Equity Shares: INE581M01016

7. Stock Market Data:

The Company has made application for listing of share to BSE which is still awaited and therefore the monthly high and low Stock prices are not available.

8. Registrar and share transfer agent:

During the Financial year, the Company got itself registered with M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi, for acting as Registrar & Share Transfer Agent of the company for physical share transfers and Demat connectivity with CDSL & NSDL and all matters connected thereto.

9. Distribution of Shareholding as on 31.03.2012

Shareholding of Nominal value	No. of Share-holders	% of share-holders	No. of Shares	% of Shares holding
1-5000	506	67.20	95562	3.10
5001-10000	161	21.38	123026	3.99
10001-20000	42	5.58	61893	2.01
20001 -30000	6	0.79	13899	0.45
30001-40000	8	1.06	26430	0.86
40001-50000	NIL	NIL	NIL	NIL
50001-10,000	5	0.67	31505	1.02
10,001 & Above	25	3.32	2728980	88.57
TOTAL	753	100	3081295	100

10. Shareholding Pattern

Authorized Share Capital- 32,500,000		
Issued and Subscribed Capital -share capital		30,812,950
Paid up Capital CALLS IN ARREAR Rs. NIL		30,812,950
Promoter's Holding	No. of shares	Percentage of shareholding
Indian Promoters:	NIL	NIL
Individuals/ Hindu Undivided Family	1204927	39.105
Bodies Corporate	354950	11.52
Foreign Promoters	NIL	NIL
Persons Acting in Concert	NIL	NIL
As per List 1		
Sub - Total	1559877	50.625
Non - Promoters Holding	NIL	NIL
Institutional Investors	NIL	NIL
Mutual Funds and UTI	NIL	NIL
Banking, Financial Institutions/Insurance Companies (Central / State Govt. Inst. Non - Govt. Inst.)	NIL	NIL
FIs	NIL	NIL
Sub - Total	NIL	NIL
Non-Institutions		
Bodies Corporate	1027881	33.359
Individuals		
Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	323484	10.498
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	165933	5.385
Any Other (Non-resident Indian /OBC	1240	0.040
Any Other (Clearing Member)	2880	0.093
Sub - Total	1521418	49.375
Grand Total	30,81,295	100.00

11. Dematerialisation of Shares: The Company has the facility for dematerialisation of the shares of the Company.

12. Plant Location: N.A.

13. Outstanding GDR's/ADR's/Warrants or any other Convertible Instruments: N.A

14. Investor Correspondence to be made to:
 Vinayak Polycon International Limited
 312, Navjeevan Complex, 29, Station Road, Jaipur-302006.
 Contact No.:0141-2377007
 Email : investor@vinayakpolycon.com

Certification by the Managing Director [MD-CEO] and Chief Financial Officer on Financial Statements of the Company :

We, Bharat Baid, Managing Director (CEO) and Vikram Baid, Chief Financial Officer of Vinayak Polycron International Limited, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Sd/-
BHARAT BAID
MANAGING DIRECTOR (CEO)

Sd/-
VIKRAM BAID
EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER

DATE: 19.07.2012
PLACE: JAIPUR

Auditor's Certificate on Corporate Governance

To The Members,
Vinayak Polycron International Limited

We have examined the compliance of conditions of Corporate Governance by Vinayak Polycron International Limited, for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

Place : Jaipur
Date : 19-07-2012

FORA.NATANI & CO.
Chartered Accountants
Firm Reg. No. 007347C

Sd/-
CAASHOK KUMAR NATANI
Partner
Membership No. 074692

Auditors' Report

To
The Members of Vinayak Polycron International Ltd.

1. We have audited the attached Balance Sheet of VINAYAK Polycron International Limited as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with the 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section(4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a directors in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the 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 :

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012.
- (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Jaipur

Date : 19-07-2012

FORA.NATANI & CO.
Chartered Accountants
Firm Reg. No. 007347C

Sd/-
CAASHOK KUMAR NATANI
Partner
Membership No. 074692

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 3 of the Auditors' Report of even date to the Members of Vinayak Polycron International Limited on the financial statements as of and for the year ended 31st March, 2012

- 1(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of the inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. The Company has neither granted not taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5: In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- 6 The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
- 7 In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8 We have broadly reviewed the books of 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 prescribed under clause (d) of sub-section(1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9 In respect of statutory dues :
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable.
 - (b) There are no disputed statutory dues on account of disputed matters pending before appropriate authorities.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
- 12 In our opinion and according to the explanations given to us and based on the information's available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- 14 The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- 15 In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16 The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year, and does not have any debentures outstanding as at the year end.
- 20 The Company has not raised any monies by way of public issues during the year.
- 21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place : Jaipur

Date : 19-07-2012

 FORA.NATANI & CO.
 Chartered Accountants
 Firm Reg. No. 007347C

 Sd/-
 CAASHOK KUMAR NATANI
 Partner
 Membership No. 074692

VINAYAK POLYCON INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31st MARCH 2012

(Amt. In Rs.)

PARTICULARS	Note	AS AT 31.03.2012	AS AT 31.03.2011
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	3	30,812,950	30,812,420
Reserve and Surplus	4	4,263,860	3,557,915
		35,076,810	34,370,335
Non Current Liabilities			
Long Term Borrowings	5	34,213,249	49,751,781
Deferred Tax Liability (Net)	6	2,977,465	2,960,985
Other Long Term Liabilities		0	0
Long Term Provisions		0	0
		37,190,714	52,712,766
Current Liabilities			
Short Term Borrowings	7	28,413,115	19,200,000
Trade Payables	8	1,606,752	4,577,243
Other Current Liabilities	9	12,220,320	11,886,905
Short Term Provisions	10	5,343	585,335
		42,245,530	36,249,483
	TOTAL	114,513,054	123,332,584
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	61,540,586	66,125,544
Capital Work in Progress	11	150,000	0
Non Current Investments		0	0
Long Term Loans and Advances	12	1,788,271	1,786,771
		63,478,857	67,912,315
Current Assets			
Current Investments		0	0
Inventories	13	13,565,798	13,563,807
Trade Receivables	14	22,800,818	20,936,481
Cash and Cash Equivalents	15	760,097	344,650
Short Term Loans and Advances	16	13,536,589	20,111,712
Other Current Assets	17	370,895	463,619
		51,034,197	55,420,269
	TOTAL	114,513,054	123,332,584
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements

For and on behalf of the Board of Directors

Sd/-
Bhanwar Lal Bald
Chairman

Sd/-
Bharat Baid
Managing Director

Sd/-
Vikram Baid
Director

In terms of our report attached.

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

CA Ashok Kumar Natani
Partner
Membership No. 074692

Place : Jaipur
Date : 19.07.2012

VINAYAK POLYCON INTERNATIONAL LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED ON 31.03.2012

PARTICULARS	Note	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
(Amt. In Rs.)			
INCOME			
Revenue from Operations	18	162,515,548	162,177,595
Less: Excise Duty		26,750,016	25,317,637
Net Revenue from Operations		135,765,532	136,859,958
Other Income	19	10,084	25,018
	TOTAL	135,775,616	136,884,976
EXPENSES			
Cost of Material Consumed	20	81,615,878	84,097,474
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	21	380,467	(1,918,030)
Employee Benefits Expense	22	10,844,217	9,001,738
Finance Cost	23	9,790,863	6,650,167
Depreciation and Amortization Expense	11	9,533,206	10,980,343
Other Expenses	24	22,586,029	27,401,527
	TOTAL	134,750,660	136,213,219
PROFIT/(LOSS) BEFORE TAX		1,024,956	671,757
Less: Tax Expenses			
Current Tax		(302,000)	(186,000)
Deferred Tax		(16,480)	31,303
PROFIT FOR THE YEAR		706,475	517,060
Earnings per Equity Share of face value of Rs. 10/- each			
Basic 25	0.23	0.17	
Diluted 25	0.23	0.17	

Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements

For and on behalf of the Board of Directors		
Sd/- Bhanwar Lal Baid Chairman	Sd/- Bharat Baid Managing Director	Sd/- Vikram Baid Director

Place : Jaipur
Date : 19.07.2012

In terms of our report attached.
For A. Natani & Co.
Chartered Accountants
Firm Regn. No. 007347C
Sd/-
CA Ashok Kumar Natani
Partner
Membership No. 074692

VINAYAK POLYCON INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

		Current Year (Rs. in Lacs)
A	CASH FLOW FROM OPERATING ACTIVITIES	
	Net Profit before tax and extraordinary items	1,024,956
	Adjustment for :	
	Depreciation	9,533,206
	Preliminary/Deferred Expenses Written off	92,724
	Profit/Loss on sale of Investment/Assets	(2,815)
	Provision written back	(7,269)
	Foreign Exchange	
	Interest & Other income on Investments	
	Interest	9,790,863
	Operating profit before working capital changes	19,406,709
	Adjustment for (Increase) / Decrease in Operating Assets	20,431,665
	Inventories	(1,991)
	Trade Receivables	(1,864,337)
	Short Term Loans and Advances	6,575,123
	Long Term Loans and Advances	(1,500)
	Other Current Assets	
	Other Non-Current Assets	4,707,295
	Adjustment for Increase / (Decrease) in Operating Liabilities	
	Trade Payables	(2,970,491)
	Other Current Liabilities	333,415
	Other Long Term Liabilities	
	Short Term Provisions	(393,992)
	Long Term Provisions	(3,031,068)
	Working Capital Changes	1,676,227
	Cash generated from operations	22,107,892
	Taxes Paid / Payable Net	480,731
	NET CASH FROM OPERATING ACTIVITIES (A) :	21,627,161
B	CASH FLOW FROM INVESTING ACTIVITIES	
	Capital Expenditure on Fixed Assets Including Capital Advances	(5,240,434)
	Proceeds from sale of Fixed assets	145,000
	Deposits / Investments	
	Dividend Income	
	Interest Income / Other Income	
	Bank Balances not considered as cash and cash Eq.	
	NET CASH FROM INVESTING ACTIVITIES (B) :	(5,095,434)
C	CASH FLOW FROM FINANCING ACTIVITIES	
	Proceeds from Long Term Borrowings	
	Repayment of long term Borrowings	(15,538,532)
	Net Increase / Decrease in Working Capital Borrowings	9,213,115
	Proceeds from Short Term Borrowings	
	Repayment of Short Term Borrowings	
	Finance Cost	(9,790,863)
	Dividend and Tax thereon Paid	
	Cash Flow from extraordinary items	
	NET CASH USED IN FINANCING ACTIVITIES (C) :	(16,116,280)
	Net changes in cash and cash equivalents(A+B+C)	415,447
	Cash & Cash equivalents Opening Balance	344,650
	Net changes in cash and cash equivalents	415,447
	Cash & Cash equivalents Closing Balance	760,097

Cash Flow statement is not prepared for last year since business was transferred by Demerger vide High Court Order Dated 21-7-2011 In terms of our report attached.

FOR VINAYAK POLYCON INTERNATIONAL LIMITED

Sd/
Bhanwar Lal Baid
Chairman

Sd/
Bharat Baid
Managing Director

Sd/
Vikram Baid
Director

For A. Natani & Co.
Chartered Accountants
Firm Regn. No. 007347C
Sd/
CA Ashok Kumar Natani
Partner
Membership No. 074692

Place : Jaipur
Date : 19.07.2012

VINAYAK POLYCON INTERNATIONAL LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2012

• **Note 1 CORPORATE INFORMATION**

Vinayak Polycon International Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company were demerged from Polycon International Limited, a list company also domiciled in India under the Demerger Scheme approved by the Honourable High Court of Rajasthan, Jaipur Bench vide Order Dated 21-07.2011. The company is engaged in the manufacturing and trading of PET Items like PET Bottles, PET Jars, PET Preforms, Caps and Lids etc. Its manufacturing facilities are located at Chennai

Note 2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial Statements

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

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

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

b) Use of Estimates

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

c) Tangible fixed assets

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

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedule-XIV of the Companies Act, 1956 except the Plant and Machinery and Dies and Moulds purchased by parent company Polycon International Limited during the period from 01-04-2006 to 31-03-2009 and the same were transferred in pursuance to scheme of Demerger to Demerged company Vinayak Polycon International Limited. - Straight Line Method at all the units.

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

e) Impairment of tangible assets

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

f) Investments

Investment are stated at cost.

g) Inventories

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

h) Revenue Recognition

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

i) Expenditure

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

j) Retirement and other employee benefits

The Company contributes towards Provident fund and Family pension fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes/rules. Gratuity Liability, a defined benefit scheme, and provision for compensated absences is accrued and provided for on the basis of actuarial valuations made at the year end.

k) Borrowing costs

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

l) Taxes on Income

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

m) Provisions and contingencies

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

n) Foreign Currency Transactions

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

o) Cenvat Credit/Value Added Tax

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

Note 3 SHARE CAPITAL

(Amt. In Rs.)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Authorised Share Capital				
Equity shares of Rs. 10/- each with voting rights	3,250,000	32,500,000	3,250,000	32,500,000
Issued, Subscribed and Fully Paid-up				
Equity shares of Rs. 10/- each with voting rights, fully paid up	3,081,295	30,812,950	50,000	500,000
Share Capital to be issued pursuant to demerger Scheme approved by Honourable High Court of Rajasthan, Jaipur Bench	-	-	3,031,242	30,312,420
TOTAL	3,081,295	30,812,950	3,081,242	30,812,420

3.1) Reconciliation of equity shares and amount outstanding

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares at the beginning of the year	50,000	500,000	50,000	500,000
Add: Pursuant to a Scheme of Demerger	3,031,295	30,312,950	-	-
Equity Shares at the end of the year	3,081,295	30,812,950	50,000	500,000

3.2) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10. the equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956

3.3) The details of shareholders holding more than 5% shares:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	% held	No of Shares	% held
Jai Sinter Polycon Private Limited	354,950	11.52	-	0.00
Sankalp Granites Private Limited	323,169	10.49	-	0.00
Subhraj Traders Private Limited	244,218	7.93	-	0.00
SIGO Polymers (P) Ltd	182,714	5.93	-	0.00
Maratha Petrochemicals (P) Ltd	180,854	5.87	-	0.00
Bharat Kumar Baid (H)	167,134	5.42	-	0.00
	1,453,039	47.16	-	0.00

3.4) The Company has allotted 3,031,295 Equity Shares of Rs. 10/- each fully paid on 16th September, 2011 pursuant to the scheme of demerger approved by Hon'ble Rajasthan High Court, Jaipur Bench by their order dated 21-07-2011. These shares were to existing share holders of Polycon International Limited (PIL) pursuant to above Demerger Scheme.

Note 4 RESERVE & SURPLUS

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2012	31.03.2011
General Reserve		
Balance as at the Beginning of the year	3,040,854	3,040,854
Less: Utilised during the year for issue of shares Pursuant to scheme of demerger	530	0
	3,040,324	3,040,854
Surplus in the Statement of Profit and Loss		
Balance as at the Beginning of the year	517,061	0
Add: Profit for the Year	706,475	517,061
Balance as at the end of the year	1,223,536	517,061
Total	42,63,860	35,57,915

Note 5 LONG TERM BORROWINGS

(Amt. In Rs.)

PARTICULARS	As at 31st March, 2012		As at 31st March, 2011	
	Current Maturities	Non Current Maturities	Current Maturities	Non Current Maturities
Secured				
a). Term Loan from Indian Overseas Bank	8,376,000	22,810,023	8,369,242	31,186,023
Unsecured				
b). Loans from Bodies Corporate		11,403,226		18,565,758
	8,376,000	34,213,249	8,369,242	49,751,781
a) Term Loans Rs.311.86 Lac from Bank together with interest and other charges thereon, is secured by equitable mortgage on company's land and building situate at village Pandur, Chengalpattu Taluk, Distt. Kanchipuram (Tamil Nadu) and Hypothecation of plant and machinery				
b) Term Loans from Bank carry interest @13.25% P.A. on monthly rest. These are due for repayment as under: TL (Ist) Rs.77.37 Lac -To be repaid in balance 10 instalments of Rs.7.95 Lac and 11th instalment of Rs.7.77 Lac commencing from Jan,2012 TL (IIInd) Rs 26.17 Lac. -To be repaid in balance 11 instalments of Rs.2.57 Lac and 12th instalment of Rs.2.65 Lac commencing from Jan,2012 TL (IIIrd) Rs.208.32 Lac -To be repaid in balance 21 instalments of Rs.10.42 Lac commencing from Jan,2012				

Note 6 DEFERRED TAX LIABILITY (NET)

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2012	31.03.2011
Deferred tax liability arising on account of:		
Timing Difference in Depreciable Assets	2,977,465	2,960,985
	<u>2,977,465</u>	<u>2,960,985</u>

Note 7 SHORT TERM BORROWINGS

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2012	31.03.2011
Secured		
Cash Credit from Bank	28,413,115	19,200,000
TOTAL Rs.	<u>28,413,115</u>	<u>19,200,000</u>

Cash credits facilities from Bank Rs.275.00 Lac (Rupees Two Crore seventy five lac Only) together with interest and other charges thereon, is secured by mortgage of company's land and building together with other immovable assets thereon both present and future and by way of a hypothecation charge over all movable assets including book debts of the company. Cash credit is payable on demand and carries interest @ 13.25% P.A. on monthly rest.

Note 8 TRADE PAYABLES

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2012	31.03.2011
Sundry Creditors for goods, services & Exp.	1,606,752	4,577,243
TOTAL Rs.	<u>1,606,752</u>	<u>4,577,243</u>

Note 9 OTHER CURRENT LIABILITIES

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2012	31.03.2011
Current Maturities of Long Term Borrowings	8,376,000	8,369,242
Statutory Dues	654,556	424,973
PF Payable	36,381	7,222
Payable on Account of Capital Goods	3,153,383	3,085,468
TOTAL Rs.	<u>12,220,320</u>	<u>11,886,905</u>

Note 10 SHORT TERM PROVISIONS

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2012	31.03.2011
Provision for Tax	0	186,000
Provision for Expenses	5,343	399,335
TOTAL Rs.	<u>5,343</u>	<u>585,335</u>

Note 11 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 01.04.2011	Addition during the year	Deduction during the year	As on 31.03.12	Upto 31.03.11	For the year	Deduction during the year	Total Depreciation	As at 31.03.12	As at 31.03.11		
1	LAND (Leasehold)	1382687	0	0	1382687	0	0	0	0	1382687	1382687	
2	FACTORY BUILDING (10%WDV)	13265437	0	0	13265437	3357531	990791	0	4348322	8917115	9907906	
3(a)	PLANT & MACHINERY	29892714	0		29892714	10560448	1419904		11980352	17912362	19332266	
(b)	PLANT & MACHINERY (NEW)	29177590	528940		29706530	4508695	3455359		7964054	21742476	24668895	
4	ELECTRIC INSTALLATION (13.91% WDV)	2490644	742425	242521	2990548	928283	226619	100336	1054566	1935982	1562361	
5	OFFICE EQUIPMENTS	296836	0	0	296836	141327	21631		162958	133878	155509	
6	FURNITURE & FIXTURES	566487	0	0	566487	205696	65303		270999	295488	360791	
7	VEHICLES	1260850	0	0	1260850	675834	151461		827295	433555	585016	
8	COMPUTERS	431931	0	0	431931	297460	53788		351248	80683	134471	
9	MOULDS & DIES	9545419	0	0	9545419	5125515	1547312		6672827	2872592	4419904	
	MOULDS & DIES (NEW)	6717296	3969069	0	10686365	3101559	1601037		4702596	5983769	3615737	
	TOTAL	95027891	5240434	242521	100025804	28902348	9533206	100336	38335218	61690586	66125543	
	Figure for the previous year	81868064	13159827	0	95027891	17922005	10980342	0	28902347	66125544		

Note 12 LONG-TERM LOANS AND ADVANCES

PARTICULARS	(Amt. In Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
Security Deposits (Unsecured, Considered Good)	1,788,271	1,786,771
TOTAL Rs.	1,788,271	1,786,771

Note 13 INVENTORIES

PARTICULARS	(Amt. In Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
Raw Material	10,919,964	10,648,844
Stores	137,500	89,400
Fuel	80,038	16,800
Finished Goods	2,428,296	2,808,763
TOTAL Rs.	13,565,798	13,563,807

Note 14 TRADE RECEIVABLES

PARTICULARS	(Amt. In Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Unsecured, Considered Good)	6,467,477	7,180,392
Other trade receivables (Unsecured, Considered Good)	16,333,341	13,756,089
TOTAL Rs.	22,800,818	20,936,481

Note 15 CASH AND CASH EQUIVALENTS

PARTICULARS	(Amt. In Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
Cash on Hand	759,402	318,380
Balances with Bank In Current Accounts	695	26,270
TOTAL Rs.	760,097	344,650

Note 16 SHORT-TERM LOANS AND ADVANCES

PARTICULARS	(Amt. In Rs.)	
	AS AT 31.03.2012	AS AT 31.03.2011
Loans and Advances to Related Parties (Unsecured, Considered Good)	7,599,452	14,041,822
Advances against Goods supply / Expenses	3,047,156	1,264,374
Advance Income Tax (Incl. TDS)	7,000	0
Prepaid Expenses	12,494	17,929
Balance with Excise / Sales Tax / Service Tax	1,003,681	1,372,006
Advances to Employees (Unsecured, Considered Good)	1,115,306	878,398
Advances against Capital Goods	52,500	1,857,183
Security Deposits	699,000	680,000
TOTAL Rs.	13,536,589	20,111,712

Note 17 OTHER CURRENT ASSETS

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2012	31.03.2011
Preliminary Expenses (To the extent not written off)	370,895	463,619
TOTAL Rs.	370,895	463,619

Note 18 REVENUE FROM OPERATIONS

(Amt. In Rs.)

PARTICULARS	FOR THE YEAR	FOR THE YEAR
	ENDED 31-03-2012	ENDED 31-03-2011
Sale of Products		
Finished Goods	162,346,774	162,177,595
Less: Excise Duty	26,750,016	25,317,637
	135,596,758	136,859,958
Other Operating revenues		
Sale of Scrap	168,774	0
Revenue from Operations (NET)	135,765,532	136,859,958
Details of Products Sold:		
Pet Bottles, Jars and Caps	135,613,018	136,570,958
Others	152,514	289,000
Traded Goods	0	0
Total	135,765,532	136,859,958

Note 19 OTHER INCOME

Interest Received	0	25,018
Income Tax Provision written back	7,269	0
Profit on Sale of Fixed Assets	2,815	0
Total	10,084	25,018

Note 20 COST OF MATERIALS CONSUMED

Raw Material		
Inventories at the beginning of the year	10,648,844	-
Add:- Transferred Pursuant to Scheme of arrangements as on 01-04-2010	0	4,914,495
Add:- Purchases	81,886,998	89,831,823
	92,535,842	94,746,318
Less:- Inventories at the end of the year	10,919,964	10,648,844
Raw Material Consumed	81,615,878	84,097,474
Raw Material Consumed:		
PET	72,201,348	75,052,232
PP	9,414,530	9,045,242
TOTAL Rs.	81,615,878	84,097,474

**Note 21 CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK IN TRADE**

Finished Goods at the beginning of the year	2,808,763	0
Add:- Transferred Pursuant to Scheme of arrangements as on 01-04-2010	0	890,733
	2,808,763	890,733
Finished Goods at the end of the year	2,428,296	2,808,763
Net Decrease/(Increase)	380,467	(1,918,030)

Note 22 EMPLOYEE BENEFIT EXPENSE

Salaries, Wages and Incentives	10,497,956	8,614,383
Contribution to Provident and Other Funds	166,299	60,093
Staff Welfare Expenses	179,962	327,262
Total	10,844,217	9,001,738

Note 23 FINANCE COST

(Amt. In Rs.)

PARTICULARS	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
Interest to Bank	7,530,009	4,652,408
Interest to Others	1,755,240	1,976,447
Other Borrowing Cost	505,614	21,312
TOTAL Rs.	9,790,863	6,650,167

Note 24 OTHER EXPENCES

Consumption of Stores and Spare parts	1,701,059	1,906,648
Consumption of Fuel	3,802,259	5,905,751
Water, Electricity and Power Charges	6,383,443	6,316,602
Payment to Auditors as Auditors - Statutory Audit	15,000	15,000
Repairs and Maintenance Plant and Machinery	1,140,172	580,449
Building	604,147	100,080
Others	90,610	0
Donation	11,300	19,500
<u>Tour & Travelling</u>		
Domestic	805,978	961,631
Foreign	0	227,806
Postage, Telegraph & Telephone	193,170	175,995
Insurance	124,725	67,398
Legal Expenses & Professional Fees	750,346	76,953
Conveyance & Vehicle Maintenance	102,176	88,940
Preliminary Expenses written off	92,724	0
Rates & Taxes	3,248	0
Consumption of Packing Material	1,777,678	6,393,530
Transport, Handling & Octroi	3,191,723	2,516,396
Rent	869,500	988,774
Freight, Cartage, Loading and Unloading Expenses	728,848	787,659
Miscellaneous Expenses	197,923	272,415
TOTAL Rs.	22,586,029	27,401,527

Note 25 EARNINGS PER SHARE (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. (For the purpose of calculation of number of shares outstanding during the year, shares issued / to be issued pursuant to the scheme of demerger are also counted as complete shares fully paid up.)

(Amt. In Rs.)

	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
Profit attributable to Equity shareholders	706,475	517,060
Weighted average Number of Equity shares outstanding during the year	3,081,295	3,081,242
Basic Earnings Per Share	0.23	0.17
Diluted Earnings per share	0.23	0.17
Nominal Value per share	10/-	10/-

NOTE For the purpose of calculation of number of shares outstanding during the year, shares issued / to be issued pursuant to the scheme of demerger are also counted as complete shares fully paid up.

Note 26 SEGMENT INFORMATION
PRIMARY:

The company is engaged in the business of providing packaging solutions primarily in the field of PET bottles and jars and closures.

Note 27 CONTINGENT LIABILITIES

(Amt. In Rs.)

	AS AT 31.03.2012	AS AT 31.03.2011
a) Excise matter disputed in appeals	-	-
b) Claims against the company not acknowledged as debts	-	-
c) Sales tax matters disputed in appeals	-	-
d) Income Tax matters disputed in appeals	-	-
TOTAL	-	-

**Note 28 Notes forming part of Financial Statements (Contd)
for the year ended 31st March, 2012**

(Rupees in lacs)

	AS AT 31.03.2012	AS AT 31.03.2011
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.18	5.95
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv) The amount of interest due and payable for the year	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
TOTAL	2.18	5.95

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

Note 29 RELATED PARTY TRANSACTIONS
Names of related parties where control exists and their Relationship

Ridam Polymers Pvt. Ltd.	Relative of Director are Directors
HMI Corporation	Relative of Director are Partner
Jai Sinter Polycon Pvt. Ltd.	Director Holds office of Profit
Crystal Packaging	Relative of Director are Partner
Vinod Baid	Relative of Director

Key Management Personnel

- Shri Bharat Baid
- Shri Vikram Baid

Enterprise over which key management personnel and their relatives are able to exercise significant influence

- RIDAM POLYMERS PVT. LTD.
- HMI CORPORATION
- JAI SINTER POLYCON PVT. LTD.
- CRYSTAL PACKAGING

Notes forming part of Financial Statements (Contd) for the year ended 31st March, 2012

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

		(Rupees in lacs)	
		AS AT 31.03.2012	AS AT 31.03.2011
	Nature of transactions		
1	Sale of goods		
	Crystal Packaging	1.69	3.24
2	Sale of Old Machine		
	Crystal Packaging	1.74	-
3	Receiving of Services		
	Jai Sinter Polycon Pvt. Ltd.	24.89	35.48
4	Interest Paid		
	Jai Sinter Polycon Pvt. Ltd.	16.65	18.12
5	Rent		
	Vinod Baid	7.80	7.80
6	Purchases of Stores Items		
	Jai Sinter Polycon Pvt. Ltd.	1.53	-
	Managerial Remuneration		
	Mr. Bharat Baid	9.20	7.80
	Mr. Vikram Baid	7.60	5.40
Note 30 <u>EARNINGS IN FOREIGN CURRENCY</u>			
	FOB Value of Exports	NIL	NIL
	Other Income	NIL	NIL

Note 31 EXPENDITURE IN FOREIGN CURRENCY

		(Rupees in lacs)	
		Year ended 31.03.2012	Year ended 31.03.2011
a)	Travelling expenses	-	2.28
b)	Others	-	-
TOTAL		-	2.28

Note 32 The Company is in the process of obtaining the Compliance Certificate regarding maintenance of Cost Accounting Records for the current financial year as required under Notification No. G.S.R. 429(E) dated 3rd June, 2011 issued by the Ministry of Corporate Affairs.

Note 33 The Revised Schedule-VI has become effective from 01st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figure have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report attached.

Sd/-
Bhanwar Lal Baid
Chairman

Sd/-
Bharat Baid
Managing Director

Sd/-
Vikram Baid
Director

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

CA Ashok Kumar Natani
Partner
Membership No. 074692

Date : 19.07.2012
Place : Jaipur

ATTENDANCE SLIP

VINAYAK POLYCON INTERNATIONAL LIMITED

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting.

DPID*	
Client ID*	

Master Folio No.	
------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held:

I hereby record my presence at the 3rd ANNUAL GENERAL MEETING of the Company held on Saturday, the 1st day of September, 2012 at 3.00 P.M. at: "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001.

Signature of the shareholder or proxy

* Applicable for investors holding shares in electronic form.

PROXY FORM

VINAYAK POLYCON INTERNATIONAL LIMITED

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

DPID*	
Client ID*	

Master Folio No.	
------------------	--

I/We of being a member/members of Vinayak Polycron International Limited hereby appoint of or failing him/her of or failing him/her of as my/our proxy to vote for me/us and on my/our behalf at the 3rd Annual General Meeting to be held on Saturday, the 1st September, 2012 at 3.00 P.M. and at any adjournment thereof.

Signed this Day of 2012

Signature

Affix

* Applicable for investors holding shares in electronic form.

- NOTE : (1) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional form on request.

If undelivered please return to :



VINAYAK POLYCAN International Ltd.

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