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**29<sup>th</sup> ANNUAL REPORT**  
**2019-2020**

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**POLYCON International Ltd.**

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

Mr Rajiv Baid Chairman & Managing Director  
Mr. Varun Baid Executive Director

**Independent Directors**

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

**Non-Independent Directors**

Mr. K.C. Bhandari

**Chief Finance Officer &  
Company Secretary**

CS Gajanand Gupta

**Bankers**

State Bank of India

**Auditors**

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

**Secretarial Auditors**

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

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

Mr. Kamal Kumar Bordia  
Mr. Adarsh Singhanian  
Mr. Rajiv Baid

**Nomination and Remuneration  
Committee**

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

**Shareholders' Investors'  
Grievance Committee**

Mr. Adarsh Singhanian  
Mr. Rajiv Baid  
Mr. K.C. Bhandari

**Registered Office**

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

**Registrar & Share Transfer Agents**

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

**Works**

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

## TEN YEARS FINANCIAL HIGHLIGHTS (2011-2020)

(Amount Rs. in Lac)

Particulars	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>PROFIT &amp; APPROPRIATIONS</b>										
Sales & Other Income	3085.02	3972.56	3952.83	4409.69	3858.92	3683.56	3465.36	3580.86	3757.92	3010.31
Profit Before Depreciation & Tax	170.63	189.50	138.46	146.82	155.43	136.87	131.55	137.97	120.14	(176.84)
Depreciation	134.62	146.75	123.39	108.71	120.54	97.51	93.96	100.69	100.00	105.19
Profit Before Tax	36.01	42.75	15.07	38.11	34.89	39.36	37.59	37.28	20.14	(282.03)
Taxation	10.01	12.50	6.30	11.11	10.05	12.19	9.95	6.79	5.31	5.64
Profit After Tax	26.00	30.25	8.77	27.00	24.84	27.17	27.64	30.49	14.83	(287.67)
Dividend	-	-	-	-	-	-	-	-	-	-
Earning Per Share	0.53	0.62	0.18	0.55	0.51	0.56	0.57	0.62	0.30	(5.88)
<b>ASSETS EMPLOYED</b>										
Fixed Assets Gross	3083.40	3254.07	3330.08	3528.37	3639.11	3714.80	3889.18	4034.52	4090.55	4069.95
Depreciation	2269.75	2416.50	2357.15	2438.54	2556.08	2647.58	2738.11	2846.14	2940.13	3036.10
Net	813.65	837.57	972.93	1089.83	1083.03	1067.22	1151.07	1188.38	1150.42	1033.85
Capital work in Progress	-	4.48	-	61.33	41.49	68.44	20.69	20.69	236.41	-
Investment	1.04	5.98	5.98	5.55	5.55	1.64	1.64	1.96	1.76	1.38
Current Assets	1214.86	1445.74	1770.21	2085.10	1604.25	1612.24	1735.45	2039.56	2084.32	2096.76
Miscellaneous Exp.	0.65	1.28	1.28	1.02	0.00	0.00	0.00	0.00	00	00
	<b>2030.20</b>	<b>2295.05</b>	<b>2750.40</b>	<b>3242.83</b>	<b>2734.32</b>	<b>2749.54</b>	<b>2908.85</b>	<b>3250.59</b>	<b>3472.91</b>	<b>3131.99</b>
<b>FINANCED BY</b>										
Equity Shares	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55	543.55
Reserves & Surplus	43.00	73.25	82.02	109.03	131.18	158.35	185.99	208.87	223.70	(62.26)
Loan Funds	1418.33	1653.93	2102.05	2565.87	2038.66	2025.92	2155.34	2474.79	2684.38	2623.77
Deferred Tax Liability	25.32	24.32	22.78	24.38	20.93	21.72	23.97	23.38	21.29	26.93
	<b>2030.20</b>	<b>2295.05</b>	<b>2750.40</b>	<b>3242.83</b>	<b>2734.32</b>	<b>2749.54</b>	<b>2908.85</b>	<b>3250.59</b>	<b>3472.92</b>	<b>3131.99</b>

## POLYCON INTERNATIONAL LIMITED

Registered office: C-98, Jagan Path, Chomu House, C-Scheme, Jaipur-302001

Tel : 0141-2363048, 2363049, 2377046

e-mail : guptag@polycon.in Website : www.polyconltd.com

CIN : L28992RJ1991PLC006265

### NOTICE

NOTICE is hereby given that the **Twenty-ninth** Annual General Meeting of the Members of **POLYCON INTERNATIONAL LIMITED** will be held, on Wednesday, the 30<sup>th</sup> Day of September, 2020 at 2.00 P.M. through video conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:-

#### ORDINARY BUSINESS

##### 1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adoption of Audited Financial Statements of the company for the year ended 31<sup>st</sup> March, 2020, together with the Reports of Board and Auditors thereon.

##### 2. RE- APPOINTMENT OF MR. VARUN BAID AS DIRECTOR, LIABLE TO RETIRE BY ROTATION.

To appoint a Director in place of Mr. Varun Baid (DIN: 08268396) who retires by rotation and being eligible, offers himself for Re- appointment

**Regd. Office :**  
C-98 , Jagan Path,  
Chomu House,  
C-Scheme,  
Jaipur-303001 (Raj)

Place : Jaipur  
Date : 14.08.2020

**By order of the Board**  
**CS Gajanand Gupta**  
CFO & Company Secretary  
(Membership NO:  
FCS 3913)

#### NOTES :

- The information require pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Secretarial Standard 2 issued by the ICSI, regarding the Director seeking reappointment in the ensuing AGM is as under :-

Name of the Director	Mr. Varun Baid
DIN	08268396
Date of Birth	17.12.1986
Date of first Appointment	30.10.2018
Designation	Executive Director
Terms and conditions of reappointment	Executive Director liable to retire by rotation
Qualification	B.Tech
Expertise in specific Functional Areas	Manufacturing & Production Management for more than 7 years
Board Meeting held & attended during the FY 2019-20	HELD - 5 ATTENDED - 5
Directorship held in other public companies	NONE
Membership / Chairmanships of committees of other	

public companies	NONE
Number of Equity Shares held in the Company as on 31 <sup>st</sup> march 2020	130000
Relationship with other directors/KMP	Son of Mr. Rajiv Baid Chairman & Managing Director of the Company

- The 29<sup>TH</sup> Annual General Meeting (AGM) to be convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to General Circular numbers 14/2020, 17/2020 and 20/2020, dated 08.04.2020, 13.04.2020 and 05.05.2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), which allow the companies to hold AGM through VC/OAVM, which does not require physical presence of members at a common venue. The deemed venue for the 29<sup>th</sup> AGM shall be the Registered office of the company i.e., C-98, Jagan Path, Chomu House, C-Scheme, Jaipur-302001, (Rajasthan).
- The Company has availed the services of the Central Depository Services (India) limited ('CDSL'), as the authorized agency for conducting the AGM through VC/OAVM and providing e-voting facility.
- In compliance with the aforesaid Circulars, the Notice of 29<sup>th</sup> AGM along with the Annual Report for the financial year 2019-20 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories / RTA as on 28<sup>th</sup> August, 2020. The AGM notice and Annual Report of the Company are made available on the Company's website at www.polyconltd.com and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited at - www.bseindia.com
- The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM i.e., www.evotingindia.com
- Though a Member entitled to attend and vote at the meeting, is entitled to appoint one or more proxies (proxy need not be a member of the Company to attend and vote instead of himself / herself), the facility of appointment of Proxies is not available as the AGM is convened through VC/ OAVM However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body

- corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  7. In case of joint holders only such joint holder who is higher in the order of names will be entitled to vote during the meeting.
  8. The Register of Members and Share Transfer Books will remain closed from 26<sup>th</sup> day of September, 2020 to 30<sup>th</sup> day of September, 2020 (both days inclusive) for the purpose of AGM.
  9. As a part of the green initiatives, the Members who have not yet registered their E-mail addresses are requested to register their E-mail addresses with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/RTA will be sent to the registered E-mail address.
  10. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form.
  11. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in demat form, the nomination form may be filed with the respective DP. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14.
  12. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contract the Depository Participant of their choice.
  13. The Register of Directors and KMP and their shareholding and Register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available electronically for inspection by the members at the AGM. All documents referred in the accompanying Notice and Statement setting out material facts will be available for electronic inspection for Members on all working days (except Holiday) between 11.00 A.M. and 1.00 P.M. (IST) up to date of 29<sup>th</sup> AGM. Members seeking to inspect such documents can send an E-mail to [info@polyconltd.com](mailto:info@polyconltd.com)
  14. Updation of Members' details: The format of the Register of Members prescribed by the MCA under the Act requires the Company/RTA to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or RTA. Members holding shares in electronic form are requested to furnish the details to their respective DP.
  15. Since the AGM being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.
  16. **Instructions for attending the AGM through VC /OAVM and viewing webcast of AGM:**
    - i. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
    - ii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
    - iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
    - iv. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the time scheduled for the AGM and will be available for Members on first-come first-served basis.
    - v. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, Directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination, Remuneration Committee and Auditors are not restricted on first come first served basis.
    - vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
    - vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [guptag@polycon.in](mailto:guptag@polycon.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [guptag@polycon.in](mailto:guptag@polycon.in). These queries will be replied to by the company suitably by email.
    - viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
    - ix. Members who have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

**17. E-VOTING**

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended & provision of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 29<sup>th</sup> Annual General Meeting (AGM) by remote e-voting in respect of the businesses to be transacted at the AGM. The facility of casting votes by members using remote e-voting as well as the e-voting system on the AGM will be provided by Central Depository Services (India) Limited. (CDSL).
2. The voting period begins on September 27<sup>th</sup>, 2020 at 9.00 A.M. and ends on September 29<sup>th</sup>, 2020 by 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23<sup>rd</sup>, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
3. Instructions for Remote e-voting are as under:-
  - (i) Shareholders who have already vote prior to the Meeting date would not be entitled to vote at the meeting.
  - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company. OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasiusing yourlogin credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>● Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> </ul>

	<ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <ul style="list-style-type: none"> <li>❖ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [guptag@polycon.in](mailto:guptag@polycon.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**4. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**18. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.** [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id.** [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)
19. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2020.
20. Mr. Brij Kishore Sharma, Practicing Company Secretary (Membership No. FCS-6206), has been appointed as the Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner.
21. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
22. The results shall be declared by the Chairman or the person authorized by the Chairman in writing and the resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favor thereof. Promptly after declaration of results the same shall be placed along with scrutinizer's report on the website of the Company [www.polyconltd.com](http://www.polyconltd.com) and the website of CDSL. The results shall simultaneously be communicated to BSE limited for placing the same on their website.
23. Any Member(s) who require any special assistance of any kind of the Twenty Ninth AGM are requested to send details of their special needs in writing to the Company email Id- [guptag@polycon.in](mailto:guptag@polycon.in) in at least three days before the date of the AGM.

**Regd. Office :**  
C-98, Jagan Path,  
Chomu House,  
C-Scheme, Jaipur-303001 (Raj)

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

Place : Jaipur  
Date : 14.08.2020



## BOARD'S REPORT

To,  
The Members,  
Polycon International Limited

Your Directors have the pleasure of presenting the 29<sup>th</sup> Annual Report of the Company together with Audited Financial Statements and Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The financial results for the year ended 31<sup>st</sup> March, 2020 are summarized below:

(Rs. In lacs)

	2019-2020	2018-2019
Revenue from Operations	3010.31	3757.92
Gross Profit before Interest and Depreciation	217.43	319.78
Less : Interest	216.79	199.64
Less : Depreciation	105.19	100.00
Less: Exceptional items	177.48	-
Profit/(Loss) for the year	(282.03)	20.14
Less : Provision for Taxation	5.64	5.31
Profit/(Loss) after Taxation	(287.67)	14.83

### PERFORMANCE AND FINANCIAL POSITION OF COMPANY

The Gross Revenue from the Operations of the company during FY 2019-20 was Rs. 3010.31 Lacs against Rs.3757.92 Lacs in the year 2018-19. The Net Profit/Loss for the year was Rs. (293.31) Lacs against Rs.14.83 Lacs in previous year. Company's performance was deteriorated due to unfavorable market conditions in year 2019 -2020 and also COVID 19 pandemic took a toll (negatively impacted) on company's operations in the last quarter March 2020. Loss of 177.48 is due to sale of factory unit at Pant Nagar, Uttarakhand in which production could not get started.

### COVID 19 IMPACT AND MITIGATION

The recent outbreak and global spread of COVID-19 may have a significant and prolonged impact on global economic conditions. Your Company responded quickly to ensure the safety of its employees and other stakeholders, as per guidelines issued by authorities in each jurisdiction. It also ensured that our supply chains and operations were able to function with the least disruption. In keeping with its policy

of prioritizing employee safety, The Company is taking utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, and thermal check at the gate, maintaining proper hygiene. Supply chain is being monitored to ensure availability of material. We have taken cash flow, capital expenditure and overhead control Measures to smoothly manage our operations.

The Company's manufacturing remained shut from March 23<sup>rd</sup>, 2020 due to lockdown. The Production of Jaipur Unit were partially re-opened w.e.f. March 26<sup>th</sup>, 2020 at below 30-40% capacity as company produces packing item for necessary commodities. There was no major negative impact of COVID-19 on the company.

The Company has restarted operations at Bhiwadi Unit considering order book and available workforce, since April 13<sup>th</sup>, 2020 and remaining Units at Jaipur from 15<sup>th</sup> April, 2020 after getting permission from appropriate authority, adhering to the safety norms prescribed by Government of India

As the company was in production even in lockdown months, the revenues and profitability of the Company are slightly to be adversely impacted, but the business situation is very dynamic, the company is closely monitoring it. Business situation as of now is normal, as the company is having sufficient order in hand

The supply chain was disrupted initially for few days due to COVID-19 lockdowns but, it is moving to normalcy for packing material from the vendors.

The operations are running at same capacity as of now as running before lockdown.

### RESERVES

No amount has been transferred to Reserves during the period under review, because there is no surplus in Financial year 2019-2020.

### DIVIDEND

The Board of Directors does not recommend any Dividend for the year under review.

### PUBLIC DEPOSITS

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

### EXTRACT OF THE ANNUAL RETURN

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

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

#### A. CONSERVATION OF ENERGY

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

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

#### B. TECHNOLOGY ABSORPTION

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

year your company continued its focus on driving the quality culture and total productivity management across the factories.

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

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

**AUDITORS AND AUDITORS' REPORT**

**A. STATUTORY AUDITORS AND THEIR REPORT**

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

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

There is no reservation, qualification or adverse remark contained in the Statutory Auditors' Report attached to Balance Sheet as at 31<sup>st</sup> March, 2020. Information referred in Auditors' Report are self-explanatory and do not require any further comments.

**B. SECRETARIAL AUDITORS AND THEIR REPORT**

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

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

**C. COST AUDITOR**

Cost Audit is not applicable to the company as per the Companies (Cost Records and Audit Rules, 2014) as amended from time to time.

**D. INTERNAL AUDITOR**

Pursuant to Section 138 of the Companies Act, 2013, the Board of Directors has appointed to Mr. Nishank Goyal as Internal Auditor of the Company for the financial year 2019-20. He has

submitted Internal Audit Report for the current year to the Board. No audit observations were observed during the Internal Audit for the Financial Year 2019-20.

**AUDIT COMMITTEE**

The Audit Committee comprises Mr. Kamal Kumar Bordia (Chairman), Mr. Adarsh Singhania and Mr. Rajiv Baid in line with the requirements of Section 177 of the Companies Act, 2013. The Board has accepted the recommendations made by the Audit Committee from time to time. Four Meetings of Audit Committee were held during the year.

**INTERNAL FINANCIAL CONTROLS**

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

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

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

The Company has in place a Policy for Prevention of Sexual Harassment at Workplace as per requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No Complaint has been received during the year ended 31<sup>st</sup> March, 2020 in this regard.

**MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors met Five times during the financial year 2019-20 on 30<sup>th</sup> May 2019, 13<sup>th</sup> August 2019, 19<sup>th</sup> November 2019, 13<sup>th</sup> February 2020 & 12<sup>th</sup> March 2020. Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the Listing Agreement entered into by the Company with the Stock Exchanges and SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The names and categories of the Directors or the Board, their attendance at Board meetings during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other Companies are shown as under:-

Name of Director	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended last AGM	No. Of Outside Directorships of Pubic Companies	No. Of Committee Membership	No. Of Committee Chairmanships
Mr. Rajiv Baid	Executive Director	5	5	YES	-	2	-
Mr. Varun Baid	Executive Director	5	5	YES	-	-	-
Mr. K. C. Bhandari	Non-executive Non-Independent Director	5	5	YES	-	1	-
Mrs. Tiyana Sacheti	Non-executive Independent Director	5	5	YES	-	1	1
Mr. Kamal Kumar Bordia	Non-executive Independent Director	5	5	YES	-	2	1
Mr. Adarsh Singhania	Non-executive Independent Director	5	5	YES	-	3	1

**COMMITTEES OF THE BOARD**

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

The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows :

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

**BOARD EVALUATION**

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**RISK MANAGEMENT**

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

**CORPORATE GOVERNANCE**

Pursuant to regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Compliance of Corporate Governance is not mandatory for the time being for Companies having paid up equity share capital not

exceeding Rs. 10 crore and Net Worth not exceeding Rs. 25 crore, as on the last day of the previous financial year.

As such our Company falls in the ambit of aforesaid exemption; consequently Corporate Governance Report does not forms part of the Annual Report for the Financial Year 2019-20. However, the Company is following industry's best Corporate Governance Standards.

**LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

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

**MATERIAL CHANGES AND COMMITMENTS**

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

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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**SHARE CAPITAL**

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

#### **HUMAN RESOURCES DEVELOPMENT/TRAINING**

The Company has set a new goal to be one of the most innovative, best performing and trusted company. The Company has also defined a new set of expectations to realize this goal-courage, Accountability, Development and Teamwork. The new expectations alongside the values will be the foundation of the culture it want to establish.

Company believes that Employees are its main strength. Accordingly your Company places people in the heart of its business strategy. Company is attracting and retaining the best people, creating a culture and environment where people are able to deliver their best and they are recognized and encouraged.

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

The Company upholds the culture of trust and mutual respect in all its employees' relations endeavors. The company has ensured that there is sustained communication and engagement with workforce through various forums. Company's human resources are mobilized to strengthen the company internally and to face future challenges. Our 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, 2020, the Company employed a total of 103 employees of which 13 were Officers and 90 belongs to non-executive cadre.

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of the Company as at March 31,2020 consists of six Directors, out of which three are Independent Directors, one is Non-executive Non -Independent Director and two are Whole-time Directors.

As at the end of FY 2020, Rajiv Baid -Chairman & Managing Director , Varun Baid-Executive Director, Gajanand Gupta - Chief Financial Officer & Company Secretary are the KMP as per the provisions of the Act and rules made thereunder.

In terms of provisions of the Companies Act, 2013 and the articles of association of the company

Mr Varun Baid, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Pursuant to SEBI (Listing Obligations and Disclosures

Requirements) Regulations, 2015, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the required information about the director proposed to be re-appointed are given in the Notes to the Notice.

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

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

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or policy.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are to be disclosed in Form No. AOC -2 is contained in Note 40 of the Financial Statements. The Related Party Transaction Policy is disclosed on the website of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (b) Directors of the company selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Profit & Loss Account for the period under review;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a "going concern basis";
- (e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

#### LISTING OF SECURITIES

At present the equity shares of the Company are listed with the BSE Limited and the Listing fee for the year 2019-20 has been duly paid. Scrip Code of the Company is 531397.

#### DEPOSITORY SYSTEM

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

Equity Shares of the Company can be held in electronic form with any depository participant (DP) with whom the members/ Investors have their depository account.

#### NOMINATION AND REMUNERATION POLICY

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

#### PARTICULARS OF EMPLOYEES

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

#### ACKNOWLEDGEMENT

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

**For and on behalf of the Board**

Place : Jaipur  
Date : 30.06.2020

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

## Annexures to the Board's Report

### Annexure-I

#### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
Polycon International Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Polycon International Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Polycon International Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

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

- and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; There was no FDI, ODI and ECBs during the period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. There was no issue of securities during the period under review.
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 Not applicable to the company during the period under review.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015. Not applicable to the company during the period under review.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,

- 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. Not applicable to the company during the period under review.
  - (h) The Securities and Exchange Board of India (Buy Back of securities) Regulations, 2018. Not applicable to the company during the period under review.
  - (i) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
  - (vi) As informed and certified by the management, there are no laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda.

A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were caused with requisite majority.

We further report that, based on review of Compliance mechanism established by the company on the basis of Compliance Certificate issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For B K Sharma & Associates  
Company Secretaries  
FRN -P2013RJ233500

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

PLACE: Jaipur  
DATE:30th June, 2020

'Annexure A'

To,  
**The Members,  
Polycon International Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For B K Sharma & Associates  
Company Secretaries  
FRN -P2013RJ233500

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

PLACE: Jaipur  
DATE:30th June, 2020

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2020**

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

<b>I. REGISTRATION AND OTHER DETAILS :</b>			
i)	CIN	:	L28992RJ1991PLC006265
ii)	Registration Date	:	17/10/1991
iii)	Name of the Company	:	POLYCON INTERNATIONAL LIMITED
iv)	Category/Sub-Category of the Company	:	Public Company Limited by shares
v)	Address of the Registered office and contact details	:	C-98, Jagan Path, Chomu House, C-Scheme, Jaipur-303001, Rajasthan Tel : 0141-2363048/49 91-141-2377046
vi)	Whether listed Company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Pvt. Ltd. Noble Heights 1st Floor Plot No NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri NEW DELHI-110 058 Ph : 011-49411000 Fax : 011-41410591 E-delhi@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Sl. No.	Name and Description of main products/services	NIC Code of Products/services	% to total turnover of the company
1	LLDPE Containers, Tanks etc.	22208	10.19
2	PET Containers, Bottles, Jars etc.	22203	84.09

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

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	N.A	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1862781	-	1862781	38.10	1862781	-	1862781	38.10	-
b) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	572500	-	572500	11.71	572500	-	572500	11.71	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>2435281</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
h) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1179665	119700	1299365	26.57	1179464	119700	1299164	26.57	-0.0041
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	263836	234920	498756	10.2014	269695	226020	495715	10.1392	-0.0622
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	618780	-	618780	12.6563	627295	-	627295	12.8305	0.1742
c) Any Others									
i) Non Resident Indians	-	2000	2000	0.0409	-	2000	2000	0.0409	-
ii) Clearing Members	4638	-	4638	0.0949	17	-	17	0.0003	-0.0946
iii) HUF	30280	-	30280	0.6193	29628	-	29628	0.6060	-0.0133
<b>Sub-total(B)(2):-</b>	<b>2097199</b>	<b>356620</b>	<b>2453819</b>	<b>50.19</b>	<b>2106099</b>	<b>347720</b>	<b>2453819</b>	<b>50.19</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>2097199</b>	<b>356620</b>	<b>2453819</b>	<b>50.19</b>	<b>2106099</b>	<b>347720</b>	<b>2453819</b>	<b>50.19</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>4532480</b>	<b>356620</b>	<b>4889100</b>	<b>100.00</b>	<b>4541380</b>	<b>347720</b>	<b>4889100</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A +B +C)</b>	<b>4532480</b>	<b>356620</b>	<b>4889100</b>	<b>100.00</b>	<b>4541380</b>	<b>347720</b>	<b>4889100</b>	<b>100.00</b>	<b>0.00</b>



**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Share Pledged / encumbered to total shares	% change in shareholding during the year
1	Jai Sinter Polycon Pvt. Ltd.	572500	11.71	-	572500	11.71	-	-
2	Rajiv Baid	360970	7.38	-	360970	7.38	-	-
3	Bharat Kumar Baid (HUF)	269570	5.51	-	269570	5.51	-	-
4	Pushpalata Baid	156200	3.19	-	-	-	-	-
5	Sadhna Baid	152710	3.12	-	152710	3.12	-	-
6	Bharat Kumar Baid	140400	2.87	-	140400	2.87	-	-
7	Varun Baid	130000	2.66	-	130000	2.66	-	-
8	Rajiv Baid (HUF)	123000	2.52	-	123000	2.52	-	-
9	Bhanwar Lal Baid	119900	2.45	-	-	-	-	-
10	Vijay Baid	118770	2.43	-	118770	2.43	-	-
11	Vikram Baid	109800	2.25	-	229700	4.69	-	2.45
12	Vinod Baid	73800	1.51	-	73800	1.51	-	-
13	Bhanwar Lal Baid (HUF)	69950	1.43	-	69950	1.43	-	-
14	Lal Chand Baid (HUF)	27700	0.57	-	27700	0.57	-	-
15	Mahendra Nahata	10000	0.20	-	10000	0.20	-	-
16	Samta Baid	11	0.00	-	156211	3.19	-	3.19
	<b>Total</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>	<b>2435281</b>	<b>49.81</b>	<b>-</b>	<b>-</b>

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total shares of the company
1	<b>Jai Sinter Polycon Pvt. Ltd.</b>				
	At the beginning of the year	572500	11.71	572500	11.71
	NIL movement during the year	-	-	-	-
	At the end of the year			572500	11.71
2	<b>Rajiv Baid</b>				
	At the beginning of the year	360970	7.38	360970	7.38
	NIL Movement during the year	-	-	-	-
	At the end of the year			360970	7.38
3	<b>Bharat Kumar Baid (HUF)</b>				
	At the beginning of the year	269570	5.51	269570	5.51
	NIL movement during the year	-	-	-	-
	At the end of the year			269570	5.51

Sl. No.		Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year	
4	<b>Vikram Baid</b>				
	At the beginning of the year	109800	2.25	109800	2.25
	Interse Transfer during the year	119900	2.45	229700	4.70
	At the end of the year			229700	4.70
5	<b>Samta Baid</b>				
	At the beginning of the year	11	0.00	11	0.00
	Interse Transfer during the year	156200	3.19	156211	3.19
	At the end of the year			156211	3.19
6	<b>Sadhna Baid</b>				
	At the beginning of the year	152710	3.12	152710	3.12
	NIL movement during the year	-	-	-	-
	At the end of the year			152710	3.12
7	<b>Bharat Kumar Baid</b>				
	At the beginning of the year	140400	2.87	140400	2.87
	NIL movement during the year	-	-	-	-
	At the end of the year			140400	2.87
8	<b>Varun Baid</b>				
	At the beginning of the year	130000	2.66	130000	2.66
	NIL movement during the year	-	-	-	-
	At the end of the year			130000	2.66
9	<b>Rajiv Baid (HUF)</b>				
	At the beginning of the year	123000	2.52	123000	2.52
	NIL movement during the year	-	-	-	-
	At the end of the year			123000	2.52
10	<b>Vijay Baid</b>				
	At the beginning of the year	118770	2.43	118770	2.43
	NIL movement during the year	-	-	-	-
	At the end of the year			118770	2.43
11	<b>Vinod Baid</b>				
	At the beginning of the year	73800	1.51	73800	1.51
	NIL movement during the year	-	-	-	-
	At the end of the year			73800	1.51
12	<b>Bhanwar Lal Baid (HUF)</b>				
	At the beginning of the year	69950	1.43	69950	1.43
	NIL movement during the year	-	-	-	-
	At the end of the year			69950	1.43
13	<b>Lal Chand Baid (HUF)</b>				
	At the beginning of the year	27700	0.57	27700	0.57
	NIL movement during the year	-	-	-	-
	At the end of the year			27700	0.57
14	<b>Mahendra Nahata</b>				
	At the beginning of the year	10000	0.20	10000	0.20
	NIL movement during the year	-	-	-	-
	At the end of the year			10000	0.20
15	<b>Pushpalata Baid</b>				
	At the beginning of the year	156200	3.19	156200	3.19
	Interse Transfer during the year	(156200)	(3.19)	(156200)	(3.19)
	At the end of the year			-	-
16	<b>Bhanwar Lal Baid</b>				
	At the beginning of the year	119900	2.45	119900	2.45
	NIL movement during the year	(119900)	(2.45)	(119900)	(2.45)
	At the end of the year			-	-

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

Sl. No.	Name of the top 10 Shareholder of the Company (As on 31st March, 2020)	Date of event	Buy / Sale	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year	
				No. of shares	% of total share of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Sankalp Granites Pvt. Ltd.</b>						
	(a) At the beginning of the year	01-04-2019	-	521240	10.66	521240	10.66
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	521240	10.66	
<b>2</b>	<b>Sigo Polymers Private Ltd.</b>						
	(a) At the beginning of the year	01-04-2019	-	294700	6.02	294700	6.02
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	294700	6.02	
<b>3</b>	<b>Maratha Petrochemicals Pvt Ltd.</b>						
	(a) At the beginning of the year	01-04-2019	-	291700	5.96	291700	5.96
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	291700	5.96	
<b>4</b>	<b>Raj Kumar Sethia</b>						
	(a) At the beginning of the year	01-04-2019	-	151969	3.11	151969	3.11
	(b) Changes during the year		500	Sale during the year		151469	3.09
(c) At the end of the year	30-03-2020	-	-	-	151469	3.09	
<b>5</b>	<b>Ridam Polymers Private Ltd.</b>						
	(a) At the beginning of the year	01-04-2019	-	139390	2.85	139390	2.85
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	139390	2.85	
<b>6</b>	<b>Vishakha Arora</b>						
	(a) At the beginning of the year	01-04-2019	-	139000	2.84	139000	2.84
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	139000	2.84	
<b>7</b>	<b>Divya Kalra</b>						
	(a) At the beginning of the year	01-04-2019	-	130710	2.67	130710	2.67
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	130710	2.67	
<b>8</b>	<b>Prateek Arora</b>						
	(a) At the beginning of the year	01-04-2019	-	105000	2.14	105000	2.14
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	105000	2.14	
<b>9</b>	<b>Sanjay Kumar Sarawagi</b>						
	(a) At the beginning of the year	01-04-2019	-	48468	0.99	48468	0.99
	(b) Changes during the year			No changes during the year			
(c) At the end of the year	31-03-2020	-	-	-	48468	0.99	
<b>10</b>	<b>Mahendra Girdharilal</b>						
	(a) At the beginning of the year	01-04-2019	-	17598	0.36	17598	0.36
	(b) Changes during the year		16449	Buy during the year		34047	0.69
(c) At the end of the year	31-03-2020	-	-	-	34047	0.69	

**(v) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total shares of the company
1	<b>Rajiv Baid (Chairman &amp; MD)</b> At the beginning of the year NIL movement during the year At the end of the year	360970 -	7.38 -	360970 - 360970	7.38 - 7.38
1	<b>Varun Baid (Executive Director)</b> At the beginning of the year NIL movement during the year At the end of the year	130000 -	2.66 -	130000 - 130000	2.66 - 2.66
3	<b>Gajanand Gupta (KMP)</b> At the beginning of the year NIL movement during the year At the end of the year	100 5000	0.00 0.10	100 5000 5100	0.00 0.10 0.10

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1932.88	323.87	--	2256.75
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	7.24	18.90	--	26.14
<b>Total (i + ii + iii)</b>	<b>1940.12</b>	<b>342.77</b>	<b>--</b>	<b>2282.89</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	225.00	36.46	--	261.46
● Reduction	-342.43	-	--	-342.43
<b>Net Change</b>	<b>-117.43</b>	<b>36.46</b>	<b>--</b>	<b>-80.97</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1822.04	347.18	--	2169.25
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	13.76	25.43	--	39.19
<b>Total (i + ii + iii)</b>	<b>1835.80</b>	<b>372.61</b>	<b>--</b>	<b>2208.44</b>

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

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Rajiv Baid Chairman & Mananing Director	Mr. Varun Baid Executive Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2155580  28800  Nil	1715600  28800  Nil	3871180  57600  Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	2184380	1744400	3928780
	Ceiling as per the Act	As per Schedule V of the Act	As per Schedule V of the Act	

**B. Remuneration to other directors :**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Kamal Bordia	Mr. Adarsh Singhnia	Mrs. Tiyana Sacheti	Mr. K. C. Bhandari	
1.	Independent Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	10000/-	10000/-	10000/-	-	30000/-
	Total (1)	10000/-	10000/-	10000/-	-	30000/-
2.	Other Non-Executive Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	Nil	Nil	Nil	10000/-	10000/-
	Total (2)	Nil	Nil	Nil	10000/-	10000/-
	Total (B)=(1+2)	10000/-	10000/-	10000/-	10000/-	40000/-
	Total Managerial Remuneration					3968780/-
	Overall ceiling as per the Act	As per Schedule V of the Act				

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Gajanand Gupta Company Secretary & CFO Secretary	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1257429	1257429
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21600	21600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	<b>Total</b>	1279029	1279029

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

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

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

a) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2016 are given below :

A. Remuneration paid to Managing and Whole Time Directors including Perquisites

Directors of the Company remuneration	Remuneration in FY 2019-20 (Rs. In Lacs)	Remuneration in FY 2018-19 (Rs. In Lacs)	% increase/ decrease in	Ratio to Median remuneration
Mr. Lal Chand Baid	-	9.65	-	-
Mr. Rajiv Baid	21.84	21.82	0.916	9.20
Varun Baid	17.44	6.23*	8.18	7.34

B. Remuneration paid to KMPs

Directors of the Company	Remuneration in FY 2019-20 (Rs. In Lacs)	Remuneration in FY 2018-19 (Rs. In Lacs)	% increase/ decrease in remuneration	Ratio to Median remuneration
Mr. Rajiv Baid	21.84	21.82	0.9	9.20
Mr. Gajanand Gupta	12.79	13.24	-3.40	5.40

- C) The median remuneration of employees was Rs 237475/- in financial year 2019-20 and Rs. 230133/- in financial year 2018-19. There was Increase of 3.19 % in MRE in financial year 2019-20 of as compared to financial year 2018-19.
- D) Number of permanent employees on the rolls of Company was 103 employees as on 31.03.2020.
- E) Average Salary increase of non-managerial employees was 0.86% and that of managerial employees 2.62 % in financial year 2019-20.
- F) No Director received any variable component of remuneration in the financial year 2019-20.
- G) None of the employees, who are not directors but receive remuneration in excess of the highest paid director during the year
- H) Remuneration paid during the year ended 31st March, 2020 is as per the Remuneration Policy of the Company.

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

List of Top 10 employees of the Company according to the remuneration drawn during the year 2019-20 as per the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 :

Name	Designation	Remuneration (in Rupees)	Nature of Employment	Qualification	Experience (Years)	Joining Date	Age (Years)	Last Employment	Name of Director or Manager of whom such employee is relative	% of equity shares held by employee alongwith spouse and dependent
Rajiv Baid	Chairman & Managing Director	2184380	Contractual	B.Com	23	01.04.2004	59	-	Father of Mr. Varun Baid (Executive Director)	7.38 3.12 (Spouce)
Varun Baid	Executive Director	1744400	Contractual	B.Tech.	10	01.11.2009	34	-	Son of Mr. Rajiv Baid, Chairman and Managing Director	2.66
Gajanand Gupta	Company Secretary & CFO	1279029	On Roll	B.Com, FCS, LLB	25	01.06.1996	52	-		0.10 0.01 (Spouse)
Sadhna Baid	Marketing Manager	979432	On Roll	BSC	14	01.12.2018	56	Bassi Mechanical Works	Wife of Mr. Rajiv Baid (Chairman and Managing Director), Mother of Mr. Varun Baid (Executive Director)	3.12 7.38 (Spouse)
Mallikarjun	Engineer	678482	On Roll	B.Sc (Electronics)	25	01.05.2011	52	-	-	-
Dhiraj Kumare	Engineer	63607	On Roll	B.Sc,(Hons) PGD, CIPET	25	01.09.1997	50	-	-	-
Naresh Kumar Sharma	Engineer	553455	On Roll	Diploma in Mechanical Engg	23	01.03.2010	57	-	-	-
Chandra Bhan Singh	Marketing Manager	550080	On Roll	10+2	39	01.09.1997	61	Jai Industrial Works	-	-
Radhey Shyam Sharma	Diploma (Engineering)	509681	On Roll	10+2	40	01.09.1997	64	Hulasi Metal Industries	-	-
Lalit Kumar Vijay	Engineer	483399	On Roll	Diploma in Mechanical Engg	30	01.06.2003	54	-	-	-

**Annexure- IV**
**MANAGEMENT DISCUSSION AND ANALYSIS**
**Overview**

The Financial statements have been prepared in compliance with the requirements of the companies Act,2013 and adopted "IND AS" with effect from 1<sup>st</sup> April 2017. Accordingly the, financial statements for the year 2019-20 have been prepared in compliance (Indian Accounting Standard) Rules,2015. The estimates and Judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner.

**Industry Structure & Development**

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

**Opportunity**

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

The industry grew annually in last five years, But there was some hindrance in last quarter of Financial Year 2019-2020 and 1<sup>st</sup> quarter of 2020-2021 due to lockdown induced as a safety measure against COVID19 Pandemic.

Our company is quick in realizing the latest trends and opportunities in the industry and has been in sync with the latest happenings in the market.

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

**Threats**

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

**Outlook**

On March 11 ,2020 as COVID 19 spread rapidly , both in terms of number of cases and the affected countries , the World Health Organization ("WHO") characterized COVID 19 as a pandemic. Rajasthan government induces lockdown from march 23<sup>rd</sup> 2020. The Company's manufacturing remained shut from March 23 , 2020 due to lockdown. The Production of Jaipur Unit were partially re-opened w.e.f. March 26<sup>th</sup> , 2020 at below 30-40% capacity as company produces packing item for essential commodities and Production in Bhiwadi unit was also started w.e.f. April 13<sup>th</sup> 2020. There was no major negative impact of COVID-19 on the company.

The operations are running at same capacity as of now as running before lockdown.

Our company is constantly striving to provide quality products and is looking forward to use improvised technology and innovative methods to increase its sales. Company's endeavor to provide high quality products aiming to grant full value of money to the customer, expected to place in light of its refreshed mission and vision and clear strategic framework. Our Company will seize the opportunities and face the challenges prevailing in the industry and is confident to remain the market leader in the organized plastic industry. There is ample scope

and opportunity for companies having business in these sectors not to mention the potential of our company and its large presence in these sectors for many years.

**Risks and Concerns**

It must be clearly understood that each company has its own risk, from which it cannot be fully isolated but mitigated by means of proper risk management. Our company foresees certain areas of risk, concerns and threats in its arena of operations.

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

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

**Adequacy of Internal Control System**

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

**Your company adheres to the following internal control system :-**

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

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

**Discussion of financial Performance:**

Our Company's net turnover for the year ended March 31, 2020 is Rs. 3010.31 lacs. The Profit before interest, depreciation and tax is Rs.217.43 lacs. However, profit/(loss) after tax is Rs (293.31) lacs.

Your Company is engaged in the manufacturing of plastic containers since 1991 and the income also derived from the sale of these products. Your Company is hopeful of sustaining its performance through calibrated steps. Your directors are confident of the long-term business prospects of the Company.

**Human Resource**

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

**CAUTIONARY STATEMENT**

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

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



## INDEPENDENT AUDITORS' REPORT

To the Members of Polycon International Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

**We have audited the standalone financial statements of Polycon International Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.**

**In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.**

#### Basis for Opinion

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

#### Emphasis of Matter

Attention has to be drawn to Note No. 42 to the financial statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended 31<sup>st</sup> March, 2020, this assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in subsequent periods.

#### Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iii. The Company has provided requisite disclosures in the financial statements, on the basis of information available with the Company. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

**Place : JAIPUR**  
**Date : 30-06-2020**

**ASHOK TAMBIA**  
**PARTNER**  
**M.NO. 074100**

**Annexure 1**  
**Referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**

**To the Members of Polycon International Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned program of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not made any investments under Section 186 of the Companies act, 2013. There are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the

records with a view to determine whether they are accurate or complete.

- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, customs Duty, Excise Duty, Current Value Added Tax, Current Sales tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no disputed dues of Income-tax, Goods & Service Tax and other material statutory dues which have not been deposited by the company with the appropriate authorities on account of any dispute as on 31<sup>st</sup> march 2020, Except as follows:

Name of the statute	Nature of dues	Amount of Dispute	Period to which amount relates	Forum where dispute is pending
Excise Department	Refund of excise duty	0.12 Lakhs	2009-2010	CESTAT

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or to government during the year and there were no outstanding debentures.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that no fraud by the company or on the company by the officers

and employees of the Company has been noticed or reported during the year.

- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that the managerial remuneration paid / provided during the year is within the limits specified u/s 197 read with Schedule V to the Companies Act, 2013. Proper approval has been obtained from Members by the Company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, transactions with the Related parties are in compliance with section 177 and 188 of Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**Place : JAIPUR**  
**Date : 30-06-2020**

**ASHOK TAMBIA**  
**PARTNER**  
**M.NO. 074100**

**ANNEXURE B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Polycon International Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****To the Members of Polycon International Limited**

We have audited the internal financial controls over financial reporting of Polycon International Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, judging by the nature and quantum of transactions appearing in the financial statements, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR TAMBİ ASHOK&ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg. No.005301C**

**Place : JAIPUR**  
**Date : 30-06-2020**

**ASHOK TAMBİ**  
**PARTNER**  
**M.NO. 074100**

## POLYCON INTERNATIONAL LIMITED

### Balance Sheet As at 31st March, 2020

(Rupees in Lacs)

SCHEDULE	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3A	1,033.85	1,150.43
(b) Capital work-in-progress	3B	-	236.41
(c) Intangible asset	4	0.17	0.21
(d) Financial Assets			
(i) Investments	5	1.21	1.55
(ii) Others Financial Assets	6	182.79	178.86
(g) Other Non Current Assets	7	<u>45.45</u>	<u>15.07</u>
<b>Total Non Current Assets</b>		<u>1,263.47</u>	<u>1,582.53</u>
<b>Current assets</b>			
(a) Inventories	8	729.62	644.89
(b) Financial Assets			
(i) Trade Receivables	9	1,045.23	1,097.89
(ii) Cash and Cash Equivalents	10	34.60	34.75
(iii) Bank Balances other than (ii) above	11	1.29	0.02
(iv) Others Current Financial Assets	12	18.57	20.70
(c) Other Current Assets	13	34.62	85.73
(d) Current Tax Asset (Net)	14	4.59	6.41
<b>Total Current Assets</b>		<u>1,868.52</u>	<u>1,890.39</u>
<b>Total Assets</b>		<u>3,131.99</u>	<u>3,472.92</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	543.55	543.55
(b) Other Equity	16	<u>-62.26</u>	<u>223.70</u>
<b>Total Equity</b>		<u>481.29</u>	<u>767.25</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	1,094.17	1,027.78
(ii) Other Long Term Liabilities	18	10.22	6.10
(b) Provisions	19	98.08	98.22
(c) Deferred Tax Liabilities (Net)	20	26.93	21.29
(d) Other Non Current Liabilities		-	-
<b>Total Non Current Liabilities</b>		<u>1,229.40</u>	<u>1,153.39</u>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	903.15	940.00
(ii) Trade Payables	22	248.09	115.69
(iii) Other Financial Liabilities	23	250.46	346.35
(b) Other Current Liabilities	24	19.60	150.24
(c) Provisions		-	-
<b>Total Current Liabilities</b>		<u>1,421.30</u>	<u>1,552.28</u>
<b>Total Equity and Liabilities</b>		<u>3,131.99</u>	<u>3,472.92</u>
<b>Significant accounting policies &amp; Notes Forming Part of Financial Statements</b>			
	<b>2 to 43</b>		

In terms of our separate Audit Report of even date

For & on behalf of the Board

**For TAMBIA SHOK & ASSOCIATES**

Chartered Accountants  
FRN : 005301C

**RAJIV BAID**

DIN:00212265  
CHAIRMAN & MANAGING  
DIRECTOR

**VARUN BAID**

DIN:08268396  
EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**

CFO &  
COMPANY SECRETARY

**CA Ashok Tambi**

Partner  
M.NO. 074100  
Place : JAIPUR  
Dated: June 30, 2020

**POLYCON INTERNATIONAL LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2020**

*(Amount Rupees in Lacs)*

Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue From Operations	25	3,002.31	3,752.89
II Other Income	26	8.00	5.03
<b>III Total Income (I+II)</b>		<b>3,010.31</b>	<b>3,757.92</b>
<b>IV EXPENSES</b>			-
Cost of Material Consumed	27	1,547.49	2,064.59
Changes in inventory of finished goods	28	39.42	-36.32
Purchase of Traded Goods	29	14.22	55.75
Employee benefits expense	30	334.80	325.43
Finance costs	31	216.79	199.64
Depreciation and amortization expense	3A	105.19	100.00
Other expenses	32	856.95	1,028.69
<b>Total expenses (IV)</b>		<b>3,114.86</b>	<b>3,737.78</b>
V Profit before exceptional items and tax (III- IV)		-104.55	20.14
VI Exceptional Items	33	-177.48	-
VII Profit/(loss) before tax (V-VI)		-282.03	20.14
VIII Tax expense:		-	-
(1) Current tax	34	-	6.87
(2) Deferred tax	34	5.64	-1.56
IX Profit from continuing operations (VII-VIII)		(287.67)	14.83
X Other Comprehensive Income		-	-
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the Year (IX+X)		(287.67)	14.83
XII <b>Earnings per equity share (After exceptional items)</b>			-
Basic	35	(5.88)	0.30
Diluted	35	(5.88)	0.30

Significant Accounting Policies & Notes  
Formating Part of Financial Statements 2 to 43

In terms of our separate Audit Report of even date

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

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

For & on behalf of the Board

**VARUN BAID**  
DIN:08268396  
EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**  
CFO &  
COMPANY SECRETARY

**CA Ashok Tambi**  
Partner  
M.NO. 074100  
Place : JAIPUR  
Dated: June 30, 2020

**POLYCON INTERNATIONAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH 2020**

**A. Equity Share Capital ( Refer Note 15)**
*(Amount Rupees in Lacs)*

Particulars	Amount
As at March 31, 2018	543.55
Changes in Equity Share Capital	-
As at March 31, 2019	543.55
Changes in Equity Share Capital	-
March 31, 2020	543.55

**B. Other Equity (Refer Note 16)**
*(Amount Rs in Lakhs)*

Particulars	Surplus in Profit and Loss Account	Other Comprehensive Income	Total
<b>Balance as at March 31, 2018</b>	<b>208.87</b>	-	<b>208.87</b>
Profit for the year	16.28	-	16.28
INDAS adjustment	-1.45	-	-1.45
<b>Balance as at March 31, 2019</b>	<b>223.70</b>	-	<b>223.70</b>
Profit for the year	-295.40	-	-295.40
INDAS adjustment	9.44	-	9.44
<b>Balance as at March 31, 2020</b>	<b>-62.26</b>	-	<b>-62.26</b>

Significant Accounting Policies &amp; Notes

Forming Part of Financial Statements 2 to 43

In terms of our separate Audit Report of even date

For &amp; on behalf of the Board

**For TAMBIA SHOK & ASSOCIATES**

 Chartered Accountants  
 FRN : 005301C

**CA Ashok Tambi**

 Partner  
 M.NO. 074100  
 Place : JAIPUR  
 Dated: June 30, 2020

**RAJIV BAID**

 DIN:00212265  
 CHAIRMAN & MANAGING  
 DIRECTOR

**VARUN BAID**

 DIN:08268396  
 EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**

 CFO &  
 COMPANY SECRETARY



## POLYCON INTERNATIONAL LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount Rupees in Lacs)

	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	DETAILS	AMOUNT	DETAILS	AMOUNT
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit For The Year	-104.55		20.14	
Adjusted for :-				
Finance Cost	216.79		199.64	
Interest received	(2.49)		(3.33)	
Loss/(Profit) on Sale/written off of Fixed Assets	177.48		-	
Depreciation/amortization expenses	105.19		99.99	
Long term provision	(0.14)		12.26	
Loss/(Profit) on due to fair valuation of investment	0.34		0.07	
<b>Operating Profit before Working Capital Changes</b>	<b>392.62</b>		<b>328.77</b>	
Adjusted for:-				
Increase /( Decrease) in Trade Payables	132.40		(22.26)	
Increase /( Decrease) in Other current financial liabilities	(95.89)		21.67	
Increase /( Decrease) in Other current liabilities	(130.64)		104.66	
Increase /( Decrease) in Current Tax Liabilities (Net)	5.64		2.90	
Increase /( Decrease) in Short term borrowing	(36.85)		31.94	
(Increase)/Decrease in Inventory	(84.73)		(175.35)	
(Increase)/Decrease in Trade receivables	52.66		104.33	
(Increase)/Decrease in Others current financial assets	0.86		(0.74)	
(Increase)/Decrease in Other current assets	51.11		52.84	
(Increase)/Decrease in Current Tax Assets (Net)	1.82		-	
(Increase)/Decrease in Other non current assets	(30.38)		(0.04)	
<b>Cash Generated From Operations</b>	<b>258.62</b>		<b>448.72</b>	
Net Cash used in Operating Activities Before Extraordinary Items	<b>258.62</b>		<b>448.72</b>	
Less:- Extraordinary Items	(177.48)		-	
<b>Cash Generated From Operations</b>	<b>81.14</b>		<b>448.72</b>	
Less:- Taxes Paid	3.93		13.28	
<b>Net Cash Flow/(used)From Operating Activities</b>	<b>77.21</b>	<b>77.21</b>	<b>435.44</b>	<b>435.44</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase) / Decrease in Long Term Loans & Advances	(3.93)		(1.86)	
Purchase of Fixed Assets	(59.02)		(277.67)	
(Increase)/decrease to CWIP	-		-	
Intangible assets addition/Deduction	0.04		0.13	
Proceeds From Sales/written off of Fixed Assets	129.34		-	
Interest received	2.49		3.33	
<b>Net Cash Flow/(used) in Investing Activities</b>		<b>68.92</b>		<b>(276.07)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net Procurement/(Repayment) of Borrowings	66.39		62.71	
Net Procurement/(Repayment) of Other long term liability	4.12		(1.40)	
Interest paid	(216.79)		(199.64)	
<b>Net Cash Flow/(used) From Financing Activities</b>		<b>(146.28)</b>		<b>(138.33)</b>
Net Increase/(Decrease) in Cash and Cash Equivalent		(0.15)		21.04
Opening balance of Cash and Cash Equivalent		34.75		13.71
<b>Closing balance of Cash and Cash Equivalent</b>		<b>34.60</b>		<b>34.75</b>

Significant accounting policies & Notes Forming Part of Financial Statements

2 to 43

In terms of our separate Audit Report of even date

For & on behalf of the Board

**For TAMBIA SHOK & ASSOCIATES**

Chartered Accountants

FRN : 005301C

**RAJIV BAID**

DIN:00212265

CHAIRMAN & MANAGING DIRECTOR

**VARUN BAID**

DIN:08268396

EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**

CFO &

COMPANY SECRETARY

**CA Ashok Tambi**

Partner

M.NO. 074100

Place : JAIPUR

Dated: June 30, 2020

## 1 COMPANY OVERVIEW

POLYCON International Limited (the Company) is a public limited company domiciled in India and has its registered office at C-98 Jagan Path, Chomu House, C-Scheme, Jaipur-302001, Rajasthan incorporated under the provisions of the Companies Act, 1956. Its shares are listed at the BSE Ltd. The company is engaged in the manufacturing and trading of PET Items like PET Bottles, PET Jars, PET Preforms, Caps & Lids and LLDPE Rotomoulding Water Storage Tanks, PVC Profiles, Sections etc. Its manufacturing facilities are located in Jaipur & Bhiwadi, Rajasthan.

## 2 SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

### 2.1 BASIS OF PREPARATION

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

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

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

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

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

### 2.2 Statement of Compliance

The financial statements comprising of the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow together with notes comprising of a summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2020 and comparative information in respect of the preceding period have been prepared in accordance with IND AS as notified and duly approved by the Board of Directors, along

with proper explanation for material departures.

### 2.3 ACCOUNTING POLICIES

#### 2.3.1 Basis of Measurement

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

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

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

#### 2.3.2 Current versus non-current classification

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

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

#### An asset is classified as current when it is:

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

All other assets are classified as non-current

#### A liability is classified as current when it is:

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

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

#### 2.3.3 Inventories

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

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

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

Finished Goods and Work in Progress: Cost includes cost of direct materials and labour and a proportion of fixed manufacturing overheads based on the normal operating capacity. Cost is determined on first in first out basis.

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

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

#### 2.3.4 Statement of cash flows

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

#### 2.3.5 Revenue recognition and other income

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

#### Other income

##### a Interest

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

#### 2.3.6 Property, Plant and Equipment

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

Items such as spare parts, stand-by equipment and servicing equipment are classified as inventory since they do not meet the definition of PPE.

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

#### **Subsequent expenses and recognition:**

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

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

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

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

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

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

#### 2.3.7 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease hold land have been recognized as finance lease as per IND -As 17 (Leases) and therefore have been classified under the head of property ,plant and equipment and have been ammortised on the basis of remaining life of the land on straight-line basis.

Rental expense from operating leases is generally recognised on a straight-line basis over the relevant lease term other than where the rentals are structured solely to increase in line with expected general inflation to compensate for the increase in lessor's expected inflationary cost, such increase is recognised in the

year in which such benefits accrue. In the event that lease premiums are paid to enter into operating leases, such premiums are recognised as a prepaid expenditure and amortised over the period of lease.

### 2.3.8 Employee benefit expenses

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

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

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

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

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

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

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

### 2.3.9 Borrowing Cost

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

### 2.3.10 Earnings per share

- Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

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

### 2.3.11 Impairment of assets

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

is recognized as an impairment loss in the Statement of Profit and Loss. Any impairment gain loss is transferred to profit and loss.

### 2.3.12 Provisions, Contingent Liabilities and Contingent Assets

#### a Provisions

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

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

#### b Contingencies

- Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liabilities is disclosed in the Notes to the Financial Statements.

- Contingent assets are not recognised in the books of the accounts but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset and the corresponding income is booked in the Statement of Profit and Loss.

### 2.3.13 Taxation

- Income tax expense represents the sum of Current Tax and Deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in Equity or Other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income.

- Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the Income Tax Act 1961. Current tax assets and current tax liabilities are off set and presented as net.

- Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and

presented as net.

#### 2.3.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, deposits held at call with banks.

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

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

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

##### a Financial Assets

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

##### how to determine classification in practical case?

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

##### De-recognition of financial Asset

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

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

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

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

##### how to check?

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

##### no such treatment made

##### Trade receivables:

- A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less expected credit loss if any.
- Impairment is made for the expected credit losses. The estimated impairment losses are presented as a deduction from the value of trade receivables and the impairment losses are recognised in the Statement of Profit and Loss under "Other expenses".
- Subsequent changes in assessment of impairment are recognised in ECL and the change in impairment losses are recognised in the Statement of Profit and Loss under "Other Expenses".
- Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Profit and Loss under "Other Expenses".
- Subsequent recoveries of amounts previously written off are credited to "Other Income".

##### Investments in Equity Instruments

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

##### b Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

After initial recognition, interest free Security Deposits and other financial liabilities are valued at Amortised cost using

Effective Interest Rate method (EIR Method). The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### Trade and other payables

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

#### De-recognition of financial liability

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

#### Offsetting of financial instruments

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

#### 2.3.16 Intangible assets

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

#### 2.3.17 Segment Reporting

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

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

### 2.4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

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

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

#### b **Income taxes**

- Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities.
- The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

#### c **Contingencies**

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

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

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

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

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

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

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

#### g **Government Grants**

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

**Property, Plant & Equipment**

Particulars	Leasehold Land	Building	Mould and Dies	Plant & Machinery	Electric Installation	Testing Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total
<b>Gross Carrying Amount</b>											
As at March 31, 2018	376.60	380.48	772.30	2,341.62	38.65	1.55	9.18	70.34	26.76	17.05	4,034.53
Additions	-	-	22.58	28.55	-	-	0.08	10.48	0.26	-	61.95
Disposals	-	-	-	-	-	-	-	5.92	-	-	5.92
As at March 31, 2019	376.60	380.48	794.88	2,370.17	38.65	1.55	9.26	74.90	27.02	17.05	4,090.56
Additions	-	20.69	32.79	241.56	-	-	-	-	0.24	0.16	295.43
Disposals	284.78	19.78	-	2.26	-	-	-	9.23	-	-	316.04
As at March 31, 2020	91.82	381.39	827.67	2,609.47	38.65	1.55	9.26	65.68	27.26	17.21	4,069.95
<b>Accumulated Depreciation</b>											
As at March 31, 2018	11.93	277.22	693.98	1,706.74	37.35	1.55	8.40	66.30	26.22	16.45	2,846.14
Additions	1.03	9.79	20.82	64.83	0.31	-	0.22	2.26	0.22	0.38	99.86
Disposals	-	-	-	-	-	-	-	5.87	-	-	5.87
As at March 31, 2019	12.96	287.01	714.80	1,771.57	37.66	1.55	8.62	62.69	26.44	16.83	2,940.13
Additions	1.03	10.45	19.85	78.32	0.21	-	0.16	3.58	0.18	0.21	114.00
Disposals	8.85	-	-	-	-	-	-	9.18	-	-	18.02
As at March 31, 2020	5.14	297.46	734.65	1,849.89	37.87	1.55	8.78	57.09	26.62	17.04	3,036.10
<b>Net carrying amount</b>											
As at 31.03.2019	363.64	93.47	80.08	598.60	0.99	-	0.64	12.21	0.58	0.22	1,150.43
As at 31.03.2020	86.68	83.93	93.02	759.58	0.78	-	0.48	8.58	0.63	0.17	1,033.85
<b>CAPITAL WORK IN PROGRESS</b>											
Particulars	As at March 31, 2020	As at March 2019									
	(GAAP)	(GAAP)									
CWIP	-	236.41									
Total	-	236.41									
<b>Other Intangible Assets</b>											
Particulars	Amount										
As at March 31, 2018	0.34										
Add : Addition	-										
less Ammortization	0.13										
As at March 31, 2019	0.21										
Add : Addition	-										
less Ammortization	0.04										
As at March 31, 2020	0.17										

3A

3B

4

**5 Investments**

Particulars	As at March 31,2020	As at March 31,2019
(i) 2500 Equity Shares In <b>HFCL Shares</b> of Rs. 1/- each fully paid-up. (Previous year 2,500 shares)	0.23	0.57
<b>Quoted investments</b>	<b>0.23</b>	<b>0.57</b>
(ii) 6 Years <b>National Savings Certificate</b> (Deposited with Sales Tax Department and other Government Authorities)	0.98	0.98
<b>Unquoted investments</b>	<b>0.98</b>	<b>0.98</b>
<b>Total</b>	<b>1.21</b>	<b>1.55</b>

**6 Other Financial Assets**

Particulars	As at March 31,2020	As at March 31,2019
Unsecured and considered Good		
(i) Security deposits	87.87	83.88
(ii) Receivable as per Demerger (Vinayak Polycon International)	94.92	94.98
<b>Total</b>	<b>182.79</b>	<b>178.86</b>

**7 Other Non-current Assets**

Particulars	As at March 31,2020	As at March 31,2019
(i) Advance to suppliers	28.18	12.14
(ii) Loans & Advances to employees	13.22	-
(iii) Unamortized Transaction Fees	1.17	-0.50
(iv) Prepaid Expense	2.88	3.43
<b>Total</b>	<b>45.45</b>	<b>15.07</b>

**8 Inventories**

Particulars	As at March 31,2020	As at March 31,2019
(i) Raw Material	391.41	325.84
(ii) <b>Finished Goods</b>	<b>253.41</b>	<b>261.47</b>
(iii) Stores, Spares and Consumables	22.30	20.50
(iv) Fuels	1.20	1.36
(v) Packaging Material	61.30	35.72
<b>Total</b>	<b>729.62</b>	<b>644.89</b>

**9 Trade Receivables**

Particulars	As at March 31,2020	As at March 31,2019
1 Trade Receivables	681.15	638.68
2 Other Receivables	364.08	459.21
Less: Allowance for doubtful trade receivables	-	-
<b>Total Receivables</b>	<b>1,045.23</b>	<b>1,097.89</b>



**Breakup of Security Details**

Secured, considered good		-
Unsecured, considered good	1,045.23	1,097.89
Doubtful	-	-
<b>Total</b>	<b>1,045.23</b>	<b>1,097.89</b>
Allowance for Doubtful Trade Receivables	-	-
<b>Total Trade Receivables</b>	<b>1,045.23</b>	<b>1,097.89</b>

**10 Cash and Cash Equivalents**

Particulars	As at March 31,2020	As at March 31,2019
(i) Bank Balances (Current Account)	25.10	21.26
(ii) Cash on Hand	9.50	13.49
<b>Total</b>	<b>34.60</b>	<b>34.75</b>

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

Particulars	As at March 31,2020	As at March 31,2019
Bank Balances (FDR with Central Excise Dept)	1.29	0.02
<b>Total</b>	<b>1.29</b>	<b>0.02</b>

**12 Others Current Financial Assets**

Particulars	As at March 31,2020	As at March 31,2019
1 Loan to employees	16.16	18.10
3 Other loans and advances	2.41	2.60
<b>Total</b>	<b>18.57</b>	<b>20.70</b>

**13 Other Current Assets**

Particulars	As at March 31,2020	As at March 31,2019
1 Prepaid Expenses	5.45	2.06
2 Income Tax & TDS Refundable	6.66	3.48
3 Gst Balances	16.96	31.48
4 Advances to Suppliers	4.99	48.68
5 Unamortised Transaction Fees	0.56	0.03
<b>Total</b>	<b>34.62</b>	<b>85.73</b>

**14 Current Tax Asset (Net)**

Particulars	As at March 31,2020	As at March 31,2019
1 Advance Tax for the year	4.59	13.28
less: Provision for Income Tax	-	6.87
<b>Total</b>	<b>4.59</b>	<b>6.41</b>

**15 Equity Share Capital**

Particulars	As at March 31,2020	As at March 31,2019
<b>Share Capital</b>		
1 Authorised : 75,00,000 Equity Shares of Rs.10/- each	750.00	750.00
2 Issued & Subscribed 69,53,200 Equity shares of Rs.10 each/-	695.32	695.32
3 Paid Up 48,89,100 Equity Shares of Rs.10/-each fully paid Add: Forfeited Equity Shares	488.91 54.64	488.91 54.64
<b>TOTAL</b>	<b>543.55</b>	<b>543.55</b>

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

Particulars	As at March 31,2020	As at March 31,2019
At the beginning of the year (Rs. 10/- each)	48,89,100	48,89,100.00
Add: Issued during the year	-	-
Less: Bought Back during the year	-	-
At the end of the year (Rs. 10/- each)	48,89,100	48,89,100.00

**(b) Terms/rights attached to equity shares :**

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

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

Particulars	As at March 31,2020		As at March 31,2019	
	Percentage of holding	No.of Shares held	Percentage of holding	No.of Shares held
JAI SINTER POLYCON Pvt. Ltd.	11.71%	572,500	11.71%	572,500
Sankalp Granites Pvt. Ltd.	10.66%	521,240	10.66%	521,240
Rajiv Baid	7.38%	360,970	7.38%	360,970
Sigo Polymers Pvt. Ltd.	6.02%	294,700	6.02%	294,700
Maratha Petro Chemicals Pvt. Ltd.	5.97%	291,700	5.97%	291,700
Bharat Kumar Baid HUF	5.51%	269,570	5.51%	269,570

The Company has neither allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

**16 Other Equity**

Particulars	As at March 31,2020	As at March 31,2019
<b>Reserves and Surplus</b>		
<b>1 Surplus</b>		
At the beginning of the year	223.70	208.87
Add; Additions during the year	(295.40)	16.28
Add: Loss /Gain on Fair Valuation of Equity investments	(0.34)	-
Less/Add: Unamortised Transaction Cost	1.71	-0.47
Less: Leasehold land amortisation	(1.03)	-1.03
Add: Adjustment for amortisation value of leasehold land sold during the year	8.85	-
Less/Add Other Exp.	0.01	-0.07
Add: Deferred Tax Liability (Assets)	0.24	0.12
<b>Balance at the year end</b>	<b>-62.26</b>	<b>223.70</b>

**17 Non Current Financial Borrowings**

Particulars	As at March 31,2020	As at March 31,2019
<b>1 Term Loan</b>		
Secured		
Term Loan from SBI	-	11.88
SBI Term Loan Solar Energy	112.85	137.12
Term Loan from Rajasthan Financial Corporation	799.05	835.45
Car Loan from AXIS BANK CAR LOAN NO. 116	6.99	8.43
Unsecured		
Other (Intercompany Loans)	284.24	265.86
Other Loans	88.37	76.91
Total	1,291.50	1,335.65
Less : Current maturities of long term borrowings	197.33	307.87
<b>TOTAL</b>	<b>1,094.17</b>	<b>1,027.78</b>

**17.1 Term Loan from RFC**
**17.1.1 Security Details**

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

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

S.No.	Repayable During Years	Repayable Amount	Range Of Interest Rate
1	2020-21	158.78	10.75% to 11.75%
2	2021-22	262.25	10.75% to 11.75%
3	2022-23	196.01	10.75% to 11.75%
4	2023-24	111.96	10.75% to 11.75%
5	2014-25	70.05	10.75% to 11.75%

**17.2 SBI TERM LOAN-SOLOR ENERGY**

Term Loan from SBI is secured by way of First Charge on certain Solar Plant acquired out of said term loan and personal guarantee of two Directors of the Company and also secured by way of second charge on entire present & future current & fixed assets of the Company. The said loan is repayable in quarterly instalments of Rs. 8 Lac. The last balance amount of which is due in June, 2023. Rate of Interest on Term Loan is at 8.55% P.A.

**17.3 Axis Bank Loan**

Loan repayment schedule against loans from Axis bank on car-

S.No.	Repayable During Years	Repayable Amount	Range Of Interest Rate
1	2020-21	1.70	9.72%
2	2021-22	1.82	9.72%
3	2022-23	2.00	9.72%
4	2023-24	1.47	9.72%

**18 Other Long Term Financial Liabilities**

Particulars	As at March 31,2020	As at March 31,2019
1 Security Deposit from Customers	6.92	6.10
2 Miscellaneous Payable	3.30	-
<b>TOTAL</b>	<b>10.22</b>	<b>6.10</b>

**19 Provisions**

Particulars	As at March 31,2020	As at March 31,2019
1 Provision for gratuity	98.08	98.22
<b>TOTAL</b>	<b>98.08</b>	<b>98.22</b>

**20 Deferred tax liabilities (Net)**

Particulars	As at March 31,2020	As at March 31,2019
1 Deferred tax liabilities (Net)	26.93	21.29
<b>TOTAL</b>	<b>26.93</b>	<b>21.29</b>

**21 Short term Borrowings**

Particulars	As at March 31,2020	As at March 31,2019
1 Overdraft and CC limits (SBI, Jhotwara, Jaipur)	903.15	940.00
<b>TOTAL</b>	<b>903.15</b>	<b>940.00</b>

- Secured against hypothecation of all current and non current assets including stock of raw materials, work in process, finished goods and book debts both present and future.
- 1st charge over Plant & Machinery financed by Bank for different Machineries installed at Jaipur & Bhiwadi Plant.
- 2nd charge on fixed assets of the company i.e all immovable properties held with the company under its Jaipur & Bhiwadi Plant.
- Cash Credit Limit from banks Carry Interest ranging between 9.15% - 9.80% p.a, computed on monthly bases on actual amount utilized, and are repayable on demand.
- Secured by personal guarantee of two directors of company.

**22 Trade Payables**

Particulars	As at March 31,2020	As at March 31,2019
1 Trade Payables	248.09	115.69
<b>TOTAL</b>	<b>248.09</b>	<b>115.69</b>

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

\*The Company has not paid to its creditors of Rs. 6.60 Lacs in 180 Days. The input under section 16(2)(d) of the Central Goods and Service Tax Act, 2017 has not been reversed on the basis of subsequent clearance.

**23 Other Current Financial Liabilities**

Particulars	As at March 31,2020	As at March 31,2019
1 Current maturities of long term borrowings		
Secured	-	
Term Loan from SBI	-	11.87
SBI Term Loan Solar Energy	36.85	32.00
Term Loan from Rajasthan Financial Corporation	158.78	258.00
Car Loan from AXIS BANK CAR LOAN NO. 116	1.70	1.50
Unsecured	-	
Other (Intercompany Loans)	-	4.50
Other Loans	-	-
<b>Total</b>	<b>197.33</b>	<b>307.87</b>
2 Provisions for expenses	34.16	33.66
3 Miscellaneous Payable	18.97	4.82
<b>TOTAL</b>	<b>250.46</b>	<b>346.35</b>

**24 Other Current Liabilities**

Particulars	As at March 31,2020	As at March 31,2019
1 Statutory Liabilities		
TDS	3.97	3.58
GST payable	-	16.88
2 Advance from Customers	15.63	12.77
3 Advance against Sale of Fixed Assets	-	117.00
<b>TOTAL</b>	<b>19.60</b>	<b>150.24</b>

**25 Revenue From Operations**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Sale of products		
Finished goods	2,988.09	3,697.13
Traded goods	14.22	55.76
<b>Total</b>	<b>3,002.31</b>	<b>3,752.89</b>

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

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
a) PP Cap	122.55	160.68
b) PET Bottles & Jars	2,524.61	3,231.34
c) Water Storage Tanks	306.03	265.62
d) PVC Profiles	21.82	28.80
e) Scrap Sales	2.42	3.01
f) Others	10.66	7.68
g) PET Chips/LLDPE(Traded)	14.22	55.76
<b>Total</b>	<b>3,002.31</b>	<b>3,752.89</b>

**26 Other Income**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) <b>Interest</b>		
Interest from banks on deposits	2.49	2.89
Other interest	-	0.44
(b) <b>Other non operating revenue</b> -		
Liabilities no Longer Required	5.14	-
Profit on sale of Assets	0.37	1.70
<b>Total</b>	<b>8.00</b>	<b>5.03</b>

**27 Cost of Material Consumed**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Raw Material Consumed</b>		
Opening Stock	325.84	218.76
Add: Purchases	1,613.06	2,171.67
	1,938.90	2,390.43
Less: Closing Stock	391.41	325.84
<b>Total</b>	<b>1,547.49</b>	<b>2,064.59</b>

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

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Opening Inventories</b>		
Finished Goods	261.47	204.21
Finished goods (Purchase)	31.36	20.94
	292.83	225.15
<b>Closing Inventories</b>		
Finished Goods	253.41	261.47
<b>INCREASE/(DECREASE)</b>	<b>-39.42</b>	<b>36.32</b>

**29 Purchase of traded goods**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) PET Chips & LLDPE	14.22	55.75
<b>Total</b>	<b>14.22</b>	<b>55.75</b>

**30 Employee benefits expense**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Salaries & Wages	296.39	283.73
(ii) Contribution to Provident and other Fund	21.78	20.84
(iii) Provision to Gratuity and Payment	5.44	14.02
(iv) Staff welfare Expenses	11.19	6.84
<b>Total</b>	<b>334.80</b>	<b>325.43</b>

**31 Financial cost**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Interest Expenses	213.89	199.17
(ii) Other Borrowing Costs	2.42	0.47
(iii) Amortization of Loan Fees	0.48	-
<b>Total</b>	<b>216.79</b>	<b>199.64</b>

**32 Other expenses**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Consumption of Stores & Spares	12.93	12.51
(ii) Consumption of Packing materials	103.13	214.85
(iii) Power & fuel	451.59	464.38
(iv) Rent	5.56	5.33
(v) Repairs to Buildings	0.53	3.78
(vi) Repairs to Machinery	21.97	49.26
(vii) Rates & Taxes	0.07	1.67
(viii) Transport & Freight Charges	167.65	153.58
(ix) Donations	0.21	-
(x) Legal & Professional fees - Payment to auditors	0.60	0.60
(xi) Miscellaneous Expenses	92.37	121.96
(xii) Lease rent	-	0.36
(xiii) Operation and Maintenance Charges	-	0.33
(xiv) Loss on Fair valuation of Investment	0.34	0.08
<b>Total</b>	<b>856.95</b>	<b>1,028.69</b>

**33 Exceptional Items**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Loss on Sale of Fixed Assets	-177.48	-
<b>Total</b>	<b>-177.48</b>	<b>-</b>

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

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Current Tax</b>		
Current Tax on taxable income for the year	-	6.87
<b>Total Current Tax expense</b>	<b>-</b>	<b>6.87</b>
<b>Deferred Tax</b>		
Deferred Tax charge/(credit)	5.64	-1.56

**Total Deferred Income**

<b>Tax expense/(benefit)</b>	5.64	-1.56
Tax in respect of earlier years	-	-
<b>Total income tax expense</b>	<b>5.64</b>	<b>5.31</b>

**35 EARNINGS PER SHARE**

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

(in number)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Issued number equity shares	48,89,100	48,89,100
Potential Equity Shares	-	-
<b>Weighted average shares outstanding - Basic and Diluted</b>	<b>48,89,100</b>	<b>48,89,100</b>

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

(Rs in Lac)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Profit and loss after tax	<b>-287.67</b>	<b>14.83</b>
Profit and loss after tax for EPS	-287.67	14.83
Basic Earnings per share	(5.88)	0.30
Diluted Earnings per share	(5.88)	0.30

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

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

**36 INCOME TAX EXPENSE**

(Amount Rs in lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Current Tax	-	6.87
Deferred Tax		
--- Relating to origination & reversal of temporary differences	5.64	-1.56
<b>Total tax expense</b>	<b>5.64</b>	<b>5.31</b>

**Effective Tax Reconciliation**

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

(Amount Rs in lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Profit as per AS	-295.40	21.71
Ind AS Adjustments (before tax)	7.73	-1.57
Net Income before taxes	-287.67	20.14
Applicable Tax Rate	26%	26%
Computed Tax Expense	-	5.24
Increase/decrease in taxes on account of :		
Non deductible expenses	29.21	28.97
Expense deductible under income tax act	(34.61)	(27.48)
Income not taxable	-0.097	-0.44
Income tax on income chargeable under other head		

Impact of Ind AS Adjustments	-	0.58
Computed Income Tax Expense	-	6.29
<b>Income Tax Expense Reported</b>	-	<b>6.87</b>

**Deferred Tax Assets (Liabilities)**

The analysis of deferred tax assets and deferred tax liabilities is as follows :

(Amount Rs in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>Deferred Tax Asset</b>		
Gratuity	25.54	25.32
Total	25.54	25.32
<b>Deferred Tax Liability</b>		
Property, Plant & Equipment	52.83	46.62
Unamortised Transaction Costs	-0.36	-0.01
Total	52.47	46.61
<b>Net Deferred Tax Asset(Liability)</b>	<b>26.93</b>	<b>21.29</b>

**37 Fair Value Measurement**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets designated at amortised cost</b>				
Trade Receivables	1,045.23	-	1,097.89	-
Cash & Cash Equivalents	35.89	-	34.77	-
Other Financial Assets	201.36	-	199.56	-
<b>Financial Assets designated at fair value through other comprehensive income</b>				
	-	-	-	-
<b>Financial Assets designated at fair value through profit and loss</b>				
	1.21	1.21	1.55	1.55



Particulars	As at 31st March 2020		As at 31st March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost				
Borrowings (Non-Current and Current)	1,997.32	-	1,967.78	-
Trade Payables	248.09	-	115.69	-
Other Financial Liabilities	260.68	-	352.45	-

Particulars	As at 31st March 2020		As at 31st March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost at fair value through profit and loss	-	-	-	-

#### Fair Value of Financial Assets and Liabilities

- The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- Majorly the security deposits are reedemable on demand and hence the fair values of security deposits are approximately equivalent to the carrying amount.
- There is no material difference between carrying amount and fair value of non-current borrowings as on March 31, 2020 and March 31, 2019.

### 38 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks i.e. Market Risk, Liquidity Risk and Credit Risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### A. Market risk

##### • Foreign Currency Risk :

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

##### • Interest Rate Risk :

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

##### • Price Risk :

The Company faces price risk due to change in price of

Raw Materials from time to time. To shield itself from them, all sales contracts and orders are variable to changes in prices from time to time. They are based on the price of raw materials at the beginning of each month or weighted average price of last 3 months.

#### B. Liquidity Risk

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

#### C. Credit risk

- Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amounts of financial assets represent the maximum credit risk exposure.
  - Assets are written off when there is no reasonable expectation of recovery. The Company write offs debtors when they fail to make contractual payment greater than a reasonable limit post due.
  - The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in

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

#### Trade and Other Receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to **Rs. 1045.23 Lakhs, Rs.1097.89 Lakhs, Rs. and 1202.22 Lakhs as at March 31, 2020, March 31, 2019 and March 31, 2018**, respectively. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry. The Company monitors its exposure to credit risk on an ongoing basis at various levels. Outstanding customer receivables are regularly monitored.

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

#### Cash and Cash Equivalents and Bank Deposits

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

#### Cash Credit Facilities

Cash credits facilities from State Bank Of India, Jhotwara Industrial Area Branch, Jhotwara ( Jaipur) together with interest and other charges thereon, is secured by mortgage of company's land and building together with plant and machinery thereon both present and future and by way of a hypothecation charge over all movable assets including book debts, stock etc. of the company and secured by personal guarantee of two directors of the company. Cash credit is payable on demand and carries interest rate @ 9.15%- 9.80% p.a. on monthly rest.

### 39 CAPITAL RISK MANAGEMENT Objective

The primary objective of the Company's capital management is to maximize the shareholder value. i.e. to provide maximum returns to the shareholders. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns to the shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019.

#### Policy

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

#### Process

The Company manage its capital by maintaining sound/optimal capital structure financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. Debt-to-equity ratio as of March 31, 2020 and March 31, 2019 is as follows:

(Rs in lakhs)

Particulars	As on 31st March, 2020	As on 31st March, 2019
Total debt	1,997.32	1,967.78
Total equity	481.29	767.25
Ratio	4.15	2.56

#### 40 Related Party Transactions

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

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

Particulars	Designation
(a) Key Management Personnel :	
Shri Rajiv Baid	Chairman & Managing Director
Shri Varun Baid	Executive Director
Shri Gajanand Gupta	CFO & Company Secretary
(b) Relatives of Key Management Personnel / Enterprises with whom transactions have taken place:	

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

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

Nature of Transactions	Related Parties	
	Referred to in KMP above	Referred to in Relative of Kmp above
Purchases		
Goods & Material	-	2.74
Sales	-	-
Goods & Material & Services	-	-
Employee Benefit Expenses	-	10.30
Managerial Remuneration	52.07	-
Interest Paid	-	0.71

Nature of Transactions	Related Parties	
	As at 31st March, 2020	As at 31st March, 2019
Particulars		
Outstandings		
Payable (Trade Paybles and other Liabilities)		
Key Management Personnel	88.37	76.91
Relatives of Key Managerial Personnel	15.84	4.41
End of the year		
Receivables		
Relatives of Key Managerial Personnel	95.26	95.35
End of the year		

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

Particulars	As at 31st	
	March, 2020	March, 2019
Purchases		
Goods and Materials		
Bassi Mechanical Works	2.74	9.45
Sales		
Goods Material & Services		
Bassi Mechanical Works	-	-
Crystal Packaging	-	-
Expenses		
Employee Benefit Expenses		
Mrs. Sadhna Baid	9.00	1.77
Shri Varun Baid	-	9.45

Mrs. Sangeeta Agarwal	1.30	1.46
Managerial Remuneration		
Mr. Gajanand Gupta	12.79	13.24
Shri Lal Chand Baid	-	9.65
Mr. Rajiv Baid	21.84	21.82
Shri Varun Baid	17.44	6.24
Interest Paid		
Bassi Mechanical Works	0.71	0.78
Outstandings		
Payable		
Bassi Mechanical Works	9.27	2.98
Mr. Rajiv Baid	71.93	65.35
Shri Varun Baid	16.44	11.56
Mrs. Sadhna Baid	6.57	1.43
Receivables		
Jai Sinter Polycon Pvt Ltd	0.04	0.04
Mr. Gajanand Gupta	0.05	0.08
Vinayak Polycon		
International Ltd	94.92	94.98
Mrs. Sangeeta Agarwal	0.25	0.25

**41 CONTINGENT LIABILITIES**

S. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>0</b>	<b>Contingent Liabilities</b>		
a	Excise matters disputed in appeal	0.12	0.12
b	Sales Tax matters		
	<b>Vat Demand</b>		
	In respect of year 2017-18	1.14	-
	<b>CST Demand</b>		
	In respect of year 2007-08	1.92	1.92
	In respect of year 2009-10	0.45	-
	In respect of year 2014-15	-	65.17
	In respect of year 2015-16	5.56	21.19
	In respect of year 2016-17	7.43	19.83
	In respect of year 2017-18	3.42	-
	<b>TOTAL</b>	<b>20.04</b>	<b>108.23</b>

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

**42** The management has considered all the possible effects, if any, that may result from the pandemic relating to COVID-19 on the results of operations, liquidity, capital resources and carrying amounts of trade receivables. In developing the assumptions and estimates relating to the uncertainties as on the balance sheet date in relation to the recoverable amounts of the assets, the management has considered the global economic conditions prevailing

as at the date of approval of these financial results and has used the internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic. The management will continue to monitor and assess the ongoing developments and respond accordingly.

#### 43 FAIR VALUE HEIRARCHY

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

- a Quoted prices/published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.
- b Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, interest free security deposits) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- c Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

(In Rupees)

	As at 31st March 2020		
	Level 1	Level 2	Level 3
Financial Assets			
Equity Investments	0.23	-	-
Financial Liabilities			

  

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

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2020 and March 31, 2019, respectively :

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

In terms of our separate Audit Report of even date

For & on behalf of the Board

**For TAMBASHOK & ASSOCIATES**  
Chartered Accountants  
FRN : 005301C

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

**VARUN BAID**  
DIN:08268396  
EXECUTIVE DIRECTOR

**CS GAJANAND GUPTA**  
CFO &  
COMPANY SECRETARY

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

Place : JAIPUR  
Dated: June 30, 2020

 **POLYCON INTERNATIONAL LIMITED**  
C-98, Jagan Path, Chomu House, C-Scheme, Jaipur-302001