



POSITIVE ELECTRONICS
LIMITED

33rd ANNUAL REPORT
YEAR 2013-2014

FORWARD LOOKING STATEMENT

In this annual report we have disclosed forward-looking information to enable investors to

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and the underlying assumptions undergoing change. Should known or unknown risks or uncertainties materialize, or should underlying assumptions not materialize, actual results could vary materially from those anticipated, estimated or projected. Shareholders and Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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COMPANY INFORMATION

Board Of Directors

Name	Designation
Amitabh Sarad	Director
Atul Kumar Sultania	Additional Director
Vinay Sureka	Managing Director
Basant Agarwal	Director

Auditors

**Goenka Shaw & Co.,
Chartered Accountants
8, Ganesh Chandra Avenue
6th Floor, Kolkata-700 013**

Bankers

HDFC Bank

Registered Office

**16, Ganesh Chandra Avenue
8th Floor, Kolkata-700013
Email.Id: positive.electronics123@gmail.com
Website: www.positiveelectronics.in**

Company Secretary

**Ms. Farha Khatoon
Registrar & Transfer Agent
Maheshwari Datamatics Private Limited
6,Mangoe Lane, 2nd Floor
Kolkata- 700 001**

Audit Committee	
Name	Designation
Basant Agarwal	Chairman
Atul Kumar Sultania	Member
Amitabh Sharad	Member

Remuneration Committee	
Name	Designation
Atul Kumar Sultania	Chairman
Basant Agarwal	Member
Amitabh Sharad	Member

Shareholder investor Grievance Committee	
Name	Designation
Atul Kumar Sultania	Chairman
Basant Agarwal	Member
Amitabh Sharad	Member

NOTICE OF 33rd ANNUAL GENERAL MEETING

Notice is hereby given that the **33rd Annual General Meeting of Positive Electronics Limited** will be held on **Tuesday, 30th September, 2014 at 11.30 a.m. at the Registered Office of the Company at 16, Ganesh Chandra Avenue, 8th Floor. Kolkata-700013**, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.

“**RESOLVED THAT** of the audited Balance sheet as at 31.03.2014, Profit & Loss account for the year ended on that date along with schedules and notes thereon as placed before the board be and are hereby approved.

2. To appoint a Director in place of Mr. Amitabh Sharad, who retires by rotation and being eligible offers himself for re-appointment

3. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), **M/s Goenka Shaw & Co., Chartered Accountants (Firm Registration no. 319075E)**, the retiring Auditors, be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting (AGM) till the conclusion of the AGM to be held in the year 2020, subject to ratification of their appointment at every AGM, on such remuneration plus service tax and reimbursement of out-of-pocket and travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** Atul Kumar Sultania (**DIN : 00632710**), who was appointed as an Additional Director of the Company effective from December 11, 2013, by the Board of Directors and who holds office until the conclusion of the ensuing Annual General Meeting, pursuant to Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (as amended up to date) and Clause 49 of the Listing Agreement, Mr. Atul Kumar Sultania (**DIN : 00632710**), Director of the Company who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019”.

5. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (as amended up to date) and Clause 49 of the Listing Agreement, Mr. Basant Agarwal (**DIN : 03558881**), Director of the Company who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019”.

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Special Resolution** :

“RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

a) In definition clause of Article 1 the following definition be inserted:

‘**Electronic mode**’ means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:

- i. business-to-business and business-to-consumer transactions, data interchange and other digital supply transactions;
- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial settlements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, telemedicine, education and information research; and all related data communication services;
- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. posting of an electronic message board or network that the Company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
- vii. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
- viii. video conferencing, audio- visual mode, net conferencing and/or any other electronic communication facility.

b) A new Clause 73(e) is being inserted under Article 73 which is as under:

“75 (e) Voting by members through electronic mode

A member may exercise his vote at a General Meeting by electronic mode in accordance with Section 108 of the Companies Act, 2013 and rules made thereunder and shall be eligible to vote only once for a single resolution.”

c) A new Article 101A is being inserted after Article 101 which is as under:

“101A. Participation in Meeting of the Board by Directors through electronic mode

Notwithstanding anything contained herein, the director(s) may participate in the meeting(s) of the Board or any Committee thereof through electronic mode by video conferencing or other audio visual modes as may be prescribed, and the Director(s) so participating shall be deemed to be present at the meeting for the purposes of quorum, voting, recording of minutes and all other relevant provisions in this regard by following procedure specified under applicable laws for the time being in force and rules, regulations, circulars, notifications, guidelines etc. issued / to be issued from time to time by competent/statutory authority (ies).”

d) A new Article 154 is being inserted after Article 153 which is as under:

154. “General Clause”

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these Articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made thereunder, the provisions of the Companies Act, 2013 and rules made thereunder shall override the provisions of these Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to the aforesaid resolution.”

Date: 5th of September, 2014

Registered Office:

16, Ganesh Chandra Avenue ,
8th Floor. Kolkata-700013

**By Order of the Board of
Directors**

For Positive Electronics Limited

Sd/-

Vinay Sureka
Chairman

Notes:

1. A member entitled to attend and to vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the company. The Register of Members and Share Transfer Books will remain close from **23rd September, 2014 to 30th September, 2014** (both days inclusive) for the purpose of Annual General Meeting. A person cannot act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of total share capital of the company. The Instrument of proxy, in order to be effective, must be completed, stamped, signed and deposited at the Company's Registered Office not less than forty-eight hours before the commencement of the ensuing Annual General Meeting (AGM).
2. The Register of Member and the Share Transfer Books of the Company will remain closed from **23.09.2014 to 30.09.2014** (both days inclusive).
3. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days between 11:00 am to 2:00 pm except holidays up to the date of AGM and at AGM.
4. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
5. Members are requested to intimate change in their address immediately to **M/s Maheshwari Datamatics Pvt. Ltd.**, the Company's Registrar and Share Transfer Agents, at their office at 6, Mangoe Lane, 2nd Floor Kolkata - 700 001 Phone - 033 22435029 / 22482248 Fax - 033 22484787.
6. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to **M/s Maheshwari Datamatics Pvt. Ltd.**, Registrar and Share Transfer Agents of the Company, at their address given above.
7. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
8. Members are requested to bring copies of Annual Report to the Annual General Meeting.
9. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.

10. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
11. 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 Transfer Agent, M/s. Maheshwari Datamatics 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 Participants of the members.
12. 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/Registrar and Transfer Agent.
13. For members who have not registered their e-mail address, physical copies of the Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of 33rd Annual General Meeting and Annual Report for 2013-14 will be available on Company's website www.positiveelectronics.com for their download.
14. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communications including annual report, notices, circulars etc. from the company electronically.

15. Voting through electronic means

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote by electronic means at the 33rd Annual General Meeting (AGM) and the business may be transacted through e-voting services provided by Central Depository Securities Limited (CDSL).
- ii. The e-voting period commences on **23rd September 2014 (Tuesday) to 25th September 2014 (Thursday)**. During this period shareholders of the Company, as on the cut-off date (record date) **29th August, 2014** may cast their vote electronically. The business may be transacted through e-voting services provided by Central Depository Securities Limited (CDSL). During the period, Members of the Company, holding shares either in physical form or in dematerialised form, may cast their vote electronically. The electronic module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.
- iii. A separate communication is being sent to members to avail the e-voting facility. The Company has appointed **Mr. Anurag Fatehpuria**, Practising Company Secretary, **C.P. No. A3447** to act

as a Scrutinizer. for conducting the Scrutiny of votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

- iv. The of voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of **29th August, 2014**.

16. The instructions for members for voting electronically is given in a separate sheet.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF

THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. Atul Kumar Sultania was appointed as an Additional Director by the Board of Directors with effect from December 11, 2013 and in terms of the provisions of the Act read with relevant provisions of the Companies Act, 1956, he holds office till the conclusion of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act 2013 along with the deposit of the requisite amount proposing his candidature for the office of Director of the Company liable to retire by rotation.

Mr. Sultania is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board considers it desirable to have the benefit of his advice and guidance and recommends the resolution at Item No. 4 for approval of the members as an Ordinary Resolution.

Save and except Mr. Sultania as an appointee and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

ITEM NO.5

Mr. Basant Agarwal was appointed as Director by the Board of Directors with effect from June 15, 2013 and in terms of the provisions of the Act read with relevant provisions of the Companies Act, 1956,. The Company. Mr. Basant Agarwal (DIN : 03558881), Director of the Company who retires by rotation at the ensuing Annual General Meeting , Directors recommend to appoint him as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019.

Mr. Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board considers it desirable to have the benefit of his advice and guidance and recommends the resolution at Item No. 5 for approval of the members as an Ordinary Resolution.

Save and except Mr. Agarwal as an appointee and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of the Notice.

A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at the Registered Office of the Company between 11:00 am and 1:00 pm on all working days except Saturdays, till the date of the Annual General Meeting of the Company.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company.

Your Directors recommend the Special Resolution as set out in the notice for your approval.

ITEM NO.6

Due to the enactment of majority provisions of the Companies Act, 2013, certain changes are required to be made in the Articles of Association of the Company. Some new articles/clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under Section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

POSITIVE ELECTRONICS LIMITED

Instructions For E- Voting

The e-Voting process to be followed by the shareholders to cast their votes:

- The security holders should log on to www.evotingindia.com during the duration of the voting period and cast their votes for the resolutions on the e-Voting System.
- Shareholders who have voted on an earlier instance of voting can login using their existing password.
- First time shareholders can login to the e-Voting system using their user-id (i.e. demat account number / folio number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio. Physical shareholders will have to login with the Folio number, PAN and either DOB or Dividend Bank details for every voting.
- After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Security holders have to then select the EVSN for which they desire to vote.
- Security holders can then cast their vote on the resolutions available for voting.
- Security holders can also view the resolution details on the e-Voting website.
- Once the security holder casts the vote, the system will not allow modification of the same.
- During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.

E-Voting for Scrutinizers:

At the end of the voting period, the scrutinizer can download the entire voting data using the Scrutinizer login. e-Voting for Non-Individuals and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate Shareholders and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evotingindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Amitabh Sharad
Date of Birth	15/11/1976
Date of Appointment	15/06/2013
Directorship held in other Public Companies as on March 31, 2014	Nil
Chairmanship/ Membership of the Committee of the Board of Directors of the Company as on March 31, 2014	Nil
Number of shares held	Nil

Name of the Director	Basant Agarwal
Date of Birth	05/07/1963
Date of Appointment	15/06/2013
Directorship held in other Public Companies as on March 31, 2014	Nil
Chairmanship/ Membership of the Committee of the Board of Directors of the Company as on March 31, 2014	Nil
Number of shares held	Nil

**Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Atul Kumar Sultania
Date of Birth	26/01/1974

Date of Appointment	11/12/2013
Directorship held in other Public Companies as on March 31, 2014	1
Chairmanship/ Membership of the Committee of the Board of Directors of the Company as on March 31, 2014	Nil
Number of shares held	Nil

DIRECTOR'S REPORT

To
The Members,

Your Directors have pleased to present the 33rd Annual Report together with the statement of audited accounts of the Company for the financial year ended 31st March 2014.

PARTICULARS	31 st March 2014	31 st March 2013
Revenue from Operations	7,286,743.00	2,688,255.00
Other Income	3000	--
Total Income	7289743.00	2,688,225.00
Less: Total Expenses	7156026.00	2,501,852.00
Profit before Depreciation, Interest & Tax	133,717.00	186,373.00
Less: Interest	--	--
Depreciation		
Profit before Tax	133,717.00	186,373.00
Less: Provision for Current Tax	114,906.00	117,762.00
Profit after Tax	18,811.00	68611.00
Less: Income Tax for earlier years	--	--
Add: Profit/Loss brought forward from Previous year	68,611	(48,002)
Profit available for appropriation	5805841.00	5,7,37,230.00
Proposed Dividend on Equity Shares	--	--
Corporate Tax on Dividend	--	--
Balance carried to Balance Sheet	5824652.00	5805841.00

Your Directors report that during the year under review the company has achieved a Profit of Rs. 18,811/- (after tax).

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st march, 2014 are summarized below:

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Total Turnover	7,289,743.00	2,688,225.00
Total Expense	7,156,026.00	2,501,852.00
Profit/(Loss) after Taxation	18,811.00	68,611.00

DIVIDEND

Due to insufficient profit, your Director regret their inability to recommend any dividend for the financial years under review.

CHANGE IN AUTHORISED CAPITAL:

During the year 2013-14, the authorized capital of the Company has been increased from 2,400,000/- (Twenty Four Lacs) to 32,400,000 (Three Crores Twenty Four Lacs) by passing ordinary resolution on 09th July, 2013.

CHANGE IN REGISTERED OFFICE

The Company changed the Address of its registered office within local limits of city from 6b, Bentick Street, Asha Chambers Room No. – 2C Kolkata. West Bengal India-700001 to **16, Ganesh Chandra Avenue 8th Floor Kolkata-700013, West Bengal** with effect from **16/06/2013**.

OPERATIONS

The Company has continued to trade into dry cell batteries during the year and will future explore operation. The Company will continue to explore other areas of activities in the coming years.

DIRECTORS

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956 and Companies Act, 2013, Basant Agarwal the Directors of the Company are eligible for retirement by rotation.

- Mr. Sandip Malakar and Durgesh Singh ceased to be the director of the company with effect from 15th June 2013.
- Mr. Atul Kumar Sultania has been appointed as an Additional Director of the with effect from 11th December, 2013.

PREFERENTIAL ISSUE

In accordance with the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 (the "SEBI(ICDR) Regulations, 2009) , Company issued and allotted upto 30,00,000 (Thirty Lacs) Equity Shares of face value of Rs. 10/- per share aggregating to Rupees Three Crores (Rs. 3,000,0000) to the Promoter and to a group of strategic investors on Preferential Basis by passing a special resolution in Extra Ordinary General Meeting held on **17th January, 2014**.

FURTHER LISTING OF SHARES

The Company received "In-principle" approval under clause 24(a) of the Listing Agreement from Calcutta Stock Exchange Limited for issue upto 30,00,000 (Thirty Lacs) Equity Shares of face value of Rs. 10/- per share aggregating to Rupees Three Crores (Rs. 3,00,00,000) wide letter date 06/03/2014

AGREEMENT WITH NSDL & CDSL

- Wide Board Resolution passed in the Board Meeting at 8th November, 2013 Company decided to dematerialise its shares by entering into Agreement with NSDL & CDSL.
- The Company entered into a Tripartite Agreement with CDSL (Depository) and Maheshwari Datamatics Private Limited (RTA) on 3rd December, 2013.
- The Company entered into a Tripartite Agreement with NSDL (Depository) and Maheshwari Datamatics Private Limited (RTA) on 23RD OF JANUARY, 2014.

STATUTORY DISCLOSURE

None of the Directors of the Company are disqualified as per the provisions of Section 164 of Companies Act 2013 read with corresponding Section 274(1)(g) of the Companies Act, 1956. All the Directors have made the necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

REPORT ON CORPORATE GOVERNANCE

Your Company continues to be committed to good Corporate Governance aligned with the good practices. Your Company is in compliance with the standards set out by clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on Corporate Governance compliance duly certified by the Practicing Company Secretary forms part of this report as Annexure 'A'.

PARTICULARS OF EMPLOYEES:

The Company had no employee during the year under review, who was in receipt of remuneration in excess of the limit specified under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Amendment Rules, 2011.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

AUDITOR REPORT:

As regards the observations in the Auditor's Report the explanations given in the Notes to the Accounts are self explanatory.

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956 with correspondence to the Companies act, 2013, the Directors of the Company are eligible for retirement by rotation.

PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

The necessary information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is not applicable to the Company.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGOINGS:

The information pursuant to section 217(1) (e) of the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 is as under:

- A. Conservation of Energy: Nil
- B. Technology Absorption, Research & Development: Nil
- C. Foreign Exchange Earning / Outgo: Nil.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2014, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

A report on Corporate Governance along with a Certificate from the Practicing Company Secretaries of the Company regarding the compliance with conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under Clause 49 of the Equity Listing Agreement are annexed to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality and living standard of the employees and their families and also to the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

APPRECIATION

The Board of Directors wishes to convey their appreciation to all the Company's managing body for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

By Order of the Board of Directors

For **Positive Electronics Ltd**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our business.

Management Discussion and Analysis (MDA) is structured as follows:

- Overview of Indian Economy
- Electronics Industry Overview
- Financial Performance and Highlights
- Internal Control Systems and adequacy
- Material Development in Human Resources

OVER VIEW OF INDIAN ECONOMY

Over the last year, India's economic risks have been intensified by slowing economic growth, political logjams, high consumer price inflation, a depreciating currency and fluctuating equity markets. Growth rates over the last three years more than halved. Interest rate hikes translated into capital investment and growth in manufacturing and services becoming sluggish. We were however fortunate to have a good monsoon that helped agricultural output. The fast drop in the rupee too was checked by intervening measures by the RBI. There have been some positive movements in reaching a consensus on the introduction of the Goods & Services Tax, which will create a unified market in India and make it easier to do business across the country, thereby having a significant upside to the investment climate and overall growth. This and other policy reforms will be needed to lift the economy out of the current slowdown

With the opening up of foreign direct Investment (FDI) in several sectors, India is today an eye-catching destination for overseas investors. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian Market. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products.

India has also become a hotbed for research and development (R&D) and the country is now a preferred destination for automotive R&D, as per a study on the Global Top 500 R&D spenders by globalisation advisory and market expansion firm, Zinnov. The study noted that there was strong potential for growth in areas such as engineering analytics and that significant talent could be found in 'Deccan Triangle' region, which encompasses Pune, Bangalore and Hyderabad.

The US\$ 1.2 trillion investment planned for the infrastructure sector in the 12th Five-Year Plan will go a long way in improving export performance of Indian companies and the Indian growth story, according to Mr Anand Sharma, Union Minister for Commerce and Industry, Government of India.

Market Size:

The World Bank has projected an economic growth rate of 5.7 per cent in FY 15 for India, due to a more competitive exchange rate and several significant investment going forward. India is the third biggest economy in the world in terms of purchasing power parity (PPP), according to a World Bank report. The country was ranked 10th in the previous survey conducted in 2005. India will become the third largest economy in the world by 2043, as per Mr P Chidambaram, Union Finance Minister, India. The country has been consistently rated among the world's top three investment destinations by international bodies such as the World Bank and UNCTAD, supported by its liberal foreign investment policies.

Key Developments/Investments:

While digitisation in India continues to grow, the country's demand for paper is expected to increase by 53 per cent over the next six years, on the back of sustained growth in the number of school-going children in the hinterlands. Improved consumerism; modern retailing; rising literacy, backed by government spending on education; and the growing use of documentation is expected to sustain demand for writing and printing paper. The US Green Building Council (USGBC) has ranked India third in a list of the top 10 countries (excluding the US) for Leadership in Energy & Environmental Design (LEED) certified buildings. The list reflects the global adaptability of the most widely used and recognised system in the world guiding the design, construction, maintenance and operations of green buildings. Merchandise exports grew at a five-month high of 5.3 per cent in April 2014 to touch US\$ 25.6 billion, against US\$ 24.35 billion in April 2013, according to official data. Outbound shipments grew on the back of high-value engineering goods, drugs and pharmaceuticals, and textile products. Engineering exports rose by 21.3 per cent to touch US\$ 5.7 billion, while pharma rose 10.4 per cent to touch US\$ 1.3 billion.

With European corporations taking a cue from their US counterparts to make outsourcing mainstream, India's software companies, sensing the opportunity, are hiring and looking for acquisitions to grow in Europe. Tata Consultancy Services, India's largest information technology (IT) provider, invested in on-site hiring in Europe and also acquired French IT services player Alti for US\$ 75 million in 2013. Infosys bought Zurich-based consultancy firm Lodestone for US\$ 349 million, in 2012. More acquisitions look likely in future. The stakes held by foreign institutional investors (FII) in Indian companies touched a record high in the fourth quarter of FY 14. The estimated value of FII holdings in India stands at US\$ 279 billion.

The cumulative amount of FDI equity inflow into India stood at at US\$ 212,031million in the period April 2000–February 2014, while FDI equity inflow during April 2013–February 2014 was recorded as US\$ 20,766 million, as per data published by Department of Industrial Policy and Promotion (DIPP).

Private equity (PE) Investments in the Indian real estate sector grew by 13 per cent at Rs 7,000 crore (US\$ 1.17 billion) in 2013 as against Rs 6,200 crore (US\$ 1.03 billion) in 2012, as per a report by Cushman & Wakefield.

Government Initiatives:

In a bid to bring more Investments into India's debt and equity markets, the Reserve Bank of India (RBI) has set up a framework for investments which will enable foreign portfolio investors to take part in open offers, buyback of securities and disinvestment of shares by the Central and State governments.

FIIs and non-resident Indians (NRIs) will now be able to invest in the insurance sector, within the 26 per cent cap on FDI. DIPP confirmed in a press note that the norms would also apply to insurance Brokers, third-party administrators (TPAs), loss assessors and surveyors. The investments can be made through the automatic route.

The Government of India along with the industry has been working towards fashioning a more dynamic environment for small and medium enterprises (SMEs) and startups over the last few years. Indian SMEs employ about 40 per cent of the country's workforce and contribute 45 per cent to the overall manufacturing output. A positive policy framework allied with the growth of angel Funds and a vibrant entrepreneurial culture is contributing to the growth of first generation entrepreneurs in the country.

Road Ahead:

In an effort to take bilateral trade relations to another level, the Cabinet has given the green signal to the proposal of the free trade agreement (FTA) on services and investment with the Association of Southeast

Asian Nations (ASEAN). The two-way partnership is targeting US \$100 billion by 2015, for which an integrated and comprehensive transport network is necessary.

Thus, the emphasis is on a massive road connectivity plan which will tie the region together and subsequently enhance economic objectives. Also, agricultural gross domestic product (GDP) in the country is projected to grow by over five per cent in the current agricultural year (July 2013–June 2014).

Exchange Rate Used: INR 1 = 0.01676 as on May 13, 2014

References: Press Information Bureau (PIB), Media Reports, Department of Industrial Policy and Promotion (DIPP), Securities and Exchange Board of India (SEBI)

ELECTRONICS INDUSTRY OVERVIEW

The Indian market for dry cell batteries is now estimated to be worth over ` 1,350 crores by value and 2.5 billion pieces by volume. The battery market has few players, out of which Positivie Electronics Limited has a market share of over 0.05% between its Electronics brands. The next player lags by more than 20 percentage points. All the battery market players passed on significant price increases to offset material cost push due to continuous rupee depreciation in the recent past. However, there was no perceptible slowdown in demand due to the resultant price rise. The market has stabilised over the past two years, but with minimal growth. The latest trends indicate that the market will continue to be stable. However, the growth in volumes will be small.. Consequently, the sector is likely to record higher growth in sales turnover. The market segment pattern underwent changes during the recent past as consumers shifted from the more expensive ‘D’ size batteries to ‘AA’ sized ones

The above is quite similar to the pattern seen globally. To that extent, the recent phenomenon has resulted in the Indian market aligning itself to the global trend as far as segment share is concerned. The split of technology within the dry batteries market remained constant with the zinc carbon battery segment virtually dominating the entire market with 97% share. The alkaline battery segment has minimal share of the market at less than 2%. The rechargeable battery segment, which accounts for the balance 1% market share, has remained stagnant, despite having a loyal customer base. The consumption of batteries is driven by growth in the off-take of its applications. A growing need for portable power and the advent of a number of battery-operated gadgets like remotes, toys, clocks, and torches have catalysed consumption. Since these gadgets are used on an everyday basis, batteries have enjoyed a non-cyclical demand. Product performance review The Indian battery market volumes have remained stagnant during the current year.

OPPORTUNITIES AND THREATS:

India has a low per capita consumption across a number of product groups, batteries included, indicating an inherent potential for growth. Since dry cell batteries represent the cheapest source of portable power, consumption is expected to increase over time. Besides, growing income levels, changing lifestyles and an increased need for convenience have resulted in proliferation of gadgets run by batteries. These include remote controls, torches, toys, cameras, FM radio sets and portable music systems, among others. The segment batteries are driven primarily by devices like flashlights and radio in rural India. The proven durability and quality assurance of the Company’s products will continue to address this segment. The growth in the ‘AA’ segment will be fuelled by the proliferation of remote control devices, toys, clocks and growth of newer devices. These include the new generation ‘LED’ flashlights across both rural and urban India. The new ‘AAA’ segment will take higher share of the battery market, with introduction of smaller size devices.

Besides, the introduction of high drain equipment (digital cameras, toys) is expected to enhance the demand for more powerful rechargeable batteries. The Company made its presence felt in this segment by becoming

the first organised entrant. Rechargeable batteries continue to be a potential source for future revenues and profitability.

LIGHTING AND ELECTRICAL PRODUCTS

Although not growing at present, the GLS market still presents significant growth opportunities. The Company's distribution network in general trade and modern retail has provided a good platform to enter this category. However, further expansion is underway to tap the exclusive electrical trade. In order to make a meaningful range offering to the market, more electrical products have been added in the last few months. These include luminaires, tubelights, rechargeable batteries, rechargeable fans and LED bulbs. The category is expected to grow similarly in the coming years with expansion on distribution and product range.

In an emerging economy like India, the volume of lighting products will continue to have high growth, due to increased housing and commercial development. Newer lighting technologies will become more popular as these will be more environmentally-friendly and also provide higher value to consumers over time.

FINANCIAL PERFORMANCE AND HIGHLIGHTS

During the fiscal 2014, the gross income of the Company was Rs.7,289,743.00 Lacs previous fiscal of Rs.2,688,225.00 Lacs. Profit after tax for the fiscal 2014 was Rs.18811.00 as compared to the previous year's Rs. Rs.68611.00

- Gross Income stood at Rs. 7,289,743.00 Lacs for fiscal 2014
- Profit before Taxes of fiscal 2014 was Rs.133,717.00.
- Profit After Taxes of fiscal 2013 was Rs.18,811.00
- Basic Earnings per share for fiscal 2013 was Rs.0.05 per share.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Internal Control Systems has been designed to provide reasonable assurance that assets are Safeguarded, transactions are executed in accordance's with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. Internal check is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

Your Company philosophy is to continue to enhance the value of its stakeholders including shareholders, customers, employee's lenders and society at large. The Company believes that good corporate governance practices are sine qua non for sustainable development of business. Your Company believes that all actions and strategic plans should deliver fair value to its stakeholders. It is an integral part of the Company core value which include fairness, transparency integrity, equity, honesty and accountability .Your Company is compliance with the standards set out by Clause 49 of the listing agreement with stock exchange.

II. BOARD OF DIRECTORS

(A) The Constitution of Board of Directors of the Company is governed by the Company's Act 1956 and the Revised Clause 49 of listing agreement. The Company's Board comprises a combination of executives and non- executive Directors. The Board presently consists of 4 Directors and its mix provides a combination of professionalism, knowledge and experience required in the line of Business of the Company. The Board is responsible to manage business of the Company. The functions, responsibilities, role and accountability of the Board are well defined.

The details of the composition of the Board as on 31.03.2014.

Sr No.	Name of the Director	Designation	Executive/ Non Executive/Promoter	Independent/ Non Independent
1	Vinay Sureka	Managing Director	Executive	Non-Independent
2	Amitabh Sharad	Director	Executive	Independent
3	Atul Kumar Sultania*	Additional Director	Non-Executive	Independent
4	Basant Agarwal	Director	Non-Executive	Non-Independent
5	Sandip Malakar*	Director	Non-Executive	Independent
6	Durgesh Singh*	Director	Non-Executive	Independent

Note:

*Mr. Sandip Malakar and Durgesh Singh ceased to be the director of the company with effect from 15th June 2013.

*Mr. Atul Kumar Sultania has been appointed as an Additional Director of the with effect from 11th December,2013.

(B) Board holds periodic meetings to review and discuss performance of the Company, its future plans, strategies and other pertinent items relating to the Company. During the financial year ended on 31st March,

2014, meeting of the Board of Directors was held 12(s) times on: **29/05/2013, 07/06/2013, 4/7/2013,30/7/2013, 30/09/2013, 30/10/2013,10/12/2013, 11/12/2013, 24/12/2013,17/1/2014, 7/3/2014, 30/1/2014,**

Name	Designation	Board Meetings Attended	Whether Last AGM Attended	Directorships held in other Public Limited Companies incorporated	No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies #
Vinay Sureka	Chairman & Managing Director	12	Yes	Nil	Nil
Amitabh Sharad	Additional Director	10	Yes	Nil	Nil
Atul Kumar Sultania	Director	5	No	1	Nil
Basant Agarwal	Director	10	Yes	Nil	Nil
Sandip Malakar	Independent Director	2	No	Nil	Nil
Durgesh Singh	Independent Director	2	No	Nil	Nil

Pursuant to Clause 49 of Listing Agreement with Stock Exchanges, Memberships/Chairmanships of only Audit Committees and Shareholders Grievance committee in all Public Limited companies (excluding Positive Electronics Limited) have been considered.

The agenda and notes on agenda are circulated to the Board members in advance for facilitating meaningful and focused discussion at the Board Meeting. The Board members, in consultation with the chairman may bring up any matter for consideration of the Board.

The Board periodically reviews compliance report of all laws applicable to the Company. Steps are taken by the Company to rectify or comply the instances of non-compliance, if any noticed.

COMMITTEE OF THE BOARD:

1. AUDIT COMMITTEE
2. REMUNERATION COMMITTEE
3. SHAREHOLDER'INVESTOR GRIEVANCE COMMITTEE

I. AUDIT COMMITTEE

Your Company has an Audit committee comprising of 2 (Two) Non Executive Directors and one Executive Director. All the members of the Audit Committee are financially literate and have accounting or related financial management expertise. The terms of reference of the Audit Committee included the power as laid down in clause 49(II)(C) and the role as stipulated in Clause 49(II)(D) of the listing agreement and review of the information as laid down in clause 49(II)(E)

Authority and Responsibilities

1. The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

In addition to the above, Following is the review of Audit Committee:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;

5. To review the annual financial statements and to recommend their adoption to the Board, with particular Reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;
As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new “Terms of Reference” of the Audit Committee were approved by the Board of Directors.

The Chairman is a permanent invitee to the Committee. The representative of Statutory Auditors is permanent invitee to the Audit committee meetings.

Unaudited quarterly and audited annual financial results were reviewed, analyzed and confirmed by the committee before they were approved by the Board of Directors for submission to the stock exchanges and publication in newspaper in compliance of clause 41 of the Listing Agreement.

The Annual Accounts for the year ended 31st March, 2014 were duly reviewed by the Audit Committee at its meeting held on **23rd May, 2014** prior to adoption by the Board

During the financial year ended on 31st March, 2014, four (4) meetings of the Audit committee were held on **28/05/2013, 29/7/2013, 29/10/2013 & 28/1/2014.**

Quarterly financial reports are firstly approved by the Audit Committee and then are approved by Board. The Present composition of Audit Committee and the attendance of members during these meetings are as follows:-

<u>Name</u>	<u>Designation</u>	<u>Category</u>	<u>Meetings Attended</u>
Mr. Basant Agarwal	Chairman	Independent Director	3
Mr. Atul Kumar Sultania	Member	Independent Director	2
Mr. Amitabh Sharad	Member	Executive Director	4

Note:

1. Mr Sandip Malakar has been the member of audit committee and has attended One(1) meeting before the date of cessation of his directorship in the company.

The Chairman is a permanent invitee to the Committee. The representative of Statutory Auditors is permanent invitee to the Audit committee meetings.

Unaudited quarterly and audited annual financial results were reviewed, analyzed and confirmed by the committee before they were approved by the Board of Directors for submission to the stock exchanges and publication in newspaper in compliance of Clause 41 of the Listing Agreement.

II. REMUNERATION COMMITTEE

Since the Company has appointed Mr. Vinay Sureka as the Managing Director of the Company for a remuneration of Rs. 10,000/- p.m. , a new Remuneration Committee has been constituted since date of latter's appointed i.e. 11/12/2013. During the financial year ended on 31st March, 2014, Two (2) meetings of the Remuneration committee were held on **11/12/2013 & 7/03/2014**. the details pertaining to the same are given below.

<u>Name</u>	<u>Designation</u>	<u>Category</u>	<u>Meetings Attended</u>
Mr. Atul Kumar Sultania	Chairman	Independent Director	2
Mr. Basant Agarwal	Member	Independent Director	2
Mr. Amitabh Sharad	Member	Executive Director	2

III. SHAREHOLDER'S INVESTOR GRIEVANCE COMMITTEE

Your Company constituted the Committee to oversee the redressal of shareholders' grievances relating to transfer of shares, non-receipt of annual report, dividend etc. During the financial year ended on 31st March, 2014, four (4) meetings of the Committee were held on **29/05/2013, 4/7/2013, 30/09/2013, 7/3/2014** which was attended by all the members of the Committee. The composition of the Committee is as follows:-

<u>Name</u>	<u>Designation</u>	<u>Category</u>
Mr. Atul Kumar Sultania	Chairman	Independent Director
Mr. Amitabh Sharad	Member	Independent Director
Mr. Vinay Sureka	Member	Executive Director

In compliance of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained a user id and password for processing the investor complaints in a centralized web based SEBI Complaints Redress System - 'SCORES'. This enables the investors to view online the action taken by the Company on the complaints and its current status by logging on to the SEBI's website i.e. www.sebi.gov.in. The Company affirms that no shareholder's complaint was lying pending as on 31st March, 2014 under the 'SCORES'. The details of the complaints, excluding correspondences which are not in the nature of complaints are given below:

No. of Complaints pending as on 1st April, 2014	0
No. of Complaints received during the year	0
No. of Complaints redressed during the year	0
No. of Complaints pending as on 31st March, 2014	0

IV. CODE OF CONDUCT

The Board of Directors of the Company has formulated a code of conduct for all Board Members and Senior Management Personnel of the Company and Compliance thereof has been affirmed by all concerned. This Code of Conduct will be placed on Company's Website.

V. DECLARATION FOR COMPLIANCE OF CLAUSE 49(D)

This is to confirm that the Company has adopted a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. It is further confirmed that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2014.

Date : 23.05.2014
Place: Kolkata

Executive Director
Vinay Sureka

VI. DETAILS OF DIRECTORS APPOINTED/RE-APPOINTED

Details of directors being appointed/re-appointed have been disclosed in the notice of the Annual General Meeting, i.e. brief resume, nature of expertise in specific functional areas, numbers of directorships and committee memberships and their shareholding in the Company.

VII. GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings:

Annual General Meeting For the Financial Year	Date & Time	Venue
31st March 2011	30th September, 2011, at 11.30 A.M.	6B, Bentinck Street, Asha Chambers, Room No-2C, Kolkata- 700001, West Bengal, India
31st March, 2012	29th September, 2012, at 11.30 A.M.	6B, Bentinck Street, Asha Chambers, Room No-2C, Kolkata- 700001, West Bengal, India
31st March, 2013	30th September, 2013, at 11.30 A.M.	16, Ganesh Chandra Avenue, 8th Floor. Kolkata-700013

VIII. LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS

Two Extra-Ordinary General Meetings were held in the financial year 2013-2014. Details of which are given below:

Sr. No.	Date	Type of Meeting	Business Transacted
1.	09th July, 2013	Extra Ordinary General Meeting	Increase in Authorised Share Capital of the Company
2.	17th January, 2014	Extra Ordinary General Meeting	Preferential Allotment

IX. POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules.

X. DETAILS OF COMPLIANCE OFFICER

Name	Farha Khatoon (Company Secretary)
Phone No.	033-40054639
Email.Id	positive.electronics123@gmail.com

XI.DISCLOSURES

- (a) A statement in summary form of transactions with related parties in the Ordinary course of business is placed periodically before the Audit committee. The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company. For the list of disclosures of related party relationship and transactions as per Accounting Standard AS-18, "Related Party Disclosures", Additional Notes to the Annual Audited Accounts of the Company for the financial year ended on 31st March, 2014 may be referred to.
- (b) The Company has duly complied with the requirements of the regulatory authorities on capital market. No structures were imposed on the Company by the SEBI, or any statutory authority on any matter related to capital markets during the last three year.
- (c) There was no pecuniary relationship or transactions between the Company and the Non Executive Directors.
- (d) While preparing financial statements for the year under review, no accounting treatment which was different from that prescribed in the Accounting Standard issued by The Institute of Chartered Accountants of India was followed.
- (e) The Company does not presently have a Whistle Blower policy
- (f) The Board has received disclosures from senior management personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.
- (g) A Management Discussion and Analysis Report has been included as a part of the Directors' Report to the Shareholders for the financial year ended 31st March, 2014.

(h) **Details of Compliance with cause 49 Listing Agreement with Stock Exchange:**

- All mandatory requirements under this clause have been appropriately complied with.
- The Company has a remuneration committee, which is not a mandatory requirement under this clause as reported in paragraph iii above.
- Other non mandatory requirements will be adopted by your Company's Board as and when required and /or deemed necessary.

(i) The Company does not have any Indian Subsidiary Company and hence provision of an Independent Director of the Company on the Board of such Subsidiary Company is not applicable.

XII. MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to The Calcutta Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.

XIII. GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

XIV. SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

Day & Date : Tuesday, 30th September, 2014
Time : 11.30 A.M.
Venue : 16 Ganesh Chandra Avenue
8th Floor
Kolkata-700013

b. Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30,2014	Within 45 days of end of Quarter
Financial reporting for the quarter ending September 30,2014	
Financial reporting for the quarter ending December 31,2014	
Financial reporting for the quarter ending March 31,2014	Within 60 days of end of Quarter

Annual General Meeting for the year ending 31 st March, 2015	Last week of September 2015
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- c. Financial Year : 1st April 2013 to 31st March, 2014.
- d. Date of Book Closure : 23rd to 30th September, 2014
- e. Dividend Payment Date : No Dividend has been recommended for the year under review.
- f. Scrip Code & Listing of Shares : 26116 at The Calcutta Stock Exchanges
- g. Registrar & Share Transfer Agent : Maheshwari Datamatics Private limited
- h. Market Price data : Last Traded Price in Physical 3.25
(Scrip Not Traded In CSE Since 1997)

i. Share Transfer Systems

As on 31st March, 2014, 0.16 % of the shares of the Company are in electronic form. The share transfers which are received in physical form are processed and the share certificates returned within a period of 15-20 days from the date of receipt of the transfer, subject to documents being valid and complete in all respects. The Company also obtains from a Practicing Company Secretary, half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the certificate with the Stock Exchange.

j. Shareholding pattern as on 31st March 2014

- Distribution of Shareholding as on 31st March, 2014:

SHAREHOLDING IN NOMINAL VALUE	NO. OF SHAREHOLDER S	% OF SHAREHOLDING G	NO. OF SHARES	% OF SHARE HOLDING
UPTO 5,000	405	98.06	11800	0.37
5001-10000	0	0.00	0	0.00
10001-20000	0	0.00	0	0.00
20,001 - 30,000	0	0.00	0	0.00
30001-40000	0	0.00	0	0.00
40001-50000	0	0.00	0	0.00
50,001 - 1,00,000	3	0.73	188200	5.88
1,00,001 AND ABOVE	5	1.21	3000000	93.75
Total	413	100	3200000	100.00

k. Category of Shareholders as on 31st March, 2014

Category	No. of Shares Held	% of shareholdings
Promoters & Promoter Group	640020	20%%
Institutional Investors	-	-
Bodies Corporate	2550725	79.71%
Indian Public	9255	0.29%
Total	3200000	100%

l. Dematerialization of Equity Shares & Liquidity

Particulars of Shares	Equity Shares of Rs.10 each	
	Number	% of Total
Physical Form	3195000	99.84%
Dematerialised Form	5000	0.16%
Total	3200000	100%

m. **Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity:** Not Applicable.

n. Reconciliation of Share Capital Audit

A Practicing Company Secretary carried out Reconciliation of share capital audit to reconcile total issued and listed capital. The Audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and dematerialized form. This audit is carried out every quarter and the report thereon is submitted to Stock Exchanges.

o. Investors' Correspondence

Shareholders can contact the Company Secretary for their grievances at :

Positive Electronics Limited

**Farha Khaton
(Company Secretary)**

16 Ganesh Chandra Avenue
8 th Floor, Kolkata-700013
West Bengal

CERTIFICATION TO THE BOARD

The Board of Directors Positive Electronics Limited
Ref- Financial Statements for the period ended March 31, 2014:

I, Vinay Sureka, Managing Director, of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2014 along with cash flow statement for that period and to the best of our knowledge and belief, certify under Clause 49 of the Listing Agreement that:-

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws a regulation.
- c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending March 31,2014, that are fraudulent, illegal or volatile of the Company's Code of Conduct.
- d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting We have indicated to the Auditors and the Audit Committee:
 - o Significant changes in internal control over financial reporting during the year;
 - o Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - o Instances of significant fraud, if any, of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mr. Vinay Sureka
(Chairman)

Place: Kolkata
Date: 23.05.2014

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
POSITIVE ELECTRONICS LIMITED
16, Ganesh Chandra Avenue
8th Floor, Kolkata-700013,
West Bengal

We have examined the compliance of Corporate Governance by **POSITIVE ELECTRONICS LIMITED** for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

Place: Kolkata

For Priti Todi
Practicing Company Secretary

Date: 23.05.2014

C.P. No. 12935



Independent Auditor's Report

**The Members of
Positive Electronics Limited**

Report on the Financial Statements

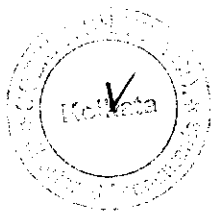
1. We have audited the accompanying financial statements of M/s. **Positive Electronics Limited** which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





Opinion

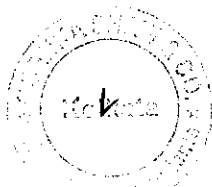
6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
 - ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. Without qualifying our report, we draw attention to :
- i) Note No. 7.1 of the Notes to Financial Statements regarding the Non-current investments, the Net Assets Value (NAV)/Book Value (BV) of the investments as at 31st March 2014 are not available; hence the diminution if any in value thereof is uncertain and not determined. As per the management, short fall if any in the value of such investments is temporary in nature.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns/statements adequate for the purposes of our audit have been received from garden not visited by us;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;






GOENKA SHAW & CO
Chartered Accountants

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

f.

For **GOENKA SHAW & CO.**
Chartered Accountants
FRNo. 319075E.


CA. Saroj K. Swain
Partner
Membership number: 061912
Place: Kolkata
Date: The 23rd day of May' 2014





ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: POSITIVE ELECTRONICS LIMITED

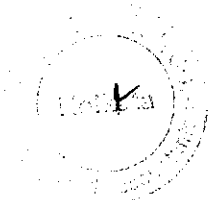
(Referred to in paragraph 8 of our report of even date)

- (i) The Company does not have any fixed assets during the year. Therefore the provision of the clause (i) of paragraph 4 of the aforesaid Order in our opinion is not applicable to the Company.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of records of inventory and in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operation of the company.
- (iii) (a) On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has during the year not accepted any loan secured or unsecured from the Companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act' 1956.
- (b) On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has during the year not granted any loans secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act' 1956.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further during the course of our audit, we have neither come across, nor have we been informed of any continuing failure to correct major weaknesses in internal control system.





- (v) (a) On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has during the year not entered into transaction that needs to be entered into the Register maintained under Section 301 of the Companies Act 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Tribunal against the company.
- (vii) According to the information & explanations given to us, the Company has no internal audit system commensurate with the size and nature of its business during the year.
- (viii) On the basis of information & explanations made available to us, we are of the opinion that, The Central Government has not prescribed for the maintenance of any cost records under Section 209(1)(d) of the Companies Act 1956 for the Company
- (ix) (a) On the basis of our examination of the books of account and according to the information & explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, wealth tax, service tax, custom duty, excise duty and other statutory material dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of the above, which were outstanding as at 31st March 2013 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 dues of sales tax, customs duty, excise duty, service tax, income tax, wealth tax and cess which have not been deposited on account of any dispute,
- (x) The Company has no accumulated losses as at the end of the year and it has incurred no cash loss during the year covered under the audit and also during the immediately preceding financial year.





- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has during the year neither taken any loan from bank or financial institution nor issued any debenture, therefore the provisions of clause-4(xi) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore the provision of clause (xiii) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- (xiv) As per records of the Company and the information & explanations given to us by the management, the Company is dealing in or trading in shares, securities, debenture and other investments and in our opinion, proper records have been maintained of the transactions and contracts, and timely entries have been made therein, also the shares, securities, debentures and the other investments have been held by the Company in its own name.
- (xv) According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others, from banks or financial institutions, the terms & conditions whereof are prejudicial to the interest of the Company.
- (xvi) On the basis of our examinations and according to the information and explanations given to us, the company has during the year not raised any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no fund raised during the year on short-term basis have been used for long-term investment .
- (xviii) The Company has made preferential allotment of shares during the year to a party covered in the register maintained U/s.301 of the Companies Act' 1956. On the basis of record made available and according to the information & explanations given to us, we are of the opinion that the price at which the shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures during the year under audit. Accordingly, the provision of clause (xix) of paragraph 4 of the aforesaid Order is not applicable to the Company.






GOENKA SHAW & CO
Chartered Accountants

- (xx) The Company has not raised any money by way of public issue during the year. Therefore the provisions of clause (xx) of the paragraph 4 of the aforesaid Order are not applicable to the Company.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.

For **GOENKA SHAW & CO.**
Chartered Accountants
FRNo. 319075E


CA. **Saroj K. Swain**
Partner.

Membership No. 061912

Place : Kolkata.

Dated : The 23rd Day of May' 2014



POSITIVE ELECTRONICS LIMITED


(Amount in Rs.)

Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31st Mar, 14		As at 31st Mar, 13	
EQUITY AND LIABILITIES ::					
Shareholders' Funds :					
Share Capital	2	32,000,000.00		2,000,000.00	
Reserves and Surplus	3	5,824,652.00	37,824,652.00	5,805,841.00	7,805,841.00
Current Liabilities :					
Trade Payables	4	3,302,505.00		2,463,925.00	
Other Current Liabilities	5	7,079,870.00		20,000.00	
Short Term Provisions	6	108,855.00	10,491,230.00	35,513.00	2,519,438.00
Total			48,315,882.00		10,325,279.00
ASSETS ::					
Non Current Assets :					
Non Current Investment	7	43,450,000.00		6,000,000.00	
Long Term Loans & Advances	8	-	43,450,000.00	1,500,000.00	7,500,000.00
Current Assets :					
Trade Receivables	9	4,286,744.00		2,688,225.00	
Cash and Bank Balances	10	519,538.00		77,454.00	
Short Term Loans & Advances	11	59,600.00		59,600.00	
			4,865,882.00		2,825,279.00
Total			48,315,882.00		10,325,279.00
Notes to the Financial statements 1 - 23					


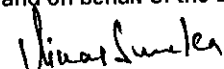
This is the Balance sheet referred to in our report of even date

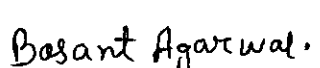
For GOENKA SHAW & CO.
Chartered Accountants.


CA. SAROJ K. SWAIN
Partner.



For and on behalf of the Board


Atul Sultania

Vinas Sunkar
Director


Basant Agarwal
Director

Place : Kolkata

Date : 23rd day of May , 2014

POSITIVE ELECTRONICS LIMITED


(Amount in Rs.)

Statement of Profit and Loss Account for the year ended 31st March, 2014

Particulars	Note No.	For the year ended 31st Mar, 14		For the year ended 31st Mar, 13	
REVENUE :					
Revenue from Operations	12	7,286,743.00		2,688,225.00	
Other Income	13	3,000.00	7,289,743.00	-	2,688,225.00
Total Revenue			7,289,743.00		2,688,225.00
EXPENSES :					
Purchases of Stock in Trade	14		6,502,505.00		2,463,925.00
Other Expenses	15		653,521.00		37,927.00
Total Expenses			7,156,026.00		2,501,852.00
Profit before Tax (PBT)			133,717.00		186,373.00
Tax Expenses :					
Current Tax		108,855.00		35,513.00	
Interest on income Tax		6,051.00		-	
Deferred Tax Charges/(Credit)		-	114,906.00	82,249.00	117,762.00
Profit/ (Loss) for the period after Tax (PAT)			18,811.00		68,611.00
Earnings per equity share of face value of ` 10 each Basic and Diluted (in `)	16		0.05		0.34
Notes to the Financial statements	1 - 23				

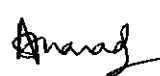
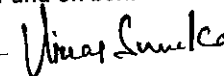
This is the Statement of Profit & Loss referred to in our report of even date

For GOENKA SHAW & CO.
Chartered Accountants.


CA. SAROJ K. SWAIN
Partner.



For and on behalf of the Board

 
Anand Sultana Director
Basant Agarwal Director

Place : Kolkata

Date : 23rd day of May , 2014

POSITIVE ELECTRONICS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE NO. :

1. SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Convention:

The financial statement has been prepared under the historical cost convention in accordance with the generally accepted accounting principles as adopted consistently by the company.

ii) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

iii) Investments:

Long term investments are stated at cost. Short Term Investments are stated at lower of cost or fair value. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary in nature in the opinion of the Management. .

iv) Inventories:

Inventories are valued at lower of cost or net realizable value.

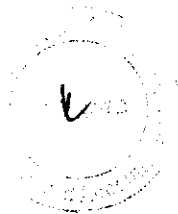
v) Recognition of Revenue:

Sales:

The sales are recognized at the point of dispatch of material to the customers and bills are raised to them. Sales are shown net of goods return, rebates, rate differences etc.

Income & Expenditure:

The Company follows mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis.



vi) **Employees Benefit:**

a) Short Term Employee Benefits:

These are recognized at the undiscounted amount as expense for the year in which the related service is rendered, except leave encashment.

b) Post Employment Benefit Plans:

i) Defined Contribution Plan:

Contribution under defined contribution plan payable in keeping with the related scheme are recognized as expenditure for the year.

ii) Define Benefit Plan:

Gratuity liability, being a defined benefit obligation is provided for on the basis of an actuarial valuation based on projected unit credit method

c) Other Employee Benefits:

Other Employee Benefits being short term in nature are accounted on actual disbursement.

vii) **Borrowing Costs:**

Borrowing costs attributable to qualifying assets are capitalized up to the date when such assets are ready for their intend use, other borrowing cost are recognized as expenses in the period in which they are incurred.

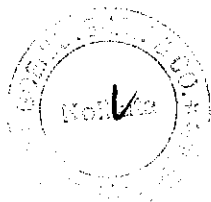
viii) **Earnings per Share:**

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity share holders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse shares split (consolidation of shares).

For the purpose of calculating diluted earnings per shares, the net profit or loss after tax for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects for all dilutive potential equity shares.

ix) **Tax on Income:**

Current Tax represents the amount that would be payable based on the computation of tax as per prevailing taxation laws under IT Act 1961. Deferred tax is recognized subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is calculated using the tax rates and tax laws that has been enacted and/or substantially enacted as at the



Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is virtual certainty that such deferred tax assets can be realized.

x) **Contingent Liabilities & Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to the Financial Statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

xi) **Cash and cash equivalents:**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

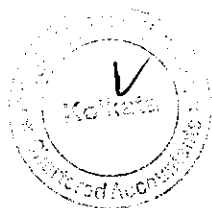


POSITIVE ELECTRONICS LIMITED		
(Amount in Rs.)		
Notes to Financial Statements - 31st Mar, 14		
Particulars	As at 31st Mar, 14	As at 31st Mar, 13
Note 2- Share Capital		
Number of Authorised Equity Share Capital	Amount	Amount
32,40,000 (2,40,000) Equity shares of Rs. 10/- each	32,400,000.00	2,400,000.00
Number of Equity share capital Issued, Subscribed and Paid up	Amount	Amount
32,00,000 (2,00,000) Equity shares of Rs. 10/- each fully paid up in cash	32,000,000.00	2,000,000.00
Par value per equity share	10.00	10.00
2.01. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
Number of shares outstanding as at the beginning of the year	200,000	200,000
Addition during The Year	3,000,000	-
Number of shares outstanding as at the end of the year	3,200,000	200,000
2.02. Details of shares held by each shareholder holding more than 5% shares		
Name of Equity Shareholders	% holding /	% holding /
	No of Shares	No of Shares
1.Sushil Kumar Jiwarajka	-	10.00
2.Rajendra Prasad Khaitan	-	20,000
	-	47.50
3.Sarla Devi Khaitan	-	95,000
	-	12.50
4.Ranisati Financial Consultants Pvt Ltd	15.91	-
	509,000	-
5.Linkline Business Pvt Ltd	19.46	-
	622,750	-
6.Everfast Ventures Pvt Ltd	19.46	-
	622,750	-
7.Nonstop Infrastructure Pvt Ltd	19.46	-
	622,750	-
8.Flowtop Residency Pvt Ltd	19.46	-
	622,750	-
<p>2.03. The company has only one class of shares viz. equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share and is entitled to pro-rata dividend, if any declared on equity shares. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holdings.</p> <p>2.04. The company has issued and allotted 30,00,000 equity shares at the face value of Rs.10/- each vide the Special resolution passed in the Extra Ordinary General meeting held on 17th Day of January' 2014 to the promoter and to a group of strategic investors, not forming part of the promoter group of the company upon preferential allotment basis, rank pari passu with the existing equity shares of the Company in all respect. Consequent to such allotment, the percentage of holding of the promoters' and their gr in the equity shares of the company is 20 against the earlier holding of 65.51</p>		
Note 3 - Reserves and Surplus		
Surplus brought down from last year :	5,805,841.00	5,737,230.00
Add : Surplus/(Deficit) for the year	18,811.00	68,611.00
Surplus carried forward to next year	5,824,652.00	5,805,841.00



POSITIVE ELECTRONICS LIMITED		
		(Amount in Rs.)
Notes to Financial Statements - 31st Mar, 14		
Particulars	As at 31st Mar, 14	As at 31st Mar, 13
Note 4 - Trade Payables		
Trade Creditors	3,302,505.00	2,463,925.00
	3,302,505.00	2,463,925.00
4.1 Sundry Creditors do not include any dues to micro, small and medium enterprises on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.		
Note 5 - Other Current Liabilities		
Liability For expenses	29,870.00	20,000.00
Subscriber Amount Due	7,050,000.00	-
Total	7,079,870.00	20,000.00
Note 6 - Short Term Provisions		
Provision for Income Tax	108,855.00	35,513.00
Total	108,855.00	35,513.00
Note 7 - Non Current Investment (At Cost)		
Long term - Non Trade Investments		
In Equity shares (Unquoted fully Paid-up))(Face value of Rs. 10/-each)		
Bir Steel P Ltd. 15000 (15000)	1,500,000.00	1,500,000.00
Bothra Mega Bazar P Ltd. 20000 (20000)	2,000,000.00	2,000,000.00
C. K. Plastics P Ltd. 10000 (10000)	1,000,000.00	1,000,000.00
Jannavi Promoters P Ltd. 15000 (15000)	1,500,000.00	1,500,000.00
Indigo Vincom P Ltd 900 (Nil)	450,000.00	-
Ayodhya Vincom P Ltd 57843 (Nil)	29,500,000.00	-
	35,950,000.00	6,000,000.00
Long term - Trade Investments		
In Equity shares of 100% owned Subsidiary companies - Unquoted, Subscribed (Face value of Rs 1/- each)		
Mangonel Traders Ltd 500000	500,000.00	-
Mangonel Exim Ltd 500000	500,000.00	-
Mangonel Vincom Ltd 500000	500,000.00	-
Mangonel Infraproperties Ltd 500000	500,000.00	-
Mangonel Commercial Ltd 500000	500,000.00	-
Mangonel Advisors Ltd 500000	500,000.00	-
Mangonel Enclave Ltd 500000	500,000.00	-
Mangonel Interiors Ltd 500000	500,000.00	-
Mangonel Buildcon Ltd 500000	500,000.00	-
Mangonel Towers Ltd 500000	500,000.00	-
Mangonel Infrastructure Ltd 500000	500,000.00	-
Mangonel Consultants Ltd 500000	500,000.00	-
Mangonel Infradevelopers Ltd 500000	500,000.00	-
Mangonel Projects Ltd 500000	500,000.00	-
Mangonel Mercantile Ltd 500000	500,000.00	-
	7,500,000.00	-
Total	43,450,000.00	6,000,000.00

Figures in bracket represent No. of shares of previous year



POSITIVE ELECTRONICS LIMITED

(Amount in Rs.)

Notes to Financial Statements - 31st Mar, 14

7.1 In the absence of Audited accounts, the Net Assets Value (NAV) / Book Value (BV) of Investments other than the investment in wholly owned subsidiary companies as at 31st March, 2014 are not available, hence the diminution if any in value thereof are uncertain and not determined. The management is of the opinion that short fall if any in the value of such investments is temporary in nature.

7.2. During the year, the company has subscribed in 15 companies to hold 100% Equity Share Capital thereof amounting to Rs. 75 lacs. The Money payable by the company to all its subsidiaries under the Memorandum & Articles of Association has been shown under other current liabilities as subscriber amount due.

Note 8 - Long Term Loans & Advances

Other Advances-Unsecured, considered good	-	1,500,000.00
Total	-	1,500,000.00

Note 9 - Trade Receivables

Exceeding 6 months	-	-
Other debts	4,286,744.00	2,688,225.00
Total	4,286,744.00	2,688,225.00

Note 10 - Cash & Bank Balances**Cash & Cash Equivalents**

Balances with bank		
In Current Account	182,570.00	-
Cash on hand (As certified by Management)	336,968.00	77,454.00
Total	519,538.00	77,454.00

Note 11 - Short Term Loans & Advances

Deposit with Statutory Authority	59,600.00	59,600.00
Total	59,600.00	59,600.00

Particulars	For the Year ended	
	31st Mar' 2014	31st Mar' 2013

Note 12 - Revenue from Operations

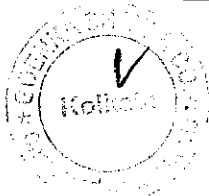
Sale of Goods	7,286,743.00	2,688,225.00
Total	7,286,743.00	2,688,225.00

Note 13 - Other Income

Other receipt	3,000.00	-
Total	3,000.00	-

Note 14 - Purchases of Stock in Trade

Purchases	6,502,505.00	2,463,925.00
Total	6,502,505.00	2,463,925.00



POSITIVE ELECTRONICS LIMITED (Amount in Rs.)

Notes to Financial Statements - 31st Mar, 14

Note 15- Other Expenses		
	522.00	754.00
Bank/ Demat Charges	10,050.00	-
Carriage Inward	5,000.00	900.00
Advertisement & Publicity	1,098.00	250.00
Printing & Stationery	5,987.00	3,560.00
Miscellaneous Expenses	4,187.00	865.00
Conveyance Charges	168,541.00	11,798.00
Fees & subscription	227,266.00	5,100.00
Filing Fees	215,870.00	4,700.00
Legal & Professional Charges		
Payment to Auditor :		
As Audit Fees	15,000.00	10,000.00
Total	653,521.00	37,927.00

Note 16

Earning per Share(EPS)

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	18,811.00	68,611.00
Weighted Average Number of equity shares outstanding (No.)	405,479.00	200,000.00
Basic and Diluted Earnings per share (Rs.)	0.05	0.34
Face Value per equity share (Rs.)	10.00	10.00

Note 17

Contigent liabilities not provided for in the account

Nil

Nil

Note 18

The company has no identifiable segment reporting segment for the purpose of segment reporting.

Note 19

The company has during the year not entered in to the transaction with the related parties, hence no disclosure has been made.

Note 20

The company has no employee during the year, therefore no benefits (both short & long term) for the employees are provided for.

Note 21

Earning and Expenditure in Foreign Currency

Nil

Nil

Note 22

Balance of the sundry creditors, sundry debtors and some of the loans & advances given are subject to confirmation.


Note 23

Subsequent to the Balance sheet date, the company has made an application to Bombay Stock Exchange for listing of it's shares. Necessary formalities and steps for listing are under process.

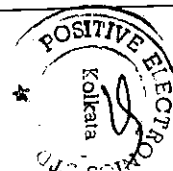
Note 24

Previous years figures have been regrouped, rearranged and recast wherever considered necessary.

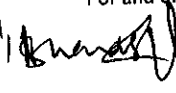
For GOENKA SHAW & CO.
Chartered Accountants.


CA. SAROJ K. SWAIN
Partner.

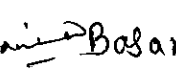
Mem No- 061912
Place : Kolkata
Date : 23rd day of May, 2014



For and on behalf of the Board


Atul Sultana

Director


Basant Agarwal

Director

Positive Electronics Limited

CIN: L67120WB1981PLC 033990

Regd Office: 16, Ganesh Chandra Avenue 8th Floor, Kolkata-700013

Tel: 033 22435029 / 22482248

Email.Id: positive.electronics123@gmail.com, Website: www.positiveelectronics.in

ATTENDANCE SLIP

Folio No:

No. of Shares held:

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 33rd Annual General Meeting at 16, Ganesh Chandra Avenue, 8th Floor, Kolkata-700013 on the 30th day of September, 2014 at 11.30a.m.

Name of the Shareholder/Proxy:-

Signature of the Shareholder/Proxy:-

Positive Electronics Limited

CIN: L67120WB1981PLC 033990

Regd Office: 16, Ganesh Chandra Avenue 8th Floor, Kolkata-700013

Tel: 033 22435029 / 22482248

Email.Id: positive.electronics123@gmail.com, Website: www.positiveelectronics.in

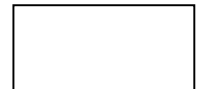
PROXY FORM

Folio No:

No. of Shares held:

I/We ----- of ----- in the district of -----
----- being a member/members of M/s. Positive Electronics Limited, hereby appoint -
----- of ----- in the District of ----- or failing him -----
of ----- in the District of ----- as my / our Proxy to vote for me/ us
on my/our behalf, at the Thirty Third Annual General Meeting to be held at 16, Ganesh Chandra Avenue, 8th
Floor, Kolkata-700013 on Tuesday the 30th day of September 2014 at 11.30 a.m and at any adjournment
thereof.

Signed this ----- day of -----, 2014



SIGNATURE _____

NOTE:

- 1. In the case of a Corporation this Proxy shall be either given under the Common Seal or signed on its behalf by an Attorney or Officer of the Corporation.*
- 2. Proxies to be valid must be deposited at the Registered Office of the Company, not later than 48 hours before the time for holding the Meeting.*

Book post

If undelivered please return to;

**Positive Electronics Limited
16 Ganesh Chandra Avenue,
8th floor,Kolkata-700013**