



POLYCHEM LIMITED

**58th Annual Report
2014 - 2015**

POLYCHEM LIMITED

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

BOARD OF DIRECTORS	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. MEHENDELE	(w.e.f. 25/03/2015)
	MR. YOGESH S. MATHUR	(w.e.f. 31/03/2015)
COMPANY SECRETARY & COMPLIANCE OFFICER	MS. DEEPALI V. CHAUHAN	(w.e.f. 20/2/2015)
CHIEF FINANCIAL OFFICER	MS. KANAN V. PANCHASARA	(w.e.f. 29/05/2014)
AUDITORS	M/s. G. M. KAPADIA & CO.	Chartered Accountants
LEGAL ADVISERS	M/s. DAPHTARY, FERREIRA & DIVAN	
REGISTERED OFFICE	7, Jamshedji Tata Road Churchgate Reclamation Mumbai 400 020.	

WORK	CORPORATE MANAGEMENT TEAM	
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, 4th floor, 18/20 Kaikhushru Dubash Marg, Mumbai - 400001 on Monday, 27th 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 57th Annual General Meeting held on 5th 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 27th 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 27th 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, 14th July, 2015 to Tuesday, 21st 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 27th 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 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 27th 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

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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 st April, 2014.
Other Directorship as on 31 st 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 :

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Churchgate Reclamation
Mumbai 400 020.

Dated : 11th 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, 24th July, 2015 (9:00 am) and ends on Sunday, 26th 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, 20th 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 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 with a copy marked to 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 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 20 th July, 2015.
X.		Any person, who acquires shares of the Company and become member of the Company after 26 th , June 2015 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 20 th July, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or orkumaresan@shareproservices.com
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 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)
FINANCIAL RESULTS		
Sales	1,734.01	1,653.16
Profit before Depreciation & Tax	177.58	159.49
Depreciation	30.46	14.22
Profit after depreciation	<u>147.12</u>	<u>145.27</u>
Prior period items	0.11	3.53
Profit before Tax	<u>147.23</u>	<u>148.80</u>
Current tax	55.00	--
Deferred tax	(2.10)	0.54
Excess Provision of tax in respect of earlier years	<u>--</u>	<u>4.68</u>
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	<u>82.17</u>	<u>--</u>

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.

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.

**5. 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

6. DIRECTORS' RESPONSIBILITY:

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.
- 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, 2015 and of the profit of the Company for the year ended 31st March, 2015.
- 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.
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws.

7. TAXATION:

The Company's Income Tax assessments have been completed up to the year ended 31st March, 2012.

8. DEPOSITS:

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

9. INDUSTRIAL RELATIONS:

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

10. 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.

11. DIRECTORS:

Mr. P. T. Kilachand retires from Office by rotation, but being eligible, offers himself for re-appointment.

Mr. D. J. Vyas, Director of the Company has resigned with effect from 31st March, 2015. The Board do appreciate his contribution during his tenure and association with the Company.

The Board has appointed Ms. N. S. Mehendale and Mr. Y. S. Mathur as Additional Directors of the Company with effect from 25th March, 2015 and 31st March, 2015 respectively, in terms of provisions of the Companies Act, 2013. Your approval is sought for their appointment as detailed in the Notice convening the meeting. It is also proposed to appoint them as Independent Directors.

12. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:

During the year 2014-15, four Board Meetings were held on the following dates:

(a) 29th May, 2014, (b) 5th August, 2014, (c) 11th November, 2014 and (d) 5th February, 2015

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

The Company has received the declaration from each Independent Director that he/she meets the criteria of independence laid down under section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

14. 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.

15. 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

**16. RELATED PARTY TRANSACTIONS:**

All Related Party Transactions (RPT) entered into by the Company during the year under review were at arms' length 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. There are no contracts or arrangements under sub-section (1) of Section 188.

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 and the Listing Agreement. The policy is uploaded and can be viewed on the Company's website http://www.polychemltd.com/download/Related%20Party%20Transaction%20Policy_14.pdf

17. 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) There were no cases filled pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (d) Extract of the Annual Report is provided in sub-section 3 of section 92, which is given in **Annexure II** forming part of this report.

18. 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 7.30 and 4.57 respectively.
- ii. Increase in remuneration of Mr. A.H. Mehta, Dy. Managing Director is 11.70% and in Mrs. K.V. Panchasara, Chief Financial officer is 11.76%
- iii. There is an increase of 2.76% in the median remuneration of employees in the financial year.
- iv. There are 23 permanent employees in the Company.
- v. There is an increase of 4.89% in Company's Performance for the year considering the revenue from the operations and the average increase in the remuneration of the Company is 44.56% for the year. The increase in the remuneration was on account of the reasons as under:
 - 1) The Managing Director of the Company Mr. P. T. Kilachand drew remuneration of Rs.20.31 lakhs for the year 2014-15, however he did not draw any remuneration for the year 2013-14.
 - 2) The number of employees for the year 2014-15 were 23 as against 19 for the year 2013-14.
- vi. During the financial year 2014-15, remuneration to Key Managerial Personnel is Rs. 4,337,327/- as against the Company's performance is Rs 173,400,539/- remuneration to performance ratio comes to 2.5%.
- vii. There is an increase in Market Capitalisation and Price earning ratio of the Company. Market capitalisation for current year is Rs 199,759,848/- and for Previous year it was Rs 115,152,825/-. Price earning ratio for current financial year is 21.17 times, whereas for the previous financial year it was 8.02 times.
- viii. Average increase in the salaries of employees other than the managerial personnel was 23.05% due to increase in no. of employees during F. Y. 2014-15 and also some of the employees were only for part of the F. Y. 2013-14.



- ix. Comparison of remuneration of each KMP against the performance of the Company:

Key Managerial Personnel	Remuneration (Rs.)	Performance of the Company (Rs.)	% of remuneration against the performance of the Company
P T Kilachand	2,031,800/-	173,400,539/-	1.17
A H Mehta	1,526,529/-	173,400,539/-	0.88
K V Panchasara	738,580/-	173,400,539/-	0.42
D V Chauhan	40,418/-	173,400,539/-	0.02

- x. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of directors based on the recommendation of Nomination and Remuneration committee as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – NOT APPLICABLE; and
- xii. It is hereby affirmed that the remunerations paid is as per the remuneration policy of the Company.
- Average increase in remuneration in point no. v relates to all the employees including managerial remuneration. Whereas increase in remuneration in point no. viii relates to the employees excluding Managerial remuneration.

19. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement a separate report on Corporate Governance and a certificate from the Auditors of the Company are annexed to the Directors' Report.

20. AUDITORS:

You are requested to appoint Auditors for the current year. The retiring Auditors, M/s.G.M.Kapadia & Co., Chartered Accountants, Mumbai, are eligible for re-appointment.

21. SECRETARIAL AUDITOR:

Complying with the provisions of Section 204 of the Companies Act, 2013 the Audit Committee had recommended and the Board of Directors had appointed M/s.Ragini Chokshi & Co., Company Secretaries, (Membership No. 2390 & C. P. No. 1436), being eligible and having sought re-appointment, as Secretarial Auditor of the Company to carry out the Secretarial Audit of the Company for the year ending March 2016.

The Secretarial Audit Report for F. Y. 2014-15 is enclosed and marked as **Annexure III**.

22. ACKNOWLEDGEMENT:

The Directors extend their sincere thanks to the State and Central Government Authorities and Members for their co-operation and continued support during the difficult times being experienced by the Company.

Sincere thanks are also due to the management team and the staff for their valuable contribution despite adverse circumstances being faced by the Company.

By Order of the Board of Directors
TANIL KILACHAND
 Executive Chairman

Registered Office :

7, Jamshedji Tata Road
 Churchgate Reclamation
 Mumbai 400 020.

Dated : 11th May, 2015.

ANNEXURE I
A. CONSERVATION OF ENERGY

----- NIL -----

FORM 'A'

POWER AND FUEL CONSUMPTION	2014-15	2013-14
(1) Electricity		
(a) Purchased units (Kwh)	18,516	15,300
Total Amount (Rs.)	173,880	141,100
Rate (Kwh)	9.39	9.22

FORM 'B'

Disclosures of particulars with respect to Technology Absorption, Research & Development.

A. Research and Development
1. Specific area in which R&D work is carried out:

Currently our focus in R&D is to improve our existing products viz. Cross Linked Polystyrene further in terms of its application for certain critical customers.

We have invested in other testing facilities to improve the testing of our XLPS.

2. Benefits derived as a result of the above R&D:

We have improved the quality of our product considerably which will result in a bigger market for the product.

3. Future plan of action:

We still intend to continue the work of improving the quality of XLPS further to match to that of Competitors abroad.

4. Expenditure on R&D:

- We have purchased testing facilities at Rs.3.31 lakhs.
- Consultant has been engaged to reduce the fines in the products.

B. Technology Absorption, Adaption and Innovation:
1. Efforts in brief made towards technology absorption, adaption and innovation:

Since local technology is used for manufacture of the products of the Company, there is no question of technology absorption.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:

Not Applicable

3. Imported Technology:

No new technology has been imported.

4. Foreign Exchange Earnings and Outgoings:

(Rs. in lacs)

	Current Year	Previous Year
a) Foreign exchange outgo	8.67	15.35
b) Foreign exchange earned (FOB Value)	1,235.01	1,250.36

**ANNEXURE II****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company

(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24100MH1955PLC009663
2.	Registration Date	24 th October, 1955
3.	Name of the Company	Polychem Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	7, Jamshedji Tata Road, Churchgate Reclamation, Mumbai – 400 020. Tel No. 022-22820048
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharepro Services (India) Pvt. Ltd, 13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072. Tel : 022-67720300/400 Email : sharepro@shareproservices.com

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Specialty Chemicals	201 – Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms.	100%
2	Property Development	681 – Real estate activities with own or leased property	0%

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	Gujarat Poly – AVX Electronics Limited	L21308GJ1989PLC012743	Associate Company	33.52% Equity	2(6)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	6,413	-	6,413	1.59	6,413	-	6,413	1.59	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	189,664	-	189,664	46.94	204,052	-	204,052	50.50	7.58
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	196,077	-	196,077	48.53	210,465	-	210,465	52.09	7.33
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	162	162	0.04	-	162	162	0.04	-
b) Banks / FI	440	572	1,012	0.25	432	572	1,004	0.25	-
c) Central Govt	-	689	689	0.17	-	689	689	0.17	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	15,529	2	15,531	3.84	15,529	2	15,531	3.84	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
1. Trust	185	-	185	0.05	185	-	185	0.05	-
Sub-total (B)(1):-	16,154	1,425	17,579	4.35	16,146	1,425	17,571	4.35	-



2. Non-Institutions									
a) Bodies Corp.									
i) Indian	32,449	4,180	36,629	9.07	12,096	4,180	16,276	4.03	(55.56)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	103,123	49,987	153,110	37.89	110,598	48,508	159,106	39.38	3.93
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Directors other than promoters and their Relatives	-	-	-	-	30	-	30	0.01	100
Non Resident Indians	509	141	650	0.16	456	141	597	0.15	(6.25)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	136,081	54,308	190,389	47.12	123,180	52,829	176,009	43.56	(7.55)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	152,235	55,733	207,968	51.47	139,326	54,254	193,580	47.91	(6.92)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	348,312	55,733	404,045	100	349,791	54,254	404,045	100	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		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 Shares Pledged / encumbered to total shares	
1	Mr. Parthiv T. Kilachand	2,127	0.53	-	2,127	0.53	-	-
2	Mr. Tanil R. Kilachand	1,938	0.48	-	1,938	0.48	-	-
3	Mr. Nandish T. Kilachand	1,335	0.33	-	1,335	0.33	-	-
4	Ms. Nilima T. Kilachand	1,013	0.25	-	1,013	0.25	-	-
5	Virsun Invst Pvt Ltd	82,452	20.41	-	82,452	20.41	-	-
6	Highclass Trading Pvt Ltd	39,842	9.86	-	39,842	9.86	-	-
7	Ginners & Pressers Ltd	14,066	3.48	-	13,996	3.46	-	(0.49)
8	Masuma Tradecorp Pvt Ltd	9,997	2.47	-	9,997	2.47	-	-
9	Delmar Trading Co. Pvt Ltd	9,425	2.33	-	9,425	2.33	-	-
10	Rasayani Traders Pvt Ltd	33,882	8.38	-	48,340	11.96	-	42.67
	Total	196,077	48.53		210,465	52.09		7.34

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

SN	Promoters	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning 01-04-14/ end of the year (31-03-15)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Ginners & Pressers Ltd	14,066	3.48	01-04-14				
				03-04-14	-50	sold	14,016	3.47
				23-04-14	-20	sold	13,996	3.46
		13,996	3.46	31-03-15				
2.	Rasayani Traders Pvt Ltd	33,882	8.38	01-04-14				
				09-04-14	630	bought	34,512	8.54
				10-04-14	2,170	bought	36,682	9.08
				11-04-14	1,495	bought	38,177	9.49
				02-05-14	1,995	bought	40,172	9.94
				13-05-14	3,000	bought	43,172	10.68
				16-05-14	3,000	bought	46,172	11.43



				05-06-14	34	bought	46,206	11.44
				06-06-14	852	bought	47,058	11.65
				26-06-14	1,282	bought	48,340	11.96
		48,340	11.96	31-03-15				

No change in other promoters holding

**D) Shareholding Pattern of top ten Shareholders as on 31st March, 2015
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning 01-04-14/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India	15,529	3.84	01-04-14	0	No change during the year		
		15,529	3.84	31-03-15	0			
2.	A K Gupta	10,000	2.47	01-04-14	0	No change during the year		
		10,000	2.47	31-03-15	0			
3.	Medium Investments Co Pvt Ltd	9,763	2.42	01-04-14				
				11-04-14	22	Bought	9,785	2.42
				09-05-14	-1,995	Sold	7,790	1.93
				16-05-14	-2,047	Sold	5,743	0.51
				23-05-14	-1,979	Sold	3,764	0.93
				06-06-14	-599	Sold	3,165	0.78
				13-06-14	-2,366	Sold	799	0.20
				30-06-14	-799	Sold	0	0.00
	0	0.00	31-03-15					
4.	Samaj Projects Pvt Ltd	9,750	2.41	01-04-14				
				11-07-14	-430	Sold	9,320	2.30
				18-07-14	-160	Sold	9,160	2.26
				26-07-14	-59	Sold	9,101	2.25
				08-08-14	-451	Sold	8,650	2.14
				15-08-14	-373	Sold	8,277	2.04
				22-08-14	-185	Sold	8,092	2.00
				29-08-14	-40	Sold	8,052	1.99
19-09-14	-200	Sold	7,852	1.94				
	7,852	1.94	31-03-15					
5.	Innovative Data Organizers Pvt Ltd	6,387	1.58	01-04-14				
				04-04-14	-2,200	Sold	4,187	1.04
				11-04-14	-1,200	Sold	2,987	0.74



				18-04-14	-1,232	Sold	1,755	0.43
				02-05-14	-1,000	Sold	755	0.19
				16-05-14	-755	Sold	0	0.00
		0	0.00	31-03-15				
6.	Sudhir Ghanshyamdas Khandelwal	5,500	1.36	01-04-14	0	No change during the year		
		5,500	1.36	31-03-15	0			
7.	Renu Gupta	5,000	1.24	01-04-14	0	No change during the year		
		5,000	1.24	31-03-15	0			
8.	Dattani Ceramics Pvt Ltd	4,021	0.99	01-04-14				
				04-04-14	-1,238	Sold	2,783	0.69
				11-04-14	-775	Sold	2,008	0.50
				18-04-14	-624	Sold	1,384	0.34
				25-04-14	-156	Sold	1,228	0.30
				02-05-14	-419	Sold	809	0.20
				16-05-14	-809	Sold	0	0.00
		0	0.00	31-03-15				
9.	Yogendra Kumar Goyal	4,000	0.99	01-04-14	0	No change during the year		
		4,000	0.99	31-03-15	0			
10.	Mohinder Awasthi	3,808	0.94	01-04-14				
				11-07-14	-250	Sold	3,558	0.88
				19-09-14	-50	Sold	3,508	0.86
		3,508	0.86	31-03-15				
11.	Harsha Hitesh Jhaveri	539	0.13	01-04-14				
				04-04-14	1,600	bought	2,139	0.52
				02-05-14	361	bought	2,500	0.61
				14-11-14	250	bought	2,750	0.68
				21-11-14	300	bought	3,050	0.75
				12-12-14	225	bought	3,275	0.81
		3,275	0.81	31-03-15				
12.	Hitesh Ramji Jhaveri	0	0	01-04-14				
				04-04-14	1,840	bought	1,840	0.45
				02-05-14	1,160	bought	3,000	0.74
				23-05-14	22	bought	3,022	0.75
				14-11-14	10	bought	3,032	0.75
				12-12-14	68	bought	3,100	0.77
		3,100	0.77	31-03-15				
13.	Ravi Jain	3,050	0.75	01-04-14		No change during the year		
		3,050	0.75	31-03-15				



E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning 01-04-14/ end of the year (31-03-15)	% of total shares of the Company				No. of shares	% of total shares of the Company
	Directors							
1	Parthiv T. Kilachand	2,127	0.53	01-04-14	0	No change during the year		
		2,127	0.53	31-03-15	0			
2	Tanil R. Kilachand	1,938	0.48	01-04-14	0	No change during the year		
		1,938	0.48	31-03-15	0			
3	Nandish T. Kilachand	1,335	0.33	01-04-14	0	No change during the year		
		1,335	0.33	31-03-15	0			
4	Atul H. Mehta	05	0.00	01-04-14	0	No change during the year		
		05	0.00	31-03-15	0			
5	V. V. Sahasrabudhe	Do not hold any shares in the Company						
6	Devang J. Vyas (Till 31-03-15)	Do not hold any shares in the Company						
7	Chetan R. Desai	Do not hold any shares in the Company						
8	Nirmala S. Mehendale (wef 25-03-15)	Do not hold any shares in the Company						
9	Yogesh S. Mathur (wef 31-03-15)	Do not hold any shares in the Company						
	KMPs	Do not hold any shares in the Company						
10	Kanan V. Panchasara	Do not hold any shares in the Company						
11	Deepali V. Chauhan (wef 20-02-15)	Do not hold any shares in the Company						

**F) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. – N.A

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in Rupees)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Parthiv T. Kilachand - MD	Atul H. Mehta – Dy. MD	
1	Gross salary	2,014,400*	1,489,129*	3,503,529
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,592,628	1,431,785	3,024,413
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	421,772	57,344	479,116
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2,014,400	1,489,129	3,503,529
	Ceiling as per the Act	8,400,000	8,400,000	16,800,000

*Excluding Provident Fund and Superannuation Fund



B. Remuneration to other directors

(in Rupees)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		V. V. Sahasrabudhe	Devang J. Vyas	Chetan R. Desai	Nandish T. Kilachand	Tanil R. Kilachand	
		Independent Directors					
1	Independent Directors						
	Fee for attending board committee meetings	24,000	18,000	18,000	-	-	60,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	24,000	18,000	18,000	-	-	60,000
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	9000	6000	15000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)				9,000	6,000	15,000
	Total (B)=(1+2)	24,000	18,000	18,000	9,000	6,000	75,000
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A	N.A

C. Remuneration To Key Managerial Personnel Other than MD/Manager/WTD

(in Rupees)

SN	Particulars of Remuneration	Key Managerial Personnel		
		Deepali V. Chauhan	Kanan V. Panchasara	Total
		CS*	CFO	
1	Gross salary	38,367**	868,896**	907,263
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,165	782,772	817,934
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,202	86,124	89,326
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	38,367	868,896	907,263

* wef – 20/02/2015

**Excluding Provident Fund

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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)
A. Company					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

No such Penalties or Punishment or Compounding of offence was there during the Financial Year 2014-15 under Companies Act, 2013.

Annexure III
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE PERIOD 01-04-2014 TO 31-03-2015

To,
The Members
POLYCHEM LIMITED
7 JAMSHEDJI TATA ROAD,
CHURCHGATE RECLAMATION,
MUMBAI- 400020, Maharashtra.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POLYCHEM LIMITED (L24100MH1955PLC009663)** (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 my opinion thereon.

Management's Responsibility for secretarial Compliances

The Company's management is responsible for preparation and maintenance of secretarial records and for devising systems to ensure compliances with the provision of applicable laws and regulations.

Auditors Responsibility

Our responsibility is to express an opinion on the secretarial records, standard and procedures followed by the company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for to provide a basis for our opinion.



Based on our verification of the **POLYCHEM LIMITED** 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 **1st April, 2014 to 31st March, 2015** (“the reporting period”) 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 the Company for the period **1st April, 2014 to 31st March, 2015** 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 Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**not applicable**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable as there was no Substantial Acquisition of Shares & Takeover made during the year.**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable as the Company did not issue any security during the financial year under review.**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year 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 as the Company has not delisted its equity shares from any stock exchange during the financial year under review.**
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads, Based on the report received from Designated Managers at various works, offices and sales establishments, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. Employee State Insurance Act
4. Environment (Protection) Act, 1986
5. Water (Prevention and Control of pollution) Act, 1981
6. Air (Prevention and Control of pollution) Act, 1974
7. Hazardous Waste (Management and handling) Rules, 1989



8. Noise Pollution (Regulation & Control) Rules, 2000
9. Energy conservation Act, 1996
10. Indian Contract Act, 1872
11. Minimum Wages Act, 1948
12. Negotiable Instruments Act, 1881

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India- **Not applicable since these Secretarial Standards will come into effect from 1st July, 2015 hence not applicable to the Company during the audit period under review;**
- b) Listing Agreement with The Bombay Stock Exchange Limited.

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 were sent at least seven days in advance and 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.

The consensus of the members of the Board of Directors is obtained before according consent for the passing of resolutions.

We further report that there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

Place: Mumbai
Date : 11-05-2015

For RAGINI CHOKSHI & CO.
Mrs. Ragini Chokshi
(Partner)
C. P. No. 1436
FCS No. 2390



MANAGEMENT DISCUSSION ANALYSIS REPORT

A. Overview:

Company is operating in the manufacturing of Specialty Chemicals and development of property / land.

Opportunities:

Our customers for the specialty polymers are in investment casting Industry. The major end user segment for investment cast products is automotive, aerospace industry, valves & instruments. Currently there is a slowdown in both domestic and export business. We expect them to grow in the subsequent quarters.

The second specialty product is used as filler in cement for structural repair of columns & beams in the old buildings. The demand for this product is stable.

Threats:

The basic raw material for the majority of our products is Styrene Monomer. The Styrene price is highly volatile.

Risks & concerns:

Due to price fluctuation in the main raw material i.e. styrene monomer and no corresponding increase in the price of our finished products the margin on our finished products in the domestic market is a major area of concern.

Outlook:

Substantial part of Company's sale consists of export. Looking to the present economic situation prevailing in the world, particularly in Europe, Company is cautiously optimistic.

Financial Performance:

- 1) Share Capital:
 - a. The issued and paid-up share capital of the Company is Rs. 40.40 lacs consisting of 4,04,045 equity shares of Rs.10/- each as on 31st March, 2015.
- 2) Reserves and Surplus:
 - a. As on 31st March, 2015 the reserves and surplus are Rs.1,577.00 lacs.
- 3) Secured Loans:
 - a. There are no secured loans outstanding as on 31st March, 2015.
- 4) Results of Operation:

Revenue for the current year including other income amounts to Rs.1,850.59 lacs compared to Rs.1,789.43 lacs in the previous year. Profit before tax is Rs.147.23 lacs compared to Profit before tax of Rs.148.80 lacs during the previous year. Provisions for tax including deferred tax asset during the year is Rs.52.90 lacs compared to Rs. 5.22 lacs during the previous year. Profit after tax amounts to Rs. 94.33 lacs during the year compared to profit of Rs.143.57 lacs during the previous year.

Industry Structure & Development:

Our Company is manufacturing and selling Specialty Chemicals.

Segment wise Performance:

There are two income generating segments. Segment-wise revenue for the year ended 31st March, 2015 is as follows. viz. (1) Property / Land Rs. NIL (2) Specialty Chemicals Rs.1,778.91 lacs. The sale of Specialty Chemicals has shown reasonable growth.

Internal Control System:

Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of raw materials and fixed assets and for the sale of goods.

Human Resources:

The Company has good relation with its employees.

B. CORPORATE GOVERNANCE REPORT (2014-2015)
I. Statement on Company's philosophy on code of governance:

The Company's philosophy on corporate governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, lenders and ensuring high degree of regulatory compliances.

The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder value in the long term.

II. Board of Directors:

The Board of Directors comprises of eight members out of them one is woman director and is responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

The Composition of the Board of Directors, Attendance of each Director at the Board Meeting, last AGM, sitting fees paid and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanship/ Membership of Board Committees includes only audit and Shareholders'/Investors' Grievance Committees.

1. F. Y. April 14 to March 15

Name of the Director	Attendance Particulars					No. of other Directorships and Committee Membership/ Chairmanship	
	Category	No. of Board Meeting held	Board/ Audit Meetings	Last AGM held on 05/08/2014	Sitting Fees paid (Rs.)	Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T. R. Kilachand	EC(P)	4	4	Yes	6,000	2	1 Committee Membership & 1 Chairman
Mr. P. T. Kilachand	MD(P)	4	4	Yes	--	3	1
Mr. V. V. Sahasrabudhe	NED(I)	4	4	Yes	24,000	--	--
Mr. D. J. Vyas*	NED(I)	4	3	Yes	18,000	--	--
Mr. C. R. Desai	NED(I)	4	3	No	18,000	1	--
Mr. N. T. Kilachand	NED(P)	4	3	Yes	9,000	2	--
Mr. A. H. Mehta**	Dy.MD	4	3	Yes	--	3	--
Ms. N. S. Mehendale***	NED(A)	4	--	No	--	--	--
Mr. Y. S. Mathur****	NED(A)	4	--	No	--	--	--

*Till 31st March, 2015

**wef 29th May, 2014

***wef 25th March, 2015

****wef 31st March, 2015

Notes:

1. EC(P) – Executive Chairman and Promoter.
2. NED(I) – Non-Executive Director - Independent
3. MD(P) – Managing Director and Promoter
4. NED(P) – Non-Executive Director & Promoter
5. NED(A) – Non-Executive Director – Addl.

Sitting fees paid for attending Board and Audit committee meetings have been taken into consideration.

**2. Number of Board Meetings held and dates on which held:**

During the financial year 2014-15, four Board meetings were held on the following dates:

(a) 29th May, 2014 (b) 5th August, 2014, (c) 11th November, 2014 and (d) 05th February, 2015.

3. Separate Meeting of Independent Director:

As stipulated by the code of Independent Directors under the Companies Act, 2013 and the listing agreement a separate meeting of the Independent director of the Company was held on 5th February, 2015 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company, assessment of the quality, quantity and timeliness of the flow of information between the Company's management and the Board and its committees.

4. Evaluation of Boards Performance:

In compliance with the companies Act, 2013 and clause 49 of the listing Agreement, the performance evaluation of the Board was carried out during the year, the details of the same has been already given under directors report.

5. Familiarization Program:

The Company has taken up the initiative to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization program has been disclosed on the Company's website

<http://www.polychemltd.com/Download/Polychem-%20Familiarisation%20Programme.pdf>

6. Details of Director appointed and re-appointed during the year:

The details of Director being appointed and re-appointed in the ensuing Annual General Meeting has been given in the 'Notice' calling the Fifty Eighth Annual General Meeting of the Company.

7. Whistle Blower Mechanism:

The Company has adopted the whistle blower policy and has establish a vigil mechanism, the details of mechanism and policy has been disclosed on the website.

The Company has complied with the mandatory requirements as mention in clause 49 and It is hereby affirm that no person has been denied access to the audit committee.

8. Code of Conduct:

The Company has framed and adopted a Code of Conduct, which is applicable to all the directors and members of the senior management in terms of Clause 49 (V) of the Listing Agreement. The said code, which came into effect from January 1, 2006, lays the general principles designed to guide all directors and members of the senior management in making ethical decisions.

All Directors and members of the senior management have confirmed their adherence to the provisions of the said code.

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code for the year ended 31.03.2015.

For POLYCHEM LIMITED
DEEPALI V. CHAUHAN
COMPANY SECRETARY & COMPLIANCE OFFICER.

III. Audit Committee

The Company had constituted an Audit Committee on 31st January, 2002 pursuant to the requirements of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement.

It has been reconstituted on 5th February, 2015 pursuant to the requirements of Section 177 of the Companies Act, 2013.

The Audit Committee comprises of the following Directors:

- Mr. V. V. Sahasrabudhe – Chairman
- Mr. P. T. Kilachand
- Mr. D. J. Vyas
- Mr. C. R. Desai

Three members of the Audit Committee are independent. All members of the Audit Committee have knowledge of finance, accounts, Company law. The quorum for audit committee meeting is minimum of two members.

Terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the Stock Exchange that interalia, include overseeing financial reporting process, reviewing with the management the financial statements and adequacy of internal control systems.

Powers of Audit Committee

The Audit committee shall have the following powers, which should include the following

- (i) To investigate any activity within its terms of reference. To discuss any related issues with the internal and statutory auditors and the management of the Company;
- (ii) To seek information from any employee;
- (iii) To obtain outside legal or other professional advice;
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

During the year 2014-15, four meetings of the Audit Committee were held on the following dates:

(a) 29th May, 2014, (b) 5th August, 2014, (c) 11th November, 2014 and (d) 05th February, 2015.

Name of the Director	No. of meetings attended
Mr. T. R. Kilachand	4
Mr. V. V. Sahasrabudhe	4
Mr. D. J. Vyas	3
Mr. C. R. Desai	3

The Company Secretary acts as the Secretary to the Committee.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Verify with regard to related party transactions, whether Committee laid down parameters for determining a particular transaction as significant and reviewed the necessity of such transactions;
3. Management letters / letters of internal control weaknesses issued by the statutory auditor;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**IV. Nomination and Remuneration Committee :**

The Company had formed Remuneration Committee which is now re-constituted as Nomination and Remuneration Committee. It comprises of Three Directors out of which Two are Non-executive Independent Directors.

Terms of Reference of Nomination and Remuneration Committee :**The Committee is empowered –**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

During the year 2014-15, Three meetings of the Nomination and Remuneration Committee were held on the following dates:

(a) 29th May, 2014, (b) 5th August, 2014, and (c) 05th February, 2015.

Name of the Director	Category	No. of meetings attended
Mr. V. V. Sahasrabudhe	Chairman	3
Mr. D. J. Vyas	Member	2
Mr. C. R. Desai	Member	3

Remuneration Policy

The Board has adopted the remuneration policy which is available on the website of the Company.

http://www.polychemltd.com/download/Criteria%20for%20Appointment%20&%20Evaluation%20of%20Board%20of%20Directors_14.pdf

Details of Remuneration to all the directors

(in Rupees)

Sr. No	Name of Director	Salary	Perquisites and allowances	*Retiral benefits	Commission	Bonus / Incentives	Total	Stock options granted	Sitting Fees
1	Tanil R Kilachand	NIL	NIL	NIL	NIL	NIL	NIL	NIL	6,000
2	Parthiv T Kilachand	1,592,628	421,772	539,940	NIL	NIL	2,554,340	NIL	NIL
3	Atul H Mehta	1,431,785	57,344	499,744	NIL	NIL	1,988,873	NIL	NIL
4	Nandish T Kilachand	NIL	NIL	NIL	NIL	NIL	NIL	NIL	9,000
5	V.V.Sahasrabudhe	NIL	NIL	NIL	NIL	NIL	NIL	NIL	24,000
6	Devang Vyas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	18,000
7	Chetan Desai	NIL	NIL	NIL	NIL	NIL	NIL	NIL	18,000

*Retiral benefits includes Provident Fund and Superannuation Fund

V. Stakeholders Relationship Committee:

The Shareholders'/Investors' Grievance Committee has been constituted as Stakeholders Relationship Committee with effect from 5th February, 2015 as per requirement of Section 178(5) of the Companies Act, 2013. The Committee has been delegated the power of attending to share transfers.

There are no transfers pending as at the date of certification of compliance of conditions of corporate governance.

The following Directors are the members of the Shareholders'/Investors' Grievance Committee:

Sr. No.	Name of the Director	No. of Meeting/s	
		Held	Attended
1.	Mr. V. V. Sahasrabudhe - Chairman	21	21
2.	Mr. T. R. Kilachand – Director	21	21
3.	Mr. P. T. Kilachand - Director	21	19

The Committee would look into the redressal of the shareholders' complaints in respect of all matters including transfer of shares, non-receipt of Annual Report, non-receipt of Share Certificates and investors complaints etc.

Share Transfer formalities are attended to at least once a fortnight.

Ms. D. V. Chauhan, Company Secretary & Compliance Officer provided secretarial support to the Committee and was also the designated Compliance Officer of the Company.

No complaints were received during the year ended on 31st March, 2015 and no complaints were pending as on 31st March, 2015.

VI. General Body Meetings

Annual General Meeting (AGM)

The particulars of Annual General Meetings / Extraordinary General Meetings of the Company held during the last 3 years are as under.

Year	Day, Date and Time	Venue	Whether Special Resolution Passed
2011-2012	55 th AGM held on Monday, 17 th September, 2012 at 02.30 p.m	M.C.Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20 Kaikhushru Dubhash Marg, Mumbai - 1	Yes
2012-2013	56 th AGM held on Tuesday, 6 th August, 2013 at 10.30 a.m	M.C.Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20 Kaikhushru Dubhash Marg, Mumbai - 1	No
2013-2014	57 th AGM held on Tuesday, 5 th August, 2014 at 10.30 a.m	M.C.Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20 Kaikhushru Dubhash Marg, Mumbai - 1	Yes

VII. Disclosure

Mr. P. T. Kilachand, Managing Director, Mr. A. H. Mehta, Dy. Managing Director and Ms. K. V. Panchasara, Manager, Finance and Taxation & CFO, constitutes 'Management'.

Disclosures on materially significant related party transactions that may have a potential conflict with the interest of Company at large.

The Board noted that certificate has been received from the management that there have not been any material financial or commercial transactions during the year where management has personal interest that may have a potential conflict with the interest of Company at large.

The details of transactions of the Company with the related parties have been disclosed as Note No.30 of the Notes on Accounts.

Details of Non-Compliance by the Company, penalties, strictures:

There were no instances of non-compliance and no strictures or Material penalties imposed on the Company either by SEBI, Stock Exchange or any statutory authorities on any matter related to capital markets during the last three years.

Details of number of Shares and Convertible instruments held by Non-Executive Directors:

None of the Non-Executive Directors are holding any Shares of the Company.



VIII. CEO/CFO Certification

Mr. A.H.Mehta, Dy. Managing Director and Ms. K. V. Panchasara, Manager, Finance and Taxation & CFO, of the Company has certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:-
 1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee those deficiencies of which they are aware, in the design or operation of such internal control and that they have taken the required steps to rectify these deficiencies.
- (d) They further certify that they have indicated to the Auditors and Audit Committee -
 - (i) there have been no significant changes in internal control over financial reporting during the year.
 - (ii) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

IX. Non – Mandatory Requirements under clause 49 of the Listing Agreement

The Company has complied with all the Mandatory requirements, apart from it the Company has also adopted some non-mandatory requirements as follows

1. Audit Qualifications:
 - (a) The Company's financial statement for the year ended 31st March, 2015 does not contain any qualification.
 - (b) Secretarial Audit Report for the year ended 31st March, 2015 does not contain any qualifications.
2. Separate posts of Chairman and CEO : The Chairman of the Board's position is separate from that of Managing Director.
3. Reporting of Internal Auditor : The Internal Auditor reports to the Audit Committee.

X. Means of Communications

The quarterly results are communicated to Bombay Stock Exchange Ltd., Mumbai. These results are also published in the one English Newspaper i.e The Free press Journal and one Regional language newspaper i.e Navshakti times. Results of 4th quarter i.e Quarter ended 31st March, 2015 has been uploaded on the website of the Company i.e www.polychemltd.com.

XI. General Shareholder Information:

AGM: Date Time Venue	27th July, 2015. 11 a.m. M.C.Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.
Financial Year	April 2014 to March 2015
e-voting period	From 9.00 a.m, Friday, 24 th July, 2015 to 5 p.m, Sunday, 26 th July, 2015.
Cut-off date for e-voting	20 th July, 2015
Dates of Book Closure	Tuesday 14 th July, 2015 to Tuesday 21 st July, 2015 (both days inclusive)
Dividend Payment Date	On or after 27 th July, 2015
Listing on Stock Exchange	Bombay Stock Exchange Ltd. Mumbai
Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE 752B01024
Stock Code	Mumbai 506605
Market price Data: High, Low during each Month in the financial year 2014-15	See Table No. 1 below
Registrar and Share Transfer Agents	M/s. Sharepro Services (I) Pvt.Ltd. 13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072. Telephone : 022 67720300, 022 67720400 Fax: 022 28591568 Email: sharepro@shareproservices.com
Share Transfer System	Share Transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.
Distribution of shareholding & Category-wise distribution	See table No. 2 & 3
De-materialisation of shares and liquidity	See table No. 4
Plant Location	SPECIALTY CHEMICALS W91, MIDC Phase II Dombivali (E) 421 203.
Address for correspondence	Registered Office: 7, J.Tata Road, Churchgate Reclamation, Mumbai 400 020. Telephone : 022 22820048 Fax : 022 22850606 Email : polychemltd@kilachand.com Website : www.polychemltd.com CIN: L24100MH1955PLC009663

Table 1 - Market Price Data

High and Low of market price of the Company's shares traded on Bombay Stock Exchange Ltd., Mumbai, during the financial year 2014-2015:

Month	High(Rs.)	Low(Rs.)	Total No. of shares traded.
April - 2014	350.00	275.00	11,300
May - 2014	340.00	275.00	10,098
June - 2014	350.00	290.55	6,352



July - 2014	700.00	325.05	11,828
August - 2014	795.00	511.00	6,003
September - 2014	868.90	580.20	17,815
October - 2014	749.90	561.15	1,998
November - 2014	739.00	560.10	4,438
December - 2014	635.00	474.00	1,565
January - 2015	728.00	518.00	1,427
February - 2015	689.50	416.50	2,558
March - 2015	540.00	395.00	2,298

Table 2 - Distribution of shareholding as on 31-3-2015

No. of Equity Shares held	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 100	74,258	18.38	10,412	98.14
101 to 500	30,818	7.63	151	1.42
501 to 1000	9,397	2.33	13	0.12
1001 to 5000	46,639	11.54	23	0.22
5001 to 10000	42,774	10.58	5	0.05
10001 to 100000	2,00,159	49.54	5	0.05
100001 and above	-	-	-	-
Total	4,04,045	100.00	10,609	100.00

Table 3 - Categorywise distribution of shareholding as on 31-03-2015

Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	10	2,10,465	52.09
2.	Public Financial Institutions & Banks	25	17,571	4.35
3.	Mutual Funds	-	-	-
4.	Bodies Corporate	145	16,276	4.03
5.	Resident Individuals	10,394	1,59,136	39.38
6.	FII & OCBs	-	-	-
7.	Non-Resident Individuals	35	597	0.15
8.	State Government	-	-	-

Table 4 - Break-up of shares in physical & electronic mode as on 31.03.2015

Mode	No of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	7,809	73.93	54,254	13.43
Electronic	2,800	26.07	349,791	86.57
Total	10,609	100.00	404,045	100.00



COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE CERTIFICATE

To the Members of **POLYCHEM LIMITED**

We have examined the compliance of conditions of Corporate Governance by Polychem Limited ("the Company") for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee except in cases which are constrained by disputes and legal impediments.

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

For G. M. KAPADIA & CO.
Chartered Accountants
(Firm Registration No.104767W)

Place: Mumbai
Date: May 11, 2015

YAGNESH MEHTA
Partner
Membership No. 34275

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYCHEM LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **POLYCHEM LIMITED** ("the Company"), which comprises of the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the said 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 March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) 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 has disclosed the impact of pending litigations, on its financial position in its financial statements- Refer Note 25 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. M. KAPADIA & CO.
Chartered Accountants
(Firm Registration No.104767W)

YAGNESH MEHTA
Partner

Membership No. 34275

Place: Mumbai
Date: May 11, 2015

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 1 under "Other Legal and Regulatory Requirements" of our report of even date)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year according to a phased program as designed by the management. This, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. We have been further informed that there is no material discrepancies between the book records and the physical verification have been noticed.
- (c) In our opinion, and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets during the year.
- ii. (a) The inventories have been physically verified by the management during the year. In our opinion, and according to the information and explanation given to us, the frequency of verification is reasonable.
- (b) The procedures of physical verification, in our opinion, are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventories. No discrepancies were noticed on verification between the physical inventories and the book records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, requirement of clauses (iii)(a) and (iii)(b) of paragraph 3 of the Order are not applicable;
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system;
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal;
- vi. The provision of clause (vi) of paragraph 3 of the order relating to maintenance of cost records are not applicable;
- vii. (a) Based on the records produced before us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, there are no outstanding disputed dues payable by the Company in case of income tax, wealth tax, sales tax, duty of customs, service tax, duty of excise, value added tax and cess except disputed dues as under as on March 31, 2015;

Name of the Statue	Nature of dues	Financial Year	Amt in Rs (000's)	Authority with whom appeal is pending
The E.S.I Act, 1948	ESIC	2000-01	94	Assistant Director (Maharashtra)

- (c) According to the information and explanations given to us, no amounts were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder. Therefore, the provisions of clause (vii)(c) of paragraph 3 of the Order relating to transfer of amount to investor education and protection fund is not applicable;
- viii. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth as at 31st March 2015. The Company has not incurred cash losses during the financial year covered by our audit. The Company had not incurred cash losses during the immediately preceding financial year;



- ix. The Company has neither raised any loans from banks and financial Institutions nor issued any debentures, therefore the provisions of paragraph 3 (ix) of the Order regarding default in repayment of dues to banks and debenture holders are not applicable to the Company;
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions;
- xi. In our opinion, and according to the information the company has not taken any term loans and therefore clause (xi) of para 3 of the Order is not applicable;
- xii. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For G. M. KAPADIA & CO.
Chartered Accountants
(Firm Registration No.104767W)

YAGNESH MEHTA
Partner
Membership No. 34275

Place: Mumbai
Date: May 11, 2015

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note	Rupees in 000's	
		As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds:			
(a) Share capital	2	4,040	4,040
(b) Reserves & surplus	3	157,700	149,483
		161,740	153,523
2 Current liabilities			
(a) Trade payables	4	5,121	21,590
(b) Other current liabilities	5	1,354	2,160
(c) Short term provisions	6	5,576	391
		12,051	24,141
	Total	173,791	177,664
II ASSETS			
1 Non current assets			
(a) Fixed assets	7		
Tangible assets		6,087	6,259
Intangible assets		309	664
		6,396	6,923
(b) Non current investments	8	34,406	14,406
(c) Deferred tax asset (net)	9	921	711
(d) Long term loans and advances	10	6,073	10,532
(e) Other non current assets	11	7,643	7,604
		55,439	40,176
2 Current assets			
(a) Inventories	12	21,531	24,941
(b) Trade receivables	13	22,351	40,191
(c) Cash and Other Bank Balance	14	16,799	12,182
(d) Short term loans and advances	15	57,445	59,983
(e) Other current assets	16	226	191
		118,351	137,489
	Total	173,791	177,664

Summary of significant accounting policies 1

The notes are an integral part of the financial statements

As per our attached report of even date

For G.M.Kapadia & Co.,
Chartered Accountants
Yagnesh Mehta
Partner

For and on behalf of the Board

Tanil R. Kilachand
Parthiv T. Kilachand
Atul H. Mehta
Kanan V. Panchasara
Deepali V. Chauhan

Chairman
Managing Director
Dy. Managing Director
Chief Financial Officer
Company Secretary & Compliance
Officer

Mumbai Dated: May 11, 2015

Mumbai Dated: May 11, 2015



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

Particulars	Note	As at	
		March 31, 2015	March 31, 2014
CONTINUING OPERATIONS			
I Revenue from operations			
(a) Revenue from operations(Gross)	17	194,441	185,421
Less: Excise duty		(21,040)	(20,115)
Revenue from operations (Net)		173,401	165,316
(b) Other operating income		4,491	3,492
		177,891	168,808
II Other Income	18	7,168	10,135
III Total revenue (I+II)	Total	185,059	178,943
IV EXPENSES			
(a) Cost of raw materials consumed	19	101,626	112,120
(b) (Increase)/Decrease in stock of Work in Process	20	1,884	(2,081)
(c) Manufacturing & other expenses	21	46,786	41,121
(d) Employee benefits expenses	22	17,005	11,483
(e) Finance cost	23	-	351
(f) Depreciation & amortization		3,046	1,422
	Total	170,347	164,416
V Profit/(Loss) from continuing operations before exceptional and extraordinary items and tax (III-IV)		14,712	14,527
VI Prior period items {(Income / (Expense))}		11	353
VII Profit before tax (V-VI)		14,723	14,880
VIII Tax expense			
(1) Current tax		5,500	-
(2) Deferred tax		(210)	54
(3) Income tax earlier years		-	553
(4) Income tax provision written back		-	(85)
		5,290	522
IX Profit/(Loss) after Tax for the period (VII-VIII)	Total	9,433	14,357
X Earnings per equity share (EPS) - Basic & Diluted			
No. of equity shares		404,045	404,045
Par value per share		10.00	10.00
Earnings per share from continuing operations - Basic & Diluted		23.35	35.53

The notes are an integral part of the financial statements.

As per our attached report of even date

For G.M.Kapadia & Co.,
Chartered Accountants
Yagnesh Mehta
Partner

For and on behalf of the Board

Tanil R. Kilachand Chairman
Parthiv T. Kilachand Managing Director
Atul H. Mehta Dy. Managing Director
Kanan V. Panchasara Chief Financial Officer
Deepali V. Chauhan Company Secretary & Compliance Officer

Mumbai Dated: May 11, 2015

Mumbai Dated: May 11, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Rupees in 000's	
	As at March 31, 2015	As at March 31, 2014
PROFIT / (LOSS) BEFORE TAX	14,723	14,880
A CASH FLOW FROM OPERATING ACTIVITIES :		
Adjustment for:		
Depreciation	3,046	1,422
Interest Income	(7,125)	(6,001)
Dividend Income	(38)	(38)
Finance Cost	-	351
Diminution in the value of Investment	-	119
(Profit)/Loss on Fixed Assets discarded	5	49
Unrealised Foreign Exchange (Gain)/ loss	48	477
Net (gain)/loss on sale of investments	-	(3,904)
Amount no longer payable -written back	-	(157)
Amount not recoverable - written off	380	105
Gratuity & Leave Encashment Provision	306	-
Prior period expenses	18	(353)
	11,362	6,950
Operating Profit/(Loss) before working capital charges	11,362	6,950
(Increase)/Decrease in trade receivables	17,412	(17,381)
(Increase)/Decrease in long term loans and advances	4,459	(4,386)
(Increase)/Decrease in other receivables	2,503	(33,936)
Increase/(Decrease) in sundry creditors & other payables	(19,112)	10,259
(Increase)/Decrease in Inventories	3,410	(4,073)
Cash (used in) / generated from operations	20,035	(42,567)
Tax payments	(39)	(652)
Net cash generated from / (used in) Operating activities	19,995	(43,220)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,542)	(3,545)
Proceeds from sale of fixed assets	-	154
Proceeds from sale of investments	-	37,574
Purchase of investments	(20,000)	600
Interest received	7,088	6,095
Dividend Received	36	(37)
Net cash generated from Investing activities	(15,417)	40,841
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loans	-	-
Interest Expense and bank charges	-	(351)
Net cash (used in) financing activities	-	(351)
Net (Decrease) / Increase in cash and cash equivalents	4,578	(2,729)
Cash and cash equivalents at the beginning of the year	13,494	16,223
Cash and cash equivalents at the end of the year	18,073	13,494
Reconciliation of cash and cash equivalents		
As per Balance Sheet - Note 16	18,299	13,683
Less : Interest accrued on bank deposits	(226)	(189)
As per Cash flow statement	18,073	13,494

As per our attached report of even date

For G.M.Kapadia & Co.,
Chartered Accountants
Yagnesh Mehta
Partner

For and on behalf of the Board

Tanil R. Kilachand
Parthiv T. Kilachand
Atul H. Mehta
Kanan V. Panchasara
Deepali V. Chauhan

Chairman
Managing Director
Dy. Managing Director
Chief Financial Officer
Company Secretary & Compliance
Officer

Mumbai Dated: May 11, 2015

Mumbai Dated: May 11, 2015

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****GENERAL INFORMATION**

Polychem Limited is engaged in the manufacturing of specialty chemicals and property development. The Company has manufacturing plant in India and sells it in Domestic as well as International market. The Company is public limited Company and is listed on the Bombay Stock Exchange (BSE).

(1) SIGNIFICANT ACCOUNTING POLICIES**(i) Basis of accounting**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The items contained in this financial statements are in accordance with the above Accounting Standards.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. All the divisions of the Company have normal operating cycle of less than twelve months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Schedule II to the Companies Act, 2013 for preparation of Financial Statements.

Use of Estimate

The preparation of financial statement in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results get materialized.

(ii) Fixed assets and depreciation**a. Fixed assets****Intangibles**

Business application software intended for long term use are recorded at their acquisition cost and cost of assets at their carrying values.

Tangibles

All fixed assets are stated at cost of acquisition, less accumulated depreciation and includes adjustments arising from exchange rate variations attributable to fixed assets. In the case of fixed assets acquired for new projects / expansion, interest cost borrowings, and other related expenses incurred upto the date of completion of project are capitalised.

b. Depreciation**Intangibles**

Computer software is being depreciated on written down method at the rates specified in schedule II of the Companies Act, 2013.

Tangibles

Depreciation on tangible assets has been provided on written down method at the rates specified in Schedule II of the Companies Act, 2013.

c. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**(iii) Investments**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition cost of the investment is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investment are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(iv) Inventories

Stores, spares and packing materials, raw materials, work-in-process and finished goods are valued at cost or net realisable value, whichever is lower. Cost of stores, spares and packing materials and raw materials is determined on FIFO basis. Cost of work-in-process and finished goods is determined on the basis of absorption costing method.

(v) Property under development

Property under development represents free hold land converted into stock-in-trade on the basis of valuation made by approved valuers and development expenses incurred thereon.

(vi) Employee benefits

- a. Short term employee benefits (benefits which are payable within twelve months after the end of the period in which employees render services) are measured at cost.
- b. Long term employee benefits (benefits which are payable after the end of twelve months in which the employees render services) and post employment benefits (benefits which are payable on completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation annually.
- c. Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute and recognised as an expense when employees have rendered service entitling them to the contributions.
- d. The cost of providing gratuity, a defined benefit contribution plan, is determined using Projected Unit Credit Method on the basis of actuarial valuation carried out by actuaries at the balance sheet date. The gratuity obligation recognised in balance sheet represents the present value of the obligation as reduced by the fair value of plan assets. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(vii) Accounting of CENVAT credit

CENVAT credit on raw material and capital goods is accounted for by reducing the purchase of cost of raw material and capital goods respectively.

(viii) Revenue recognition

Revenue (Income) is recognised when no significant uncertainty as to determination or realization exists. Sales are recognised ex-works and are inclusive of excise duty and net of sales tax.

(ix) Foreign currency transactions

- a. Foreign currency transactions are accounted at the exchange rate prevailing on the date of transaction.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

- b. The difference between the rate at which the transactions are accounted as stated above and the contracted rate is spread over the life of the contract. The difference on account of fluctuation in the rate of exchange is dealt with in the Statement of Profit and Loss .
- c. Year end monetary assets are translated at year end rate of exchange.
- (x) Borrowing costs**
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing cost are charged to revenue.
- (xi) Taxes on income**
Provision for taxation is made on the basis of the taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961.
Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years.
Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future.
- (xii) Segment reporting**
The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further , inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a resonable basis, have been included under "Unallocated expenses".
- (xiii) Earnings per share**
a. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
b. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
- (xiv) Provisions, contingent liabilities and contingent assets**
A provision is recognised when an enterprise had present obligations as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.
Provisions are not discounted to their present value and are determined based on management estimates required to settle the obligations at the balance sheet date.
These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.
- (xv) Cash and cash equivalents**
In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

	As at March 31, 2015	As at March 31, 2014
2 SHARE CAPITAL		
Authorised share capital		
40,000,000 (40,000,000) Equity shares of Rs 10/- each	400,000	400,000
600,000 (600,000) 13.50% Redeemable cumulative preference shares of Rs 100/- each	60,000	60,000
500,000 (500,000) Cumulative convertible preference shares of Rs 100/- each	50,000	50,000
Total	<u>510,000</u>	<u>510,000</u>
Issued share capital		
404,045 (404,045) Equity shares of Rs 10/- each fully paid up	4,040	4,040
Total	<u>4,040</u>	<u>4,040</u>
Subscribed & paid up share capital		
404,045 (404,045) Equity shares of Rs 10/- each fully paid up	4,040	4,040
Total	<u>4,040</u>	<u>4,040</u>

The Company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015 Qty	As at March 31, 2014 Qty	As at March 31, 2015 Rupees in 000's	As at March 31, 2014 Rupees in 000's
	Equity shares of Rs 10/- each			
Shares outstanding at the beginning of the year	404,045	404,045	4,040	4,040
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	404,045	404,045	4,040	4,040

2.2 Details of shareholding of more than 5 percent of equity shares

Name of the shareholder	No. of shares held March 31, 2015	% of holding	No. of Shares held March 31, 2014	% of holding
	(1) Virsun Investments Pvt. Ltd.		82,452	
(2) Highclass Trading Pvt. Ltd.	39,842	9.86%	39,842	9.86%
(3) Rasayani Traders Pvt. Ltd.	48,340	11.96%	33,882	8.38%

3 RESERVES AND SURPLUS

(a) Capital Reserves		
At the beginning and at the end of the year	3,562	3,562
(b) Capital Redemption Reserve		
At the beginning and at the end of the year	5,000	5,000
(c) Securities Premium Account		
At the beginning and at the end of the year	142,437	142,437
(d) General reserves		
At the beginning and at the end of the year	206,993	206,993
(e) Surplus		
Opening balance	(208,509)	(222,866)
(+) Net Profit/(Net Loss) for the current year	9,433	14,357
Less: Appropriations		
Proposed Dividend on Equity Shares	(1,010)	-
Tax on Dividend	(206)	-
Closing balance	<u>(200,291)</u>	<u>(208,509)</u>
Total	<u>157,700</u>	<u>149,483</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

	As at March 31, 2015	As at March 31, 2014
4 TRADE PAYABLES		
Trade payable - goods	4,191	20,617
Trade payable - expenses	929	973
Total	<u>5,121</u>	<u>21,590</u>
Based on information available with the Company, the balance due to Micro & Small enterprises as defined under MSMED Act, 2006 as at March 31, 2015 & March 31, 2014 is NIL. No interest during the year and previous year has been paid under the terms of the MSMED Act, 2006.		
5 OTHER CURRENT LIABILITIES		
Outstanding expenses	77	1,104
Statutory payables	311	355
Provision for employee benefits		
Gratuity	732	701
Leave encashment	234	-
Total	<u>1,354</u>	<u>2,160</u>
6 SHORT TERM PROVISIONS		
Provision for Tax (net of advance tax)	748	-
Provision for employee benefits		
Bonus payable	7	4
Leave travel allowance payable	564	387
Provision for Expected Claims	3,041	-
Proposed Dividend	1,010	-
Tax on Dividend	206	-
Total	<u>5,576</u>	<u>391</u>

Nature of Assets	Gross Block			Depreciation			Net block				
	As at	Deductions/	As at	Up to	For the	Deductions/	As at	As at	As at		
	1-Apr-14	Additions	Adjustments	31-Mar-15	1-Apr-14	year	Adjustments	31-Mar-15	31-Mar-15	31-Mar-14	
Tangible Assets											
Building	147	-	147	-	76	71	147	-	-	71	
Lease Hold Improvements	237	18	-	255	16	122	-	138	117	221	
Laboratory Equipment	105	595	34	666	29	91	34	86	580	76	
Plant and machinery	2,268	628	-	2,896	392	376	-	768	2,128	1,876	
Vehicles	3,095	547	-	3,642	1,885	494	-	2,379	1,262	1,210	
Furniture & fixtures	1,854	78	-	1,931	475	368	-	843	1,088	1,378	
Office equipments	1,524	192	-	1,717	523	628	-	1,151	566	1,001	
Computers	1,357	301	65	1,593	766	542	61	1,247	346	591	
Total	10587	2359	246	12,700	4,163	2,692	241	6,613	6,087	6,424	
Intangible Assets											
Computer software	706	182	-	889	208	372	-	580	309	498	
Total	706	182	-	889	208	372	-	580	309	498	
Total Assets	Total	11,293	2,542	246	13,589	4,371	3,064	241	7,193	6,396	6,923
Previous Year		8,688	3,545	940	11,293	3,683	1,422	736	4,370	6,923	5,005

The useful life of Fixed Assets has been revised in accordance with Schedule II of the Companies Act, 2013, which is applicable for accounting periods commencing on or after April 1, 2014.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

	As at March 31, 2015	As at March 31, 2014
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8 NON CURRENT INVESTMENTS

Other Investments (at cost unless stated otherwise)

Quoted
(a) Investment in equity instruments (Quoted)

Investment in equity instruments	Total	<u>1,861</u>	<u>1,861</u>
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Particulars	Current year No. of shares	Previous year No. of shares	Face value per share		Partly/Fully Paid up	March 31, 2015	March 31, 2014
			Current year	Previous year			
Great Eastern Shipping Co. Ltd.	600	600	Rs.10/-	Rs.10/-	Fully paid	219	219
Housing Development Finance Co. Ltd.	500	500	Rs.2/-	Rs.2/-	Fully paid	206	206
ICICI Bank Ltd.	875	175	Rs.2/-	Rs.10/-	Fully paid	163	163
Infrastructure Development Finance Co. Ltd.	800	800	Rs.10/-	Rs.10/-	Fully paid	140	140
ITC Ltd.	1,200	1,200	Re.1/-	Re.1/-	Fully paid	111	111
Larsen & Toubro Ltd.	390	390	Rs.2/-	Rs.2/-	Fully paid	452	452
Adani Port Special Economic Zone Ltd.	1,500	1,500	Rs.2/-	Rs.2/-	Fully paid	149	149
State Bank of India	1,050	105	Re.1/-	Rs.10/-	Fully paid	147	147
Reliance Industries Ltd.	292	292	Rs.10/-	Rs.10/-	Fully paid	393	393
Less: Provision for diminution						(119)	(119)
						<u>274</u>	<u>274</u>
Mafatlal Dyes & Chemicals Ltd.	62	62	Rs.10/-	Rs.10/-	Fully paid	-	-
DCM Shriram Industries Ltd.	6	6	Rs.10/-	Rs.10/-	Fully paid	-	-
Crecent Finstock Ltd.	9	9	Rs.10/-	Rs.10/-	Fully paid	-	-
DCM Ltd.	1	1	Rs.10/-	Rs.10/-	Fully paid	-	-
						<u>1,861</u>	<u>1,861</u>

(b) In Associates
Investment in equity instruments (Quoted)

Gujarat Poly - AVX Electronics Ltd.	41,944	41,944
Less: Provision for diminution	(30,479)	(30,479)
Total	<u>11,465</u>	<u>11,465</u>

Rupees in 000's

Particulars	Current year No. of shares	Previous year No. of shares	Face value per share		Partly/Fully Paid up	March 31, 2015	March 31, 2014
			Current year	Previous year			
Gujarat Poly - AVX Electronics Ltd.	2,866,154	2,866,154	Rs 10/-	Rs 10/-	Fully paid	41,944	41,944
Less: Provision for diminution in value						(30,479)	(30,479)
Net value						<u>11,465</u>	<u>11,465</u>

Unquoted
(a) Investment in mutual funds (Unquoted)

Investment in mutual funds	Total	<u>20,000</u>	-
		<u>20,000</u>	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Current year No. of shares	Previous year No. of shares	Face value per share		Partly/Fully Paid up	March 31, 2015	March 31, 2014
			Current year	Previous year			
HDFC Floating Rate Income Fund-(G)	218,652	-	Rs.10/-	-	Fully paid	5,000	-
HDFC-STP-(G)	293,417	-	Rs.10/-	-	Fully paid	7,500	-
DSP Black rock - SBF - Institutional Plan-(G)	4,905	-	Rs.10/-	-	Fully paid	7,500	-
						20,000	-

**(b) Investment in preference shares
(Unquoted)**

Gujarat Poly - AVX Electronics Ltd.

	1,080	1,080
Total	<u>1,080</u>	<u>1,080</u>

Particulars	Current year No. of shares	Previous year No. of shares	Face value per share	Partly/Fully Paid up	March 31, 2015	March 31, 2014
					1,080	1080
Total Non current investments				Total	<u>34,406</u>	<u>14,406</u>

Aggregate value of quoted investments	Cost	43,924	43,924
	Market value	25,116	14,073
Aggregate provision for diminution		30,598	30,598
Aggregate value of unquoted investments in Mutual Funds	Cost	20,000	-
	Net Asset Value	21,371	-
Aggregate value of unquoted investments in Preference Shares	Cost	1,080	1,080



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Rupees in 000's	
	As at March 31, 2015	As at March 31, 2014
9 DEFERRED TAX ASSETS (NET)		
(a) Deferred tax assets (In respect of difference between book & tax depreciation)	921	711
(b) Deferred tax liability	-	-
Total	<u>921</u>	<u>711</u>
10 LONG TERM LOANS AND ADVANCES - UNSECURED - CONSIDERED GOOD		
Unsecured, considered good		
(a) Security deposits	<u>1,156</u>	<u>1,156</u>
(b) Other loans and advances		
Prepaid expenses	37	36
MVAT & CST Receivable	3,185	8,048
Staff loans and advances	1,695	1,292
Others	-	-
Total	<u>6,073</u>	<u>10,532</u>
11 OTHER NON CURRENT ASSETS		
Advance Tax (net of provision)	6,143	6,104
- Term Deposits with banks More than 12 months maturity	<u>1,500</u>	<u>1,500</u>
Total	<u>7,643</u>	<u>7,604</u>
12 INVENTORIES		
(a) Raw materials and components (valued at cost)	<u>2,021</u>	<u>3,046</u>
(b) Work-in-process (valued at cost)	<u>2,748</u>	<u>5,169</u>
(c) Stores & spares (valued at cost)	<u>284</u>	<u>260</u>
(d) Finished Goods-in-transit	-	524
(e) Property Development	<u>16,478</u>	<u>15,942</u>
Total	<u>21,531</u>	<u>24,941</u>
13 TRADE RECEIVABLES		
Unsecured, considered good	<u>22,351</u>	<u>40,191</u>
(a) Outstanding for a period exceeding six months	516	69
(b) Others	<u>21,835</u>	<u>40,122</u>
Total	<u>22,351</u>	<u>40,191</u>
14 CASH AND OTHER BANK BALANCE		
(a) Cash & cash equivalent		
Bank balance	1,130	347
Bank deposits with less than 3 months maturity	1,800	8,500
Cash on hand	-	95
Total	<u>2,930</u>	<u>8,942</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

	As at March 31, 2015	As at March 31, 2014
<u>(b) Other bank balance</u>		
Term deposits with banks		
More than 3 months but less than 12 months maturity	<u>13,869</u>	<u>3,241</u>
	<u>16,799</u>	<u>12,182</u>
15 <u>SHORT TERM LOANS AND ADVANCES</u>		
Unsecured considered good		
(a) Balances with government department	2,808	9,289
(b) Staff Loans and advances	713	691
(c) Prepaid expenses	214	243
(d) Advances to creditors & others	450	688
(e) Loans and advances to related parties		
Gujarat Poly - AVX Electronics Ltd.	51,984	48,766
(f) Inter corporate deposit	1,274	306
Total	<u>57,445</u>	<u>59,983</u>
16 <u>OTHER CURRENT ASSETS</u>		
Unsecured considered good		
<u>Others</u>		
Interest accrued but not due	226	189
Dividend receivable	-	2
Total	<u>226</u>	<u>191</u>
17 <u>REVENUE FROM OPERATIONS</u>		
(a) Sale of products (Net)	173,401	165,316
(b) Sale of property	-	-
	<u>173,401</u>	<u>165,316</u>
<u>(c) Other operating revenues</u>		
Exchange gain difference	2,355	1,286
<u>Other revenue</u>		
Duty drawback received	2,117	2,188
Sale of scrap	19	18
	<u>4,491</u>	<u>3,492</u>
Total	<u>177,891</u>	<u>168,808</u>
18 <u>OTHER INCOME</u>		
(a) Interest income	7,125	6,001
(b) Dividend income	38	38
(c) Net gain / (loss) on sale of investments	-	3,904
<u>(d) Other non-operating income</u>		
Rent recovered	-	20
Gratuity & leave encashment provision written back	-	15
Amount not payable written back	-	157
Other sundry income	4	-
Total	<u>7,168</u>	<u>10,135</u>
19 <u>COST OF RAW MATERIAL CONSUMED</u>		
Opening stock	3,046	1,634
Purchases	100,601	113,533
Less: Closing stock	<u>(2,021)</u>	<u>(3,046)</u>
Total	<u>101,626</u>	<u>112,120</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Rupees in 000's	
	As at March 31, 2015	As at March 31, 2014
20 INCREASE/(DECREASE) IN WORK IN PROCESS		
Work in process		
Closing stock	2,748	5,169
Less: Opening stock	<u>(5,169)</u>	<u>(3,608)</u>
	<u>(2,421)</u>	<u>1,561</u>
Stock-in-transit	-	-
Property Development	-	-
Closing stock	16,478	15,942
Less: Opening stock	<u>(15,942)</u>	<u>(15,422)</u>
	<u>536</u>	<u>520</u>
Total	<u>(1,884)</u>	<u>2,081</u>
21 MANUFACTURING & OTHER EXPENSES		
Conversion & processing charges	20,825	18,524
Stores spares & packing material consumed	1,919	1,666
Land development expenses	536	520
Electric power, oil fuel and water charges	774	745
Rent	2,089	2,165
Rates & taxes	286	1,008
Selling & distribution expenses	5,547	5,426
Insurance charges	219	249
Repairs		
Machinery	30	-
Building	-	568
Computer	141	273
Others	778	529
Telephone expenses	609	551
Legal and professional fees	3,472	2,907
Motor car expenses	1,503	1,518
Director sitting fees	75	75
Printing & Stationery	665	239
Postage & courier	109	25
Advertisement expenses	172	120
Membership & Subscription	484	186
Amount not recoverable written off	380	105
Loss on sale of assets	5	49
Diminution in the value of investments	-	119
Conveyance & travelling expenses	920	242
ISO & Certification expenses	604	1,585
General charges	888	1,135
Expected claims (Refer Note No. 26)	3,041	-
Miscellaneous expenses	<u>715</u>	<u>592</u>
Total	<u>46,786</u>	<u>41,121</u>
22 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries, wages and incentives	12,618	8,728
(b) Contributions to funds		
Provident fund & other funds	1,244	803
Gratuity & Superannuation fund	1,130	577
Other benefits	<u>444</u>	<u>389</u>
	<u>2,818</u>	<u>1,769</u>
(c) Staff welfare expenses	<u>1,570</u>	<u>986</u>
Total	<u>17,005</u>	<u>11,483</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

	As at March 31, 2015	As at March 31, 2014
23 FINANCE COST		
(a) Interest expense	-	124
(b) Bank Charges	-	227
Total	<u>-</u>	<u>351</u>
Payment to Auditors	Current Year Rupees in 000's	Previous Year Rupees in 000's
(a) As Audit fees		
Statutory audit	150	150
Limited review	<u>150</u>	<u>188</u>
	<u>300</u>	<u>338</u>
(b) As Professional fees		
Tax audit	70	70
VAT audit	40	75
Income tax representation	<u>158</u>	<u>327</u>
	<u>268</u>	<u>472</u>
Total	<u>568</u>	<u>810</u>
24 Earnings in Foreign Exchange		
(a) Export of Goods calculated on FOB Basis	123,501	125,037
(b) Expenditure in Foreign Currency	867	1,542
25 Contingent Liabilities		
a) Claims against the Company not acknowledged as debts:	1,239	1,239
Relates to Octroi matter, employees claims etc. (No provision is made, as the Company is hopeful of successfully contesting the claims and as such does not expect any significant liability to crystallise).		
b) Disputed income tax liabilities contested by the Company	8,257	17,418
26 During the year, the Company had exported 36,680 Kgs to a party in UK. The said party has raised quality issues relating to a portion of consignment. After various rounds of deliberations and review of reports, subsequent to the date of Balance sheet, the Company has agreed to take back the said consignment subject to receipt of requisite approvals. The necessary provision for expected claims has been recognised in the books of accounts.		
27 Amount of lease rental charged to the Statement of Profit and Loss account in respect of premises taken on cancellable operating lease is Rs. 2089('000) (Previous Year Rs. 2165('000)).		
28 Employee Benefits		
(i) Defined Contribution plans :		
Company's contribution to Provident Fund is Rs. 809(000's) (Previous year Rs. 606 (000's)).		
(ii) Defined Benefits Plans :		
The following table sets out the funded status of the Gratuity Plan and the amounts recognised in Company's financial statements as at March 31, 2015:		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015	As at March 31, 2014
Rupees in 000's		
(a) Change showing changes in present value of obligations		
Present value of obligations as at beginning of year	2,604	3,277
Interest cost	208	226
Current Service Cost	126	158
Benefits Paid	(181)	(894)
Actuarial (Gain)/loss on obligations	224	(163)
Present value of obligations as at end of year	<u>2,981</u>	<u>2,604</u>
(b) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	1,903	2,407
Expected return on plan assets	152	164
Contributions	349	181
Benefits Paid	(181)	(894)
Actuarial Gain/(loss)	27	45
Fair value of plan assets at end of year	<u>2,250</u>	<u>1,903</u>
(c) Fair Value of Plan Assets		
Fair value of plan assets at the beginning of year	1,903	2,407
Actual return on plan assets	179	209
Contributions	349	181
Benefits Paid	(181)	(894)
Fair value of plan assets at the end of the year	2,250	1,903
Funded status	(732)	(701)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on March 31)	27	45
(d) Actuarial Gain/(Loss) recognised		
Actuarial Gain/(loss) for the year - Obligation	224	163
Actuarial Gain/(Loss) for the year - Plan Assets	(27)	45
Total (Gain)/Loss for the year	<u>(198)</u>	<u>(208)</u>
Actuarial (Gain)/Loss unrecognized in the year	-	-
(e) The amounts to be recognised in the balance sheet and Statement of Profit and Loss		
Present value of obligations as at the end of year	2,981	2,604
Fair value of plan assets as at the end of the year	(2250)	(1903)
Funded status	-	-
Net Asset/(Liability) recognised in the balance sheet	(732)	(701)
(f) Expenses Recognised in Statement of Profit and Loss		
Current service cost	126	158
Interest Cost	208	226
Expected return on plan assets	(152)	(164)
Net Actuarial (Gain)/Loss recognised in the year	(198)	(208)
Expenses recognised in Statement of Profit and Loss	380	13



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

	As at March 31, 2015	As at March 31, 2014
(g) To fund the obligation under the plan, contributions are made to Life Insurance Corporation of India who has invested funds as under :		
<u>Description</u>		<u>% of Investment</u>
Central Government Securities		22.85
State Government Securities		24.54
Approved marketable government guaranteed securities		1.14
Bonds/Debentures etc		31.90
Equity Shares		5.08
Preference Shares		0.00
Fixed Deposits and Money Market instruments		14.48
	Total	100.00
	2014-15	2013-14
(h) Assumptions		
Discount Rate (per annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Expected rate of increase in compensation levels (per annum)	6.00%	6.00%

- 29 Earnings per share is calculated by dividing the profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Net Profit / (loss) for the year after tax (Rs'000)	9,433	14,910
Excess / (Short) provision for tax of earlier Years (Rs'000)	-	553
Profit / (Loss) attributable to equity shareholders (Rs'000)	9,433	14,357
Weighted average number of equity shares outstanding during the year	404,045	404,045
Basic / Diluted Earnings per share (Rs.)	23.35	35.53
Nominal Value per Share (Rs.)	10/-	10/-

30 Related Party Transactions

(a) Names of related parties and description of relationship

Sr No.	Nature of relationship	Name of the related parties
1	Key Managerial Personnel	Mr. T. R. Kilachand - Executive Chairman Mr. P.T. Kilachand - Managing Director Mr. A.H. Mehta - Dy. Managing Director Ms. K. V. Panchasara - Chief Financial Officer Ms. D.V. Chauhan - Company Secretary and Compliance Officer
2	Entities where the key managerial personnel have significant influence	Ginners & Pressers Limited Rasayani Traders Pvt. Limited Sun Tan Trading Co. Limited Connell Bros Co. (India) Pvt. Limited Tulsi Global Logistics Pvt. Limited
3	Associate	Gujarat Poly-AVX Electronics Limited



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(b) Details of Transactions:

Details of transactions	Rupees in 000's							
	Key Managerial personnel		Entities where the key managerial personnel have significant influence		Associate		Total Amount	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Expenses								
Rent								
Ginners & Pressers Limited	-	-	725	806	-	-	725	806
Gujarat Poly - AVX Electronics Limited	-	-	-	-	-	220	-	220
Tulsi Global Logistics Pvt. Ltd.	-	-	(378)	-	-	-	(378)	-
Electricity Charges								
Ginners & Pressers Limited	-	-	272	276	-	-	272	276
Rasayani Traders Pvt. Limited	-	-	-	135	-	-	-	135
Remuneration								
P. T. Kilachand	2,032	-	-	-	-	-	2,032	-
A. H. Mehta (w.e.f.01/06/2014)	1,272	-	-	-	-	-	1,272	-
K. V. Panchasara (w.e.f.29/05/2014)	739	-	-	-	-	-	739	-
D. V. Chauhan (w.e.f.20/02/2015)	40	-	-	-	-	-	40	-
Directors Sitting Fees								
T. R. Kilachand	6	-	-	-	-	-	6	-
N. T. Kilachand	9	9	-	-	-	-	9	9
V. V. Sahasrabudhe	24	18	-	-	-	-	24	18
Chetan Desai	18	24	-	-	-	-	18	24
Devang Vyas	18	24	-	-	-	-	18	24
Total expenses payable	4,158	75	620	1,217	-	220	4,778	1,512
Reimbursement/(Recovery) of expenses								
Connell Bros Co. (India) Pvt Ltd.	-	-	-	432	-	-	-	432
Ginners & Pressers Ltd.	-	-	(1)	1	-	-	(1)	1
Gujarat Poly - AVX Electronics Ltd.	-	-	-	-	(30)	41	(30)	41
Suntan Trading Co. Ltd.	-	-	22	555	-	-	22	555
Tulsi Global Logistics Pvt. Ltd.	-	-	(75)	117	-	-	(75)	117
Total reimbursement	-	-	(54)	1,105	(30)	41	(84)	1,146
Interest Received								
Gujarat Poly - AVX Electronics Ltd.	-	-	-	-	5,798	4,629	5,798	4,629
Inter Corporate Deposit								
Gujarat Poly - AVX Electronics Ltd.	-	-	-	-	-	24,500	-	24,500
Balance outstanding as at year end								
Gujarat Poly - AVX Electronics Ltd.	-	-	-	-	51,984	48,766	51,984	48,766

31 Segment information

(A) Segment information for primary segment reporting (by business segments)

The Company has two business segments:

- (i) Property Development
- (ii) Specialty Chemicals



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Rupees in 000's

Particulars	2014-15			2013-14		
	Property Development	Specialty Chemicals	Total	Property Development	Specialty Chemicals	Total
REVENUE						
From External Customer	-	177,891	177,891	-	168,808	168,808
Add: Inter Segment Sales	-	-	-	-	-	-
TOTAL REVENUE	-	177,891	177,891	-	168,808	168,808
SEGMENT RESULT	-	31,290	31,290	-	23,179	23,179
<u>Unallocated income:</u>						
Interest and other income			7,187			10,135
<u>Unallocated expenses:</u>						
Other expenses			23,754			18,788
Interest expense			-			-
PROFIT / (LOSS) BEFORE TAX			14,723			14,527
Provision for Current tax			5,500			-
Provision for Deferred Tax			(210)			54
Income tax provision written back			-			(85)
Income tax for earlier years			-			553
PROFIT / (LOSS) AFTER TAX			9,433			14,005
OTHER INFORMATION						
Segment Assets	16,478	40,130	56,608	15,942	71,155	87,097
Unallocated Corporate Assets			117,183			90,567
Total Assets			173,791			177,664
Segment Liabilities	-	8,122	8,122	-	21,020	21,020
Unallocated Corporate Liabilities			165,670			156,645
Total Liabilities			173,791			177,664
Additions to Fixed Assets During the Year	536	1,951	2,488	520	2,456	2,975
Depreciation	-	956	956	-	270	270

(B) Segment Information for secondary segment reporting (by geographical segments):

The Company operates only within India and hence the question of disclosure of segment information by geographical segments does not arise.

32 Derivative Instruments and unhedged foreign currency exposure

i) Derivatives outstanding as at March 31, 2015

Particulars	Current Year	Previous Year
Forward Contract to buy currency	GBP 48,400 (Rs.44,75,020/-) Euro 28,500 (Rs.19,24,046/-)	GBP 144,000 (Rs.116,92,800/-)

ii) Particulars of unhedged foreign currency exposure as at March 31, 2015

Particulars	Current Year	Previous Year
Export Trade Receivables	US \$ 39,000 (Rs.24,41,041/-) Euro 500 (Rs.33,755/-) GBP 800 (Rs.73,968/-)	US \$ 13860 (Rs.8,23,658/-) Euro 57,000 (Rs.47,81,160/-) GBP 115,200 (Rs.1,49,14,944/-)

33 Previous years figures have been regrouped/rearranged wherever necessary to confirm with current years figures.

Signatures to Notes 1 to 33

As per our attached report of even date

For **G.M.Kapadia & Co.,**
Chartered Accountants
Yagnesh Mehta
Partner

For and on behalf of the Board

Tanil R. Kilachand
Parthiv T. Kilachand
Atul H. Mehta
Kanan V. Panchasara
Deepali V. Chauhan

Chairman
Managing Director
Dy. Managing Director
Chief Financial Officer
Company Secretary & Compliance Officer

Mumbai Dated: May 11, 2015

Mumbai Dated: May 11, 2015

POLYCHEM LIMITED

FORM OF PROXY

Registered Office: 7, Jamshedji Tata Road,
Churchgate Reclamation, Mumbai 400 020.

Tel No: 022-22820048, Fax No: 022-22850606

Website: www.polychemltd.com, CIN: L24100MH1955PLC009663

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the Member		
Registered Address		
Email ID		
DP ID		Folio No / Client ID:

I/We, being the member(s) holding _____ shares of Polychem Limited, hereby appoint:

1. _____ of _____ having email – id _____ or failing him
2. _____ of _____ having email – id _____ or failing him
3. _____ of _____ having email – id _____ as my/our proxy

to vote for me/us on my/our behalf at the FIFTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Monday, 27th July, 2015 at 11.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20 Kaikhushru Dubhash Marg, Mumbai-400 001 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolutions	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Accounts		
2.	Declaration of Dividend		
3.	Re-appointment of Mr. P. T. Kilachand who retires by rotation		
4.	Appointment of Auditors and Fixing their remuneration		
Special Business			
5.	Adoption of New set of Articles of Association		
6.	Confirmation as Director and appointment as an Independent Director of Ms. Nirmala Mehendale		
7.	Confirmation as Director and appointment as an Independent Director of Mr. Yogesh Mathur		

Signed this _____ day of _____ 2015.

Signature of the Member _____

Signature of Proxy _____

Affix
Re. 1
Revenue
Stamp

Note: The proxy form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.