



**POLYCHEM LIMITED**

**59th Annual Report - 2015 - 2016**

**POLYCHEM LIMITED**

CIN: L24100MH1955PLC009663

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

<b>BOARD OF DIRECTORS</b>	MR. TANIL R. KILACHAND	(DIN 00006659)	Chairman
	MR. PARTHIV T. KILACHAND	(DIN 00005516)	Managing Director
	MR. ATUL H. MEHTA	(DIN 00005523)	Dy. Managing Director
	MR. NANDISH T. KILACHAND	(DIN 00005530)	
	MR. VINAYAK V. SAHASRABUDHE	(DIN 00296976)	
	MR. CHETAN R. DESAI	(DIN 03246010)	
	MS. NIRMALA S. MEHENDALE	(DIN 01230600)	
	MR. YOGESH S. MATHUR	(DIN 01059977)	
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	MS. DEEPALI V. CHAUHAN		
<b>CHIEF FINANCIAL OFFICER</b>	MS. KANAN V. PANCHASARA		
<b>AUDITORS</b>	M/s. G. M. KAPADIA & CO.		Chartered Accountants
<b>REGISTRAR &amp; TRANSFER AGENTS</b>	M/s. LINK INTIME INDIA PVT. LTD C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400078		
<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	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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**N O T I C E**

Notice is hereby given that the Fifty Ninth Annual General Meeting of the Members of POLYCHEM LIMITED will be held at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6<sup>th</sup> Floor, 12 K. Dubash Marg, Fort, Mumbai – 400 001 on Wednesday, August 10, 2016 at 11.00 a.m., to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) The audited Standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2016, including the audited Standalone Balance Sheet as at 31<sup>st</sup> March, 2016, 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.
  - b) The audited Consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2016, including the audited Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016 and Statement of Consolidated Profit and Loss for the year ended on that date.
2. To declare dividend on equity shares.
3. To appoint Director in place of Mr. A. H. Mehta (DIN 00005523), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s. G.M. Kapadia & Company, Chartered Accountants, Mumbai (Firm Regn. No.104767W), as statutory auditors of the Company and 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 Section 94 of the Companies Act, 2013 and in supersession of the Special Resolution passed at the 46<sup>th</sup> Annual General Meeting of the Members of the Company held on 30<sup>th</sup> September, 2003, the Company hereby approves that the Registers of Members, Indexes of Members, the Registers and Indexes of Debenture holders, copies of Annual Returns of the Company and other related books and documents prepared under Section 92 of the Companies Act, 2013 together with the copies of Certificates and Documents or any one or more of them be kept at the premises of Company's Registrar and Share Transfer Agents, M/s.Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400078 instead of Registrar and Share Transfer Agents namely Sharepro Services (I) Pvt. Ltd.”

**Corporate Identification Number (CIN):** L24100MH1955PLC009663

**Registered Office :**

7, Jamshedji Tata Road,  
Churchgate Reclamation,  
Mumbai 400 020.

Dated : 17<sup>th</sup> May, 2016.

By Order of the Board of Directors

**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 No. 5 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 a Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under regulation 36(3)(a) of SEBI (LODR) Regulations, 2015 is provided on page 6.
- (g) The Register of Members and the Share Transfer Books will remain closed from Tuesday, 12<sup>th</sup> July, 2016 to Tuesday, 19<sup>th</sup> July, 2016 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- (h) Dividend on Equity Shares, if declared at the Meeting, will be credited/ dispatched on or after 10<sup>th</sup> August, 2016 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 - Link Intime 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 – Link Intime 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 holding shares in physical may submit their bank details to Registrar and Transfer Agents and those who hold shares in demat may give details to their depository participants. 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 31-03-2016
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 2016-17 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 No. 5, mentioned in the accompanying Notice dated 17<sup>th</sup> May, 2016.

### Item No. 5

M/s.Link Intime India Pvt. Ltd., Mumbai are appointed as Registrars and Share Transfer Agents of the Company effective from 23rd May 2016. M/s. Link Intime India Pvt. Ltd have considerable experience as Share Transfer Agents. It is therefore, proposed that the register of members, indexes of members, copies of Annual Returns, together with the copies of the certificates and documents required to be annexed thereto be kept at the office of M/s.Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400078. The approval of shareholders by special resolution is sought to the proposed arrangement under Section 94 of the Companies Act, 2013.

The Special Resolution also specified the time of inspection of the books and documents of the Company by its members and others, namely, between the hours 11 a.m. and 1 p.m. on any working day excluding Saturday and except when the registers and the books are closed under the provisions of the Act or Articles of Association of the Company. The Directors of the Company may be considered to be concerned or interested in the resolution to the extent of the shares, if any, held by them respectively, the Board of Directors recommend the Special Resolution for acceptance by the members.

**Corporate Identification Number (CIN):** L24100MH1955PLC009663

By Order of the Board of Directors

**Registered Office :**

7, Jamshedji Tata Road,  
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Dated : 17<sup>th</sup> May, 2016.

**Deepali V. Chauhan**

Company Secretary & Compliance Officer



As required in terms of regulation 36(3)(a) of SEBI (LODR) Regulations 2015 , the details of the Director retiring by rotation and eligible for re-appointment are furnished below:

<b>Name of Director</b>	<b>Mr. A. H. Mehta</b>
<b>Director Identification Number</b>	00005523
<b>Age</b>	71 years
<b>Qualification</b>	B.Com., F.C.A., F.C.S.
<b>Expertise</b>	He has been involved with the company since January 1988 and is familiar with all aspects of the Company. He was Vice President – Corporate Affairs & Company Secretary till 29 <sup>th</sup> May, 2014. He was then appointed as Dy. Managing Director on 1 <sup>st</sup> June, 2014. He has experience in audit, accountancy, secretarial, legal & Admn., Taxation etc with the Company and Sandeep Holdings and Tandon Singapore Pte. Ltd.
<b>Other Directorship as on 31<sup>st</sup> March, 2016 (Excluding Private Companies)</b>	Gujarat Poly-AVX Electronics Ltd., Environmental Purifiers Limited., Sun Tan Trading Co. Ltd.
<b>No. of Equity Shares held</b>	5
<b>Relationship with other Directors</b>	None of the Directors are related to Mr. A. H. Mehta.

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Dated : 17<sup>th</sup> May, 2016.

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

**E-VOTING INSTRUCTIONS****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 Regulation 44 of SEBI (LODR) Regulations, 2015, 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 Saturday, 6<sup>th</sup> August, 2016 (9:00 am) and ends on Tuesday, 9<sup>th</sup> August, 2016 (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 Wednesday, 3<sup>rd</sup> August, 2016, 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 for the AGM:

EVEN (Remote E Voting Event Number)	USER ID	PASSWORD/PIN
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(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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) 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 3<sup>rd</sup> August, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after 7<sup>th</sup> July, 2016 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 3<sup>rd</sup> August, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [evoting.investors@linkintime.co.in](mailto:evoting.investors@linkintime.co.in)
- 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 [www.polychemltd.com](http://www.polychemltd.com) 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 Ninth Annual Report and Statement of Accounts for the year ended 31st March, 2016.

	01-04-15 to 31-03-16 (Rs.in lacs)	01-04-14 to 31-03-15 (Rs.in lacs)
<b>FINANCIAL RESULTS</b>		
Sales	1,228.97	1,734.01
Profit before Depreciation & Tax	77.81	177.58
Depreciation	23.27	30.46
Profit after depreciation	54.54	147.12
Prior period items	0.00	0.11
Profit before Tax	54.54	147.23
Current tax (for the year)	12.00	55.00
Current tax (relating to previous year)	3.60	--
Deferred tax	(3.21)	(2.10)
Excess Provision of tax in respect of earlier years	--	--
Profit after tax	42.15	94.33
<u>Less: Appropriations</u>		
Proposed dividend on equity shares	(10.10)	(10.10)
Tax on dividend	(2.06)	(2.06)
Balance carried forward	29.99	82.17

**1. DIVIDEND:**

For the year under review, the Directors have recommended Dividend of Rs.2.50/- per share of Rs 10/- each i.e. 25% (Rs. 2.50/- per share for the previous year) on the Equity shares of the Company aggregating to Rs. 1,216,000/- (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, 2016 your Company has made profit after tax of Rs.42.15 lacs against profit of Rs.94.33 lacs after tax in previous year. The sales of Specialty Chemicals during the year ended was Rs.1,228.97 lacs compared to Rs.1,734.01 lacs during the previous year and for property development Rs. Nil during the current and previous year.

**3. GUJARAT POLY-AVX ELECTRONICS LIMITED (GPAEL) - ASSOCIATE COMPANY:**

The sale of GPAEL during the year ended 31st March, 2016 was Rs. 1,152.93 lacs as against sale of Rs. 1,115.42 lacs in the previous year. GPAEL has made profit of Rs. 39.34 lacs during the current year as compared to loss of Rs. 17.49 lacs in the previous year. GPAEL manufactures as wells as outsources ceramic capacitors & marketing the same.

**4. AUDIT COMMITTEE:**

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

**5. 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. 2015-16.



**6. NOMINATION AND REMUNERATION COMMITTEE:**

The Board has re-constituted its committee which comprises of 3 members, more details on the committee are given in Corporate Governance Report.

**7. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 of the Companies Act, 2013 the Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. Appropriate accounting principles have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended 31st March, 2016;
- c. Proper and sufficient care has been taken 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. The annual accounts have been prepared on a going concern basis;
- e. The directors have laid down internal financial controls to be followed by the company; and
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws.

**8. TAXATION:**

The Company's Income Tax assessments have been completed up to the year ended 31st March, 2013.

**9. DEPOSITS:**

Company has repaid all deposits and there are no outstanding deposits.

**10. INDUSTRIAL RELATIONS:**

Industrial Relations with the employees of the Company were cordial during the year under report.

**11. CONSERVATION OF ENERGY:**

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc. is given in **Annexure I** forming part of this report.

**12. DIRECTORS:**

Mr. A. H. Mehta retires from Office by rotation, but being eligible, offers himself for re-appointment.

**13. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:**

During the year 2015-16, five Board Meetings were held on the following dates:

- (a) 11<sup>th</sup> May, 2015                      (b) 27<sup>th</sup> July, 2015                      (c) 13<sup>th</sup> August, 2015
- (d) 30<sup>th</sup> October, 2015; and      (e) 2<sup>nd</sup> February, 2016

**14. DECLARATION ABOUT INDEPENDENT DIRECTORS UNDER SUB-SECTION 6 OF SECTION 149:**

The Company has received the declaration from Independent Directors that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013 and under regulation 16(b) of SEBI (LODR) Regulations, 2015.

**15. FORMAL ANNUAL EVALUATION:**

As required under the act, evaluation of every director's performance was carried out. An evaluation sheet was given to each director wherein certain criteria was set out for which ratings are to be given.

**16. COMPANY'S POLICY ON DIRECTORS APPOINTMENT, REMUNERATION ETC.:**

The Nomination and Remuneration Committee recommends to the Board the policy relating to remuneration for the Directors, Key Managerial Personnel and other employees, same has been uploaded on the website of the Company. [http://www.polychemltd.com/download/Criteria%20for%20Appointment%20&%20Evaluation%20of%20Board%20of%20Directors\\_14.pdf](http://www.polychemltd.com/download/Criteria%20for%20Appointment%20&%20Evaluation%20of%20Board%20of%20Directors_14.pdf)

**17. RELATED PARTY TRANSACTIONS:**

All Related Party Transactions (RPT) entered into by the Company during the year under review were at arm's length basis and in ordinary course of business. All RPT are placed before Audit Committee for its approval.



The Company has granted loan of Rs.446 lacs to Gujarat Poly-AVX Electronics Ltd at the rate of interest of 13% p.a which is now revised to 12% w.e.f 1<sup>st</sup> November, 2015. There are no contracts or arrangements under sub-section (1) of Section 188.

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis: NIL

The Board on recommendation of Audit Committee, adopted a policy on related party transactions to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013, the Listing Agreement and SEBI (LODR) Regulations 2015, The policy is uploaded and can be viewed on the Company's website [http://www.polychemltd.com/download/Related%20Party%20Transaction%20Policy\\_14.pdf](http://www.polychemltd.com/download/Related%20Party%20Transaction%20Policy_14.pdf)

#### 18. DONATION:

The Company has given donation of Rs. 3,10,000/- to the charitable trusts.

#### 19. OTHER DISCLOSURES AS PER SECTION 134 OF THE COMPANIES ACT, 2013:

- (a) There are no qualifications, reservations or adverse remark or disclaimer by the Statutory Auditor or by Secretarial Auditor in their respective reports.
- (b) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, to which the financial statements relate and the date of the report.
- (c) Extract of the Annual Report as provided in sub-section 3 of section 92, which is given in **Annexure II** forming part of this report.

#### 20. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy is uploaded and can be viewed on the Company's website <http://www.polychemltd.com/Download/Anti-Sexual%20Harassment%20Policy.pdf>

The Company has also formed an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

The Company has not received any complaints on sexual harassment during the year.

#### 21. MANAGERIAL REMUNERATION :

- i. The ratio of remuneration of Mr. P. T. Kilachand, Managing Director and Mr. A. H. Mehta, Dy. Managing Director with the median remuneration of the employees of the company is 8.12 and 5.22 respectively.
- ii. Increase in remuneration of Mr. P. T. Kilachand, Managing Director is 29.99%, Mr. A.H. Mehta, Dy. Managing Director is 11.12% and Mrs. K.V. Panchasara, Chief Financial officer is 20.34%.
- iii. There is an increase of 16.92 % in the median remuneration of employees in the financial year.
- iv. There are 21 permanent employees in the company.
- v. There is a decrease of 29.13 % in Company's Performance for the year considering the revenue from the operations and the average increase in the remuneration of the Company is 14.18 % for the year. The increase in the remuneration was on account of the reasons as under:  
Ms. D.V. Chauhan, Company Secretary and Compliance officer of the Company who was appointed w.e.f. 20<sup>th</sup> Feb, 2015 drew remuneration of Rs. 40,418/- till 31<sup>st</sup> March, 2015. Against the remuneration of Rs. 389,544/- for the year 2015-16.
- vi. During the financial year 2015-16, remuneration to Key Managerial Personnel is Rs. 5,794,000/- as against the Company's performance is Rs. 122,896,000/- remuneration to performance ratio comes to 4.71%.
- vii. There is a decrease in Market Capitalisation and increase in Price earning ratio of the Company. Market capitalisation for current year is Rs 158,668,471/- and for Previous year it was Rs 199,759,848/-. Price earning ratio for current financial year is 37.65 times, whereas for the previous financial year it was 21.17 times.