



**POLYCHEM LIMITED**

**58th Annual Report  
2014 - 2015**

## POLYCHEM LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, VII OF 1913)

<b>BOARD OF DIRECTORS</b>	MR. TANIL R. KILACHAND	Executive Chairman
	MR. PARTHIV T. KILACHAND	Managing Director
	MR. ATUL H. MEHTA	Dy Managing Director
	MR. NANDISH T. KILACHAND	
	MR. VINAY V. SAHASRABUDHE	
	MR. DEVANG J. VYAS	(till 31/03/2015)
	MR. CHETAN R. DESAI	
	MS. NIRMALA S. MEHENDALE	(w.e.f. 25/03/2015)
	MR. YOGESH S. MATHUR	(w.e.f. 31/03/2015)
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	MS. DEEPALI V. CHAUHAN	(w.e.f. 20/2/2015)
<b>CHIEF FINANCIAL OFFICER</b>	MS. KANAN V. PANCHASARA	(w.e.f. 29/05/2014)
<b>AUDITORS</b>	M/s. G. M. KAPADIA & CO.	Chartered Accountants
<b>LEGAL ADVISERS</b>	M/s. DAPHTARY, FERREIRA & DIVAN	
<b>REGISTERED OFFICE</b>	7, Jamshedji Tata Road Churchgate Reclamation Mumbai 400 020.	

<b>WORK</b>	<b>CORPORATE MANAGEMENT TEAM</b>	
SPECIALTY CHEMICALS	MR. T. R. KILACHAND	Executive Chairman
W-91, MIDC Phase II	MR. P. T. KILACHAND	Managing Director
Dombivali (E) 421 203	MR. A. H. MEHTA	Dy. Managing Director

**Note:** As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

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## NOTICE

Notice is hereby given that the Fifty Eighth Annual General Meeting of the Members of POLYCHEM LIMITED will be held at M. C. Ghia Hall, Bhogilal Hargorindas Building, 4<sup>th</sup> floor, 18/20 Kaikhushru Dubash Marg, Mumbai - 400001 on Monday, 27<sup>th</sup> July, 2015 at 11.am., to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015, including the audited Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. P. T. Kilachand (DIN 00005516), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:-  
“**RESOLVED THAT** pursuant to the provisions of Section 139, 141 & 142 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the resolution of the Members at 57<sup>th</sup> Annual General Meeting held on 5<sup>th</sup> August, 2014 the appointment of M/s G. M. Kapadia & Company, Chartered Accountants, Mumbai (Firm Regn. No. 104767W), as statutory auditors of the Company, to hold office until the conclusion of next Annual General Meeting, be ratified by the Members. The Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.”

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification/s the following resolution as a Special Resolution:-  
“**RESOLVED THAT** pursuant to the provisions of section 5 and 14 of Companies Act, 2013 (‘the Act’), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** Mr. P. T. Kilachand, Managing Director and Mr. A. H. Mehta, Dy. Managing Director be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s).”

6. To consider and, if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:-  
“**RESOLVED THAT** Ms. Nirmala Mehendale (DIN 01230600), who was appointed as an Additional Director of the Company by Circular Resolution by the Board of Directors with effect from 25th March, 2015, in terms of Section 161 of the Companies Act, 2013 and Article 133 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149(4), 152, read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014 read with Schedule IV & other applicable provisions, if any, of the Companies Act, 2013 Ms. Nirmala Mehendale (DIN 01230600), Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing, proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, for a period of five (5) years commencing from 27<sup>th</sup> July, 2015, not liable to retire by rotation.”



7. To consider and, if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:-  
“**RESOLVED THAT** Mr. Yogesh Mathur (DIN 01059977), who was appointed as an Additional Director of the Company by Circular Resolution by the Board of Directors with effect from 31st March, 2015, in terms of Section 161 of the Companies Act, 2013 and Article 133 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149(4), 152, read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014 read with Schedule IV & other applicable provisions, if any, of the Companies Act, 2013 Mr. Yogesh Mathur (DIN 01059977), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, for a period of five (5) years commencing from 27<sup>th</sup> July, 2015 not liable to retire by rotation.”

Corporate Identification Number (CIN) : L24100MH1955PLC009663

By Order of the Board of Directors

**Registered Office :**

7, Jamshedji Tata Road  
Churchgate Reclamation  
Mumbai 400 020.

Dated : 11th May, 2015.

**Deepali V. Chauhan**  
Company Secretary & Compliance Officer

**NOTES:**

- (a) An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business under Item Nos. 5 to 7 to be transacted at the meeting, is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
- (c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- (d) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (e) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. up to the date of the Meeting.
- (f) Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement are provided in the Report on Corporate Governance forming part of the Annual Report.
- (g) The Register of Members and the Share Transfer Books will remain closed from Tuesday, 14<sup>th</sup> July, 2015 to Tuesday, 21<sup>st</sup> July, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- (h) The dividend on Equity Shares, if declared at the Meeting, will be credited/ dispatched on or after 27<sup>th</sup> July, 2015 to those members whose names shall appear on the Company's Register of Members on the book closure date.
- (i) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar & Share Transfer Agents - Sharepro Services (India) Pvt. Ltd.
- (j) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agents – Sharepro Services (India) Pvt. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
- (k) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder and as a part of 'Green Initiative in Corporate Governance,' Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
- (l) The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.polychemltd.com](http://www.polychemltd.com) and also on website of the respective Stock Exchange.
- (m) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual report and Attendance Slip are being sent to those Members who



have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

- (n) As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
- (o) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
- (p) All unclaimed Dividends pertaining to the earlier years have been transferred to the General Revenue Account of the Central Government in terms of Section 205-A of the Companies Act, 1956.
- (q) As communicated earlier, members holding shares in physical form are requested to get them dematerialized, as the shares of the Company are under compulsory demat system.

(r) **ECS Mandate for dividend:**

To avoid risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment, shareholders are requested to avail of the ECS facility where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend. Shareholders who desire receipt of their dividend through ECS can obtain the form from the Registrar & Transfer Agent of the Company.

Shareholders may also submit their bank details to Registrar and Transfer Agent. This will enable the Company to incorporate this information on dividend warrants to minimize the risk of fraudulent encashment.

- (s) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2015
1.	Bombay Stock Exchange Ltd., Jeejeebhoy Towers, Dalal Street, Mumbai 400 023.	4,04,045 Equity Shares of Rs.10/- each.

The Company has paid Annual Listing fees for 2015-16 to the above Stock Exchange.

## ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013.

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013 sets out the material facts relating to business under Item Nos. 5 to 7, mentioned in the accompanying Notice dated 11th May, 2015.

### Item No.5

The Articles of Association ("AOA") of the Company is presently in force since its incorporation of the Company i.e. year 1955. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act, which deal with the general working of companies stand notified. With the coming into force of the Act, several articles of the existing Articles of Association of the Company require alterations / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company, instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence, the Board of Directors at its meeting held on 11th May, 2015 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same. In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company. Your approval is sought by voting via Ballot paper/e-Voting in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014. A copy of the proposed set of new Articles of Association of the Company would be available for inspection of the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 1.00 p.m. None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

**Item Nos.6 & 7**

As per section 149(4) of the Companies Act, 2013 and clause 49 of the listing agreement, the Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the Company does not have a regular non-executive Chairman, at least half of the Board should comprise independent directors.

Therefore, it is proposed to recommend to the shareholders the appointment of Ms. Nirmala Mehendale (DIN 01230600) and Mr. Yogesh Mathur (DIN 01059977) as Independent Directors of the Company, not liable to retire by rotation and to hold office for a term of 5 consecutive years commencing from 27<sup>th</sup> July, 2015.

Ms. Nirmala Mehendale and Mr. Yogesh Mathur have confirmed that they are not disqualified in terms of section 164 of the Companies Act, 2013 and has given their consent to act as such. They have also submitted the declaration under section 149(6) of the Companies Act, 2013. A copy of the draft letter of appointment of the Independent Directors setting out the terms and conditions are available for inspection by members at the Registered office of the Company.

The Company has received notices in writing under the provisions of section 160 of the Companies Act, 2013, from the members along with a deposit of Rs 1,00,000/- proposing the candidature of Ms. Nirmala Mehendale and Mr. Yogesh Mathur for the office of Independent Directors.

The Board of Directors further confirm that in the opinion of the Board, the Independent Directors possess the relevant experience and fulfill the conditions specified in the Act, for such appointment and are independent of the management of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Ms. Nirmala Mehendale and Mr. Yogesh Mathur and their relatives are interested in the resolution.

Corporate Identification Number (CIN) : L24100MH1955PLC009663

By Order of the Board of Directors

**Registered Office :**

7, Jamshedji Tata Road  
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Mumbai 400 020.  
Dated : 11th May, 2015.

**Deepali V. Chauhan**  
Company Secretary & Compliance Officer



As required in terms of Clause 49 of the Listing Agreement, the details of the Director retiring by rotation and eligible for re-appointment / Additional Directors and A brief profile of Independent Directors to be appointed are furnished below:

Name of Director	Ms. Nirmala Mehendale	Mr. Yogesh S. Mathur	Mr. Parthiv T. Kilachand
Director Identification Number	01230600	01059977	00005516
Age	51 years	64 years	48 years
Qualification	M.A (TISS), Diploma in Training & Development (ISTD) Diploma in Counselling Psychology (XICP)	B.Sc (Chem), MMS	Sc.B "Electrical Engineering" & A. B. "Engineering & Economics" from Brown University.
Expertise	Human Resource & General Management.	Mr. Mathur was associated with Polychem Limited for almost 20 years. He then, joined Connell Bros (India) P Ltd in 1999 and retired recently as an Executive Director. Mr. Mathur brings almost 37 years of experience in Business Management and Marketing.	Project Officer in Polychem Limited from 1st November, 1988, then as Project Executive from 1st October, 1990 and as Executive Assistant to the Managing Director from 2nd July, 1993. He has been actively involved and looking after all aspects of various activities of the Company. He was appointed as a Director from December 1996 to 31st March, 1997. From 1st April, 1997 he was appointed as a Whole-time Director. His designation has been changed from Whole-time Director to Managing Director with effect from 27th July, 2012. He was re-appointed as Managing Director for the period of 3 years w.e.f. 1 <sup>st</sup> April, 2014.
Other Directorship as on 31 <sup>st</sup> March, 2015 (Excluding Private Companies)	-	-	Gujarat Poly-AVX Electronics Ltd., Ginnars & Pressers Ltd., Sun Tan Trading Co.Ltd.
No. of Equity Shares held	-	-	2,127
Relationship with other Directors	None of the Directors are related to Ms. Nirmala Mehendale.	None of the Directors are related to Mr. Yogesh S. Mathur.	None of the Directors are related to Mr. P. T. Kilachand, except Mr. T. R. Kilachand who is a father and Mr. N. T. Kilachand who is a brother of Mr. P. T. Kilachand.

Corporate Identification Number (CIN) : L24100MH1955PLC009663

By Order of the Board of Directors

**Registered Office :**

7, Jamshedji Tata Road  
Churchgate Reclamation  
Mumbai 400 020.

Dated : 11<sup>th</sup> May, 2015.

**Deepali V. Chauhan**  
Company Secretary & Compliance Officer





## E-VOTING INSTRUCTIONS

## 1. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Friday, 24<sup>th</sup> July, 2015 (9:00 am) and ends on Sunday, 26<sup>th</sup> July, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 20<sup>th</sup> July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open PDF file viz; "polychem e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using "Forget User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Polychem Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i. e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [mail@csraginichokshi.com](mailto:mail@csraginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below at the bottom of the Attendance Slip/Ballot Form for the AGM:

- | EVEN (E Voting Event Number) | USER ID   | PASSWORD/PIN |
|------------------------------|---|--------------|
| (ii)                         | Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.   |              |
| VI.                          | In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> or call on toll free no.: 1800-222-990.  |              |
| VII.                         | If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.  |              |
| VIII.                        | You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).  |              |
| IX.                          | 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 20 <sup>th</sup> July, 2015.   |              |
| X.                           | Any person, who acquires shares of the Company and become member of the Company after 26 <sup>th</sup> June 2015 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 20 <sup>th</sup> July, 2015, may obtain the login ID and password by sending a request to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or <a href="mailto:kumaresan@shareproservices.com">kumaresan@shareproservices.com</a>  |              |
| XI.                          | A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.  |              |
| XII.                         | A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.  |              |
| XIII.                        | Ms. Ragini Chokshi of Ragini Chokshi & Co., Practicing Company Secretary (CP 1436) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.   |              |
| XIV.                         | The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.   |              |
| XV.                          | The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. |              |
| XVI.                         | The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company <a href="http://www.polychemltd.com">www.polychemltd.com</a> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchange where the shares of the Company are listed.  |              |

**DIRECTORS' REPORT**

To  
The Members of  
POLYCHEM LIMITED

Your Directors' present the Fifty Eighth Annual Report and Statement of Accounts for the year ended 31st March, 2015.

	01-04-14 to 31-03-15 (Rs.in lacs)	01-04-13 to 31-03-14 (Rs.in lacs)
<b>FINANCIAL RESULTS</b>		
Sales	1,734.01	1,653.16
Profit before Depreciation & Tax	177.58	159.49
Depreciation	30.46	14.22
Profit after depreciation	147.12	145.27
Prior period items	0.11	3.53
Profit before Tax	147.23	148.80
Current tax	55.00	--
Deferred tax	(2.10)	0.54
Excess Provision of tax in respect of earlier years	--	4.68
Profit after tax	94.33	143.57
<u>Less: Appropriations</u>		
Proposed dividend on equity shares	(10.10)	--
Tax on dividend	(2.06)	--
Balance carried forward	82.17	--

**1. DIVIDEND:**

For the year under review, the Directors have recommended a Dividend of Rs. 2.50 per share of Rs 10/- each i.e. 25% (Rs. nil per share for the previous year) on the Equity shares of the Company aggregating to Rs. 1,215,747/- (including Dividend Tax). The dividend payment is subject to approval of the Members at the ensuing Annual General Meeting.

**2. STATE OF COMPANY'S AFFAIRS:**

During the year ended 31st March, 2015 your Company has made profit after tax of Rs. 94.33 lacs against profit of Rs. 143.57 lacs after tax in previous year. The sales of Specialty Chemicals during the year ended was Rs. 1,734.01 lacs compared to Rs. 1,653.16 lacs during the previous year and for property development Rs. Nil during the current and previous year.

**3. AUDIT COMMITTEE:**

The Audit Committee during the year consisted of 4 members. More details on the committee are given in Corporate Governance Report.

**4. VIGIL MECHANISM/WHISTLE BLOWER POLICY :**

The Board has establish a vigil mechanism for directors and employees to report genuine concerns to be disclosed, the details of which is placed on the website of the Company. The Board has also formulated the whistle blower policy, same has been uploaded on the website of the Company [http://www.polychemltd.com/download/Whistle%20Blower%20Policy\\_14.pdf](http://www.polychemltd.com/download/Whistle%20Blower%20Policy_14.pdf).

There were no reporting made by any employee for violations of applicable laws and regulations and the Code of Conduct for the F.Y. 2014-15.