

ANNUAL REPORT
2010-11

POSITIVE ELECTRONICS LIMITED

Forward Looking Statement

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.

Corporate Information

BOARD OF DIRECTORS

Vinay Sureka

Executive / Non Independent Director

Shyam Sundar Jiwrajka

Executive / Non Independent Director

Pradeep Keyal

Non Executive / Independent Director

Sandip Malakar

Non Executive / Independent Director

Pradeep Kumar Gaine

Non Executive / Independent Director

COMPLIANCE OFFICER

Vinay Sureka

AUDITORS

Goenka Shaw & Co.

Chartered Accountants

CA Saroj K Swain

Partner

Membership No. 061912

BANKERS

Canara Bank

REGISTERED OFFICE

5, Commissariat Road, Hastings

Kolkata 700022

Notice

Notice is hereby given that the **THIRTEITH ANNUAL GENERAL MEETING** of the Members of **Positive Electronics Limited** will be held at the Registered office of the Company at 5, Commissariat Road, Hastings Kolkata 700022 on 30th September, 2011 at 11:30 a.m. to transact the following business

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31st March, 2011 along with the reports of the Directors and Auditors thereon.

“RESOLVED THAT draft of the audited balance sheet as at 31.03.2011 , 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 consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Goenka Shaw & Co., **Chartered Accountants** be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting for the financial year 2010-11 at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of Directors.”

3. To appoint a Director in place of Mr. Sandip Malakar who retires by rotation and being eligible offers himself for re-appointment.

4. **“RESOLVED THAT** pursuant to the provisions of the Section 256 and other applicable provisions, if any of the Companies Act ,1956, Mr. Sandip Malakar who retires by rotation, and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.”

Date: 5th September, 2011

By Order of the Board of Directors
For positive Electronics Limited

Sd/-
Vinay Sureka
Chairman

Place: Kolkata
Date: 5th September, 2011
Registered Office:
5, Commissariat Road,
Hasting Kolkata
700022

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..**
2. The Register of Members and Share Transfer Books will remain close from 27th September, 2011 to 30th September, 2011 (both days inclusive) for the purpose of Annual General Meeting.
3. 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).
4. Corporate Members are requested to send to the Company's Registered office, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
5. Members/Proxies are requested to bring their attendance slip sent herewith, duly filled in, for attending the meeting.
6. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the persons seeking re-appointment as Director under item no. 3.
7. Any member desirous of getting any information on the accounts of the Company is required to forward his/her queries at least 7 days prior to the meeting so that the required information can be made available at the meeting.

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	Sandeep Malakar
Date of Birth	31.10.1977
Date of Appointment	14.03.2011
Qualification	H.S.
Expertise	Wide experience Financial matters.
Directorship held in other Public Companies as on March 31, 2011	Nil
Chairmanship/ Membership of the Committee of the Board of Directors of the Company as on March 31, 2011	Nil
Chairmanship/Membership of the Committee of Directors of other Public Companies as on 31st March, 2011	Nil
Number of shares held	0

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DIRECTORS REPORT

To
THE MEMBERS
POSITIVE ELECTRONICS LIMITED

Your Directors have pleasure in presenting their thirtieth Annual Report of the Company together with the audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL PERFORMANCE

<u>PARTICULARS</u>	<u>As on 31st March 2011</u>	<u>As on 31st March 2010</u>
Revenue from Operations	21,44,083.61	20,11,318.00
Other Income	15,32,852.03	6,31,417.00
Total Income	36,76,935.64	26,42,735.00
Less: Total Expenses	39,75,385.84	24,30,956.00
Profit before Depreciation, Interest & Tax	(3,09,671.10)	2,11,779.00
Less: Interest	--	--
Depreciation	5,610.00	6,842.00
Profit before Tax	(3,04,061.10)	2,04,937.00
Less: Provision for Current Tax	--	13,500.00
Less: Income Tax for earlier years	2,148	(543.00)
Profit after Tax	(3,06,209.10)	1,91,979.00
Add: Profit brought forward from Previous year	--	58,99,461.00
Profit available for appropriation	--	--
Proposed Dividend on Equity Shares	--	--
Corporate Tax on Dividend	--	--
Balance carried to Balance Sheet	(3,06,209.10)	60,91,440.00

Your Directors report that the working of the Company for the year under review has resulted in a Loss of Rs. 3,06,209.10/- (after tax).

OPERATION:

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.

DIVIDEND

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

APPOINTMENT OF DIRECTORS

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

STATUTORY DISCLOSURE

None of the Directors of the Company are disqualified as per the provisions of 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.

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.

AUDITORS

The Auditors M/s Goenka Shaw & Co., Chartered Accountants, Kolkata, statutory Auditors of the Company retiring at the forthcoming Annual General Meeting of the Company being eligible offer themselves for re-appointment as the statutory Auditors till next Annual General Meeting of the Company.

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

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.

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.

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 2013, 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.

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'.

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.

Cautionary Statement

Statements in this Directors' Report & Management Discussion and Analysis Report describing the Company's activities, projections about the future, estimates, assumptions with regard to global economic conditions and Government policies, etc. have been made in good faith and may be "forward looking statements" within the meaning of applicable securities laws and regulations. Many unforeseen factors may come into play and affect the actual results which might differ from those either expressed or implied. Market data was based on information gathered from various published and unpublished sources and their reliability and completeness cannot be assured.

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

Sd/-
Vinay Sureka
Chairman

Place: Kolkata
Date: 5th September, 2011
Registered Office:
5, Commissariat Road,

Management Discussion & Analysis

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:

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

Industry Overview

and developments in the techniques of production. The consumer trends and preferences are also changing. Lifestyle changes are influencing demand of large capacity products. New formats such as multi-door refrigerators are finding quick acceptance. Factors such as Style, Design and Colour reflect the buyer's personalities and such factors are also considered in the purchase process. Consumers are willing to pay a premium for good design.

Some of the factors that could result in the growth of the Consumer Electronics & Home Appliances Industry are:

1. Changed Lifestyle & Changed Taste
2. Higher Disposable Income & Affordable Prices
3. Easy Financing & Easy loans and credit card purchases
4. Increased Scope of Advertising

The demand for Consumer Electronics products is expected to increase because the standard of living of the masses has been uplifted, which motivates them to live lavish life. Emphasis has been given by manufacturers on improving efficiencies, consumer research, brand building, retail refurbishments, strengthening after sales service and focusing on high end products to maintain the bottom line.

Your Company seeks to bring variety in its range of products. The range of products include Refrigerators, Air conditioners, Televisions, Washing Machines, Microwave ovens and other small appliances. Every product of the Company is different and has its own unique characteristic.

Your Company is committed to produce user friendly products. It emphasizes on production with the use of automated technology to reduce cost and time of the consumers.

Your Company proposes to increase its money spent on R & D activities, so as to come up with new products with better technology. Your Company will be focusing on branding and advertisement activities to create more awareness among the consumers.

The key growth drivers of refrigerator business in India are likely to be:

- Growth of organized retail;
- Emergence of nuclear family and changing lifestyle trends; and
- Higher disposable income and greater aspirations bringing about a qualitative change in the preferences.

Washing Machines:

Washing Machine has become an indispensable home appliance. Now a days, with advancement of technology and awareness among the customers, there are variety of products coming in market every day. The products of the Company can be classified into following three streams -

- Front Loaded
- Top Loaded
- Semi Automatic

Some of the USPs developed by the Company for washing machines are:

- Do it yourself mechanism;
- 3 inbuilt programs – pre-wash, eco-wash and intensive wash technology; and
- Attractive designs, vibrant colours, body graphics etc.

The Company is doing research on designing machines that use lesser amount of water and detergent. Also, noise reduction is another aspect; the manufactures are taking into account.

Air Conditioners:

While human desire to control the indoor environment led to the invention of air conditioning systems, growth in population, steady economic progress, industrialization, rising standard of living, affordability of technology and increase in commercial applications have led to its rapid proliferation across the globe.

The Air Conditioner market has been expanding because of increased investments in high-end industries and introduction of more sophisticated industrial processes. New commercial users and existing users such as retail outlets, shopping malls, hotels, travel agencies, restaurants have also

contributed to the growth of this market. Boom in the Indian software industry i.e. IT Parks, Call Centres, BPOs have a major contribution in this market.

Microwave Ovens:

For years, microwave ovens were considered as merely reheating machines. Changing lifestyle, varied eating habits and experiment in cooking etc., have led to tremendous innovations in the Microwave ovens. The market for the same is growing and there is always a threat of competition from multinational companies.

Lack of time, changing eating habits, growing disposable income and more and more women getting into service/work culture have resulted into growth of this segment. Microwave oven are seen as a tools for facilitating Convenience.

Televisions:

Consumer electronics market is majorly influenced by technology which is changing day by day with many innovations and continuous R & D. Consumer preferences, life style, comfort are the major factors which lead to new innovations in technology and to provide new comfort to the users by developing user friendly yet technically sound products. We are also upgrading our range of products with latest technology and innovations.

In television sector, we have a range of products in the following categories -

- LED TV
- LCD TV
- Ultra Slim TV
- Flat TV
- Conventional TV
- Integrated Digital TV

The Televisions have following eye catching features -

- Nano Pix Technology - which provides optimum brightness to the colours so that one cannot miss even the finest details while watching.
- 3D active shutter technology - which separates images for the left and right eyes and records them at FULL HD quality. Playing them alternatively at high speed, thus, creating the illusion of a three dimensional image.

- Bluetooth enabled model with 120 HZ Motion impact - which increases picture sharpness and overall image quality. The edges of object are very clearly defined and images move smoothly without any interruptions.

The world is all about branding and advertising. The brand is associated with a benchmark and goodwill. It has a value and it creates an impression on the minds of the customers. Videocon's mission is to make its brand better, aspirational and increase consumer pull. With a wide and vast range of products, which are the results of constant innovation and technology upgradation, the brand provides a solution to all their needs that will keep closer to the hearts of millions of consumers.

USB (JPEG, MP 3) - build in with a 2.0 compatible version of USB. With this, you can watch your images and can listen to music on your LED TV.

- Energy Meter - Television has energy meter as a visual indicator to prompt user about energy consumption. Just by pressing a button a user can understand the current power consumption level and based on these details user can adjust the eco vision parameters that suits best of users choice to save energy and environment too.
- Captured Logo - With this function user can personalize his TV. He can select any picture from USB and watch the same as a screen saver in the TV.

In this changing world, your Company is launching many new technologies like LED TVs, 3D TVs, DTH LED TVs, net connected TVs with many attractive designs and aesthetics to delight Indian consumers with wide range of products. The Company has also introduced many unique selling propositions like models with brush and metal finish, slim TVs etc. Health TV is another platform which has been introduced in LCD's and LED TV models to take care of consumer's health perspective.

Refrigerators:

Refrigerators have increasingly been finding their way into Indian homes. The refrigerator has marked off as the hub of the kitchen. The advancement of technology has left customers asking for more and more. The refrigerator no longer remains a boring utility appliance standing in a corner of the modern home. It is evolving in more ways than one. The products of the Company are based upon aesthetics and design, healthy food preservation and hygiene, more energy efficiency models and above all on green technology and many more advanced features.

Financial Performance

During the fiscal 2011, the gross income of the Company was Rs.3676935.64,previous fiscal of Rs2642735. Profit/Loss after tax for the fiscal 2011 was Rs. (306209.10) as compared to the previous year Rs.191980

- Profit(Loss) before Taxes of fiscal 2011 was Rs. (304061.10.)
- Profit After Taxes of fiscal 2011 was Rs. (306209.10)

Internal System & 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 Resource

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

ANNEXURE 'A' TO DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY

Pursuant to Revised 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, employees' 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 5 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 31.03.2011, attendance at the Board Meeting during the year and at the last Annual General Meeting, Number of Directorships, Membership/Chairmanship in other public companies are as follows:-

<u>Sl. No.</u>	<u>Name of the Director</u>	<u>Designation</u>	<u>Executive/ Non Executive/Promoter</u>	<u>Independent/ Non Independent</u>
1	Shyam Sundar Jiwarajka	Director	Executive	Non-independent
2	Pradeep Keyal	Director	Non-Executive	Independent
3	Pradeep Kumar Gaine	Director	Non-Executive	Independent
4	Sandeep Malakar	Director	Non-Executive	Independent
5	Vinay Sureka	Director	Executive	Non-independent

Mr. Vinay Sureka & Mr. Sandip Malakar has been appointed w.e.f 14.03.2011

(B) Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) & number of other Directorship and Chairmanships/Memberships of Committees of each Director in various companies as on 31st March, 2011 – 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, 2011, meeting of the Board of Directors was held 5(Five) times on : 29.04.2010, ,11.08.2010, ,28.10.2010, 07.02.2011,28.03.2011:

<u>Name</u>	<u>Designation</u>	<u>Board Meetings Attended</u>	<u>Whether Last AGM Attended</u>	<u>Directorships held in other Public Limited Companies incorporated in India</u>	<u>No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies #</u>
Shyam Sundar Jiwarajka	Executive & Non-Independent Director	5	Yes	Nil	Nil
Pradeep Keyal	Non Executive & Independent Director	5	Yes	Nil	Nil
Pradeep Kumar Gaine	Non Executive & Independent Director	5	Yes	Nil	Nil
Sandeep Malakar	Non Executive & Independent Director	1	Yes	Nil	Nil
Vinay Sureka	Executive & Non Independent Director	1	Yes	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

AUDIT COMMITTEE

Your Company has an Audit committee comprising of 3 (Three) Non executive Directors and (1) 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)

During the financial year ended on 31st March, 2011, five (5) meetings of the Audit committee were held on 28/04/2010;10/08/2010;;27/10/2010;02/02/2011.The 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>
Pradeep Keyal	Chairman	Independent Director	5
Pradeep Kumar Gaine	Member	Independent Director	5
Shyam Sundar Jiwrajka	Member	Non-Independent	5

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, 2011 were duly reviewed by the Audit Committee at its meeting held on 16.08.2011, prior to adoption by the Board.

III. REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement) the details pertaining to the same are not provided.

IV. 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,

2011, four (4) meetings of the Committee were held on 16.06.2010,18.08.2010,30.09.2010,23.03.2011, 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>	<u>Meetings Attended</u>
Pradeep Kayal	Chairman	Independent Director	4
Pradeep Kumar Gaine	Member	Independent Director	4
Shyam Sundar Jiwarajka	Member	Non-Independent	4

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, 2010	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, 2011	0

V. 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.

VI. DECLARATION FOR COMPLIANCE OF CLAUSE 49(I)(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, 2011.

VII. 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.

VIII. GENERAL BODY MEETINGS

(A) Location & time for the last three Annual General Meetings:

<u>Annual General Meeting</u>	<u>Date & Time</u>	<u>Venue</u>
31st March, 2010	30th September, 2010, at 11:30A.M	5,Commissariat Road hastings Kolkata 700022
31st March, 2009	21 ST September, 2009, at 10.30 A.M	5,Commissariat Road hastings Kolkata 700022
31st March, 2008	30th September, 2008, at 10.30 A.M	5,Commissariat Road hastings Kolkata 700022

(B) No Special Resolution was passed in the last 3(Three) Annual General Meetings of the Company. No resolution through Postal Ballot was passed in the last year. No special resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

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

No Extra-Ordinary General Meetings have been held during last three financial years.

X. POSTAL BALLOT

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

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, 2011 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, 2011.
- (h) 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 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 2011 is as follows :-

Day & Date	:	Friday, 30 th September, 2011
Time	:	11:30A.M.
Venue	:	5 commissariat Road Hastings Kolkata India-700022

b. Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30,2011	Within 45 days of end of Quarter
Financial reporting for the quarter ending September 30,2011	
Financial reporting for the quarter ending December 31,2011	
Financial reporting for the quarter ending March 31,2012	Within 60 days of end of

	Quarter
Annual General Meeting for the year ending 31 st March,2012	Last week of September 2012

- b. Financial Year : 1st April 2010 to 31st March, 2011.
- c. Date of Book Closure : 27th to 30th September, 2011
- d. Dividend Payment Date under : No Dividend has been recommended for the year review.
- e. Listing of Shares : Calcutta Stock Exchange Limited

h. Share Transfer Systems

As on 31st March, 2011, none 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.

Category of Shareholders as on 31st March, 2011

<u>Category</u>	<u>No. of Shares Held</u>	<u>% of shareholdings</u>
Promoters & Promoter Group	131020	65.51
Institutional Investors	--	--
Bodies Corporate	--	--
Indian Public	68980	34.49
Total	200000	100

j. Dematerialization of Equity Shares & Liquidity

Particulars of Shares	Equity Shares of Rs.10 each	
	Number	% of Total
Physical Form	200000	100
Total	200000	100

k. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

l. Reconciliation of Share Capital Audit Report

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 (none of the shares of the Company are in dematerialized form) .This audit is carried out every quarter and the report thereon is submitted to Stock Exchanges.

m. Investors' Correspondence

Shareholders can contact the Company for Secretarial matters at:

5, Commissariat Road
Hastings Kolkata
India 700022

CEO CERTIFICATION TO THE BOARD

The Board of Directors Positive Electronics Limited

Ref- Financial Statements for the period ended March 31, 2011:

I, Vinay Sureka, Director, of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2011 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 31,2011, 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
(Director)

Place: Kolkata

Date: 05th September, 2011

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Positive Electronics Limited
5, Commissariat Road Hastings
Kolkata 700022

We have examined the compliance of Corporate Governance by POSITIVE ELECTRONICS LIMITED for the year ended on 31st March, 2011, 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.

For Goenka Shaw & Co.
Chartered :Accountants

CA.Saroj K. Swain
Partner
Membership No. 061912
Place: Kolkata
Date:05.09.2011

AUDIT REPORT

Independent Auditor's Report

To

TheMembers

POSITIVE ELECTRONICS LIMITED,

Report on the Financial Statements:

We have audited the accompanying financial statements of POSITIVE ELECTRONICS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2011, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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”). 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.

Auditors Responsibility:

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.

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. 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.

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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.
2. 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
 - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Agrawal & Agrawal
Chartered Accountants

Sd/-
(Durga Prasad Poddar)
Partner
Membership No. 9543

Place: Kolkata

Date: The 4th day of August, 2011

ANNEXURE TO AUDIT REPORT

The Annexure referred to in paragraph 'Report on Other Legal and Regulatory Requirement' of our Report of even date

1.(a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As informed, the fixed assets have been physically verified by the management at the year end and no material discrepancies are reported to have been noticed on such verification.

2. There was no physical inventory maintained by the Company during the year, therefore the provisions of clause (ii) of paragraph 4 of the order is not applicable.

3. Based on the audit procedures applied by us and according to the information provided to us by the management there are no loans given or taken from the parties covered in the register maintained u/s 301 of the Companies Act 1956.

4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

5. (a)Based on the audit procedures applied by us and according to the information and explanation provided to us by the management, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section

(b) In our opinion and according to the information and explanation given to us, the transactions made as specified in clause (v)(b) of Para 4 of CARO are at prices which are reasonable, having regard to the prevailing market prices at the relevant time.

6. In our opinion, and according to information and explanations given to us, the Company has not accepted any deposits from the public and therefore the provisions of section 58A and 58AA of the Companies Act, 1956, and any other relevant provisions of the Act and the rules made there under are not applicable to the Company.

7. The Company's has no internal audit system commensurate with the size and the nature of its business.
8. To the best of our knowledge and explanation, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the Company.
9. (a) According to the records of the Company and information and explanations given to us the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income-tax, Wealth Tax, Sale-tax, Service Tax, Custom Duty, Excise Duty, CESS and any other statutory due applicable to it;

(b) According to the records of the Company, there are no dues of income tax, wealth tax, sale-tax, custom duty, sales tax and CESS and excise duty, which have been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of financial year. It has not incurred cash losses during the period covered by the report as well as in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institution or bank. The Company has not issued debentures.
12. According to the records of the Company and information and explanations given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to information and explanations given to us, the Company is the nature of the Company does not attract any special statue applicable to Chit Fund/Nidhi/Mutual Benefit Fund/Society.
14. According to the information and explanations given to us, the Company is dealing or trading in shares, securities, debenture and other investment, the Company had made proper records and made timely entries of the investments held by the Company and all the investments are held in the name of the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee to the bank for any concern
16. The Company has not taken any term loan during the year.
17. As informed and explained to us, the Company has not raised any funds on short term basis, therefore the provisions of clause (xvii) of Paragraph 4 of the order is not applicable.
18. During the year, the Company has not made any Preferential Allotment of Shares to parties and Companies covered in the Register maintained u/s 301 of the Act, during

the year.

19. The Company has not issued any debenture, so it was not required to create any security or charge in this respect.
20. The Company has not raised any money through public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations provided to us, no fraud on or by the Company has not been noticed or reported during the year.

For Agrawal & Agrawal
Chartered Accountants

Sd/-
(Durga Prasad Poddar)
Partner
Membership No. 9543

Place: Kolkata

Date: The 4th day of August, 2011

POSITIVE ELECTRONICS LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

	<u>Schedules</u>	<u>As at March 31,</u> <u>2011</u>	<u>Amount in `</u>	<u>As at March</u> <u>31, 2010</u>	<u>Amount in `</u>
<u>SOURCES OF FUND</u>					
Shareholder's Funds					
Share Capital	2	20,00,000.00		20,00,000.00	
Reserves and Surplus	3	57,85,231.66		<u>60,91,440.00</u>	80,91,440
<i>Total</i>			77,85,231.66	-	80,91,440.00
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	3,27,632.00		3,27,632	
Less: Depreciation		2,96,258.00	31,374.00	<u>2,90,648</u>	36,984
Net Block					
Investment	6		60,00,000.00		18,96,265
Current Assets, Loan and Advances					
(a) Sundry Debtors		-		5,37,681	
(b) Cash and Bank Balances	8	6,46,811.32		59,74,387	
(d) Loans, Advances and Deposits	9	11,18,877.18		1,55,744	
Other Current Assets	10	4,490.16		1,40,437	
			17,70,179.66	68,08,249	
Less: Current Liabilities and Provision				-	
Current Liabilities	4	16,321		6,50,058	
Provision					
		<u>16,321</u>		<u>6,50,058</u>	
Net Current Asset			17,53,859		61,58,191
<i>Total</i>			77,85,233		80,91,440
Significant Accounting Policies	1				
Schedules are an integral part of the financial statements					

As per our report of even date.

**For AGARWAL & AGARWAL
CHARTERED ACCOUNTANTS
FRN : 306044E**

FOR AND ON BEHALF OF THE BOARD

**SANDIP MALAKAR
(Director)**

**DURGA PRASAD PODDAR
PARTNER
MEMBERSHIP NO. F9543**

**PRADEEP KAYAL
(Director)**

Kolkata, 4th August, 2011

POSITIVE ELECTRONICS LIMITED

Statement of Profit and loss for the year ended March 31, 2011

Particulars	Schedules	Year ended March 31, 2011	Amount in `	Year ended March 31, 2010	Amount in `
INCOME :					
Revenue From operations (Sales)		21,44,083.61		20,11,318	
Other Income	10	<u>15,32,852.03</u>	36,76,935.64	<u>6,31,417</u>	26,42,735
EXPENSES					
Purchase Of stock In Trade		19,79,841.84		19,43,900	
Employee Benefits Expense	11	1,92,098.00		-	
Depreciation		5,610.00		6,842	
Other Expenses		18,03,446.90	39,80,996.74	<u>4,87,056</u>	24,37,798
Profit / (Loss) before tax			-3,04,061.10		2,04,937.00
Less : Provision for Taxation					
Income Tax -Current Year		-		13,500	
Income Tax -Earlier Year		2,148		(543)	
Fringe Benefit Tax -Current Year		N.A		-	
Fringe Benefit Tax -Earlier Year		N.A		1	
Deferred tax		=	2,148	=	12,958
Profit After Tax			-3,06,209.10		1,91,979.00
Number of Equity share			2,00,000		2,00,000.00
Nominal value of Equity share			10		10.00
Earnings per Share - Basic and diluted			(1.53)		0.96
Significant Accounting Policies	1				
Schedules are an integral part of the financial statements					

As per our report of even date.

**For AGARWAL & AGARWAL
CHARTERED ACCOUNTANTS
FRN : 306044E**

FOR AND ON BEHALF OF THE BOARD

**SANDIP MALAKAR
(Director)**

**DURGA PRASAD PODDAR
PARTNER
MEMBERSHIP NO. F9543**

**PRADEEP KAYAL
(Director)**

Kolkata, 4th August, 2011

Schedules to Financial Statements

Schedule 2: Share Capital

Particulars	As at March 31, 2011	As at March 31, 2010
	-	-
Authorised 2,40,000 (2,40,000) Equity Shares of ` 10/- each.	24,00,000	24,00,000
	24,00,000	24,00,000
Issued, Subscribed and Paid-up Capital 2,00,000(2,00,000) Equity Shares of ` 10/- each.	20,00,000	20,00,000
Total	20,00,000	20,00,000

Schedule: 3 Reserves and Surplus

Particulars	As at March 31, 2011	As at March 31, 2010
	-	-
Securities Premium	-	-
Surplus in Statement of Profit and Loss As per last Balance Sheet	60,91,440.76	60,91,440
Add / (Less): Surplus/(Deficit) for the year	-3,06,209.10	-
		60,91,440
	57,85,232	60,91,440

Schedule: 7 Cash and Bank Balances

Particulars		<i>As at March 31, 2011</i>	<i>As at March 31, 2010</i>
		-	-
(a)	Cash in hand (As certified)	62,159	6,222
(b)	Balances with bank		
	<i>-In Current Account</i>	19,920	4,40,863
	in Fixed Deposit		55,27,302
	Total	82,079	59,74,387

Schedule: 8 Short-term Loans and Advances

Particulars		<i>As at March 31, 2011</i>	<i>As at March 31, 2010</i>
		-	-
	Tax Deducted at Source Receivable	1,52,377	1,40,394
	Less: Provision for Taxation	<u>33,500</u>	
		1,18,877	
	Income Tax Refundable	-	15,350
	Other advances-unsecured considered good	10,00,000	
	Total	11,18,877	1,55,744

Schedule: 9 Sundry Debtors

Particulars	As at March 31, 2011	As at March 31, 2010
	-	-
Unsecured, considered good		
Outstanding for a period		
(i) Exceeding Six Months	-	-
(ii) Other Debts	-	5,37,681
Total		5,37,681

Schedule: 10 Other Income

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
	-	-
Interest Received	3,17,521.97	5,11,417
Dividend	1,20,000.00	1,20,000.00
Profit on Sale of Investments	10,95,330.06	-
	15,32,852.03	6,31,417

Schedule: 11 Employee Benefit Expense

Particulars	As at March 31, 2011	As at March 31, 2010
	-	-
(a) Payment towards Provident Fund	27,163	-
Payment towards arrear demand of Employees Provident Fund	1,64,935	
Total	1,92,098	-

Schedules to Financial Statements

<i>Schedule: 12</i>	<i>Earnings in Foreign Currency</i>	NIL	NIL
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Schedule: 13 ***Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are provided as under for the year 2011-12, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act***

The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

POSITIVE ELECTRONICS LIMITED

5 Commissariat Roadhastings kolkata West Bengal India 700022

ATTENDANCE SLIP

Folio No:

No. of Shares held:

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 30th Annual General Meeting **5 Commissariat Road, Hastings kolkata West Bengal, India 700022** on the 30th day of September, 2011 at 11:30a.m.

Name of the Shareholder/Proxy:-

Signature of the Shareholder/Proxy:

**Positive Electronics Limited
5 Commissariat Road hastings kolkata West Bengal India 700022**

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 30th Annual General Meeting to be held at 5 commissariat road hastings Kolkata West Bengal India on Friday the 30th day of September 2011 at 11.30 a.m and at any adjournment thereof.

Signed this ----- day of -----, 2011



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
5 COMMISSARIAT ROADHASTINGS
KOLKATA
West Bengal
INDIA
700022