



**GUJARAT POLY-AVX
ELECTRONICS LIMITED**

2014-2015

**Twenty Sixth
Annual Report**



GUJARAT POLY-AVX ELECTRONICS LIMITED

TWENTY SIXTH ANNUAL REPORT 2014-2015

ANNUAL GENERAL MEETING

On Wednesday 12th August, 2015
At B-17/18, Gandhinagar Electronic Estate,
Gandhinagar, Gujarat at 12.00 noon

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

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BOARD OF DIRECTORS

Mr. T. R. Kilachand (Chairman)
Mr. P. T. Kilachand
Mr. A. H. Mehta (Managing Director)
Mr. Chandrakant Khushaldas
Brig. K. Balasubramaniam (till 30/03/2015)
Mr. A. B. Shah (GIIC Nominee) (till 13/02/2015)
Mr. D. D. Patel (GIIC Nominee)
Mr. Y. K. Vyas (GIIC Nominee) (w.e.f 13/02/2015)
Ms. Saloni Jhaveri (w.e.f. 30/03/2015)
Mr. Jigen A. Mehta (w.e.f. 30/03/2015)

COMPANY SECRETARY

Mr. J. M. Shah

CHIEF FINANCIAL OFFICER

Mr. Harshad H. Jani

AUDITORS

Messrs. C. C. Chokshi & Co.
(Chartered Accountants)

REGISTERED OFFICE AND WORKS

B-17/18, Gandhinagar Electronic Estate,
Gandhinagar 382 024,
Gujarat.

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NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of GUJARAT POLY-AVX ELECTRONICS LIMITED will be held at B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat, on Wednesday, 12th August, 2015 at 12.00 noon, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015, including the audited Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a Director in place of Mr. D. D. Patel (DIN 00473507), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Y. K. Vyas (DIN 03420201) who retires by rotation, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139, 141 & 142 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee to the Board of Directors, M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad (Firm Regn. No.105775W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of the sixth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification/s, the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

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

"RESOLVED FURTHER THAT Mr. T. R. Kilachand (DIN 00006659), Chairman and A. H. Mehta (DIN 00005523), Managing Director be and are hereby severally authorised to do all such acts,

deeds and things as may be required to give effect to the above resolution(s)."

6. To consider and, if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Ms. Saloni Jhaveri (DIN 00029474), who was appointed as an Additional Director of the Company by Circular Resolution by the Board of Directors with effect from 30th March, 2015, in terms of Section 161 of the Companies Act, 2013 and Article 138 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 149(4), 152, read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014 read with Schedule IV & other applicable provisions, if any, of the Companies Act, 2013 Ms. Saloni Jhaveri (DIN 00029474), Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing, proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, for a period of five (5) years commencing from 12th August, 2015, not liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Jigen A. Mehta (DIN 02693293), who was appointed as an Additional Director of the Company by Circular Resolution by the Board of Directors with effect from 30th March, 2015, in terms of Section 161 of the Companies Act, 2013 and Article 138 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 149(4), 152, read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014 read with Schedule IV & other applicable provisions, if any, of the Companies Act, 2013 Mr. Jigen A. Mehta (DIN 02693293), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, for a period of five (5) years commencing from 12th August, 2015, not liable to retire by rotation."

By Order of the Board of Directors

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

J. M. SHAH
Company Secretary

Registered Office:

Plot No. B-17/18,
Gandhinagar Electronic Estate,
Gandhinagar 382 024 Gujarat.
Dated: 27th May, 2015.

NOTES:

- (a) An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business under Item Nos. 5 to 7 to be transacted at the meeting, is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
- (c) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- (d) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (e) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11:00 a.m. and 1:00 p.m. up to the date of the Meeting.
- (f) Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement are provided in the Report on Corporate Governance forming part of the Annual Report.
- (g) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 14th July, 2015 to Tuesday, 21st July, 2015 (both days inclusive).
- (h) Members holding shares in electronic form are requested to intimate immediately any change in their address 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 immediately to the Company or its Registrar & Share Transfer Agents - Sharepro Services (India) Pvt. Ltd.
- (i) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies

can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

- (j) The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.polyavx.com and also on website of the respective Stock Exchange.
- (k) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
- (l) As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
- (m) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
- (n) Members holding shares in physical form are requested to get them dematerialized, as the shares of the Company are under compulsory demat system.
- (o) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2015
1.	Bombay Stock Exchange Ltd., Jeejeebhoy Towers, Dalal Street, Mumbai 400 023.	85,50,000 Equity Shares of Rs.10/- each

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

**ANNEXURE TO THE NOTICE**

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

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013 sets out the material facts relating to business under Item Nos. 4 to 7, mentioned in the accompanying Notice dated 27th May, 2015.

Item No. 4

The item relates to the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad as the Auditors' of the Company and fixation of their remuneration as may be determined by the audit committee in consultation with the auditors. The existing auditors, M/s. C.C.Chokshi & Co., Chartered Accountants, Ahmedabad, have expressed their regret to continue as 'Statutory Auditors' of the Company.

Item No. 5

The Articles of Association ("AoA") of the Company is presently in force since its incorporation of the Company i.e. year 1989. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alterations / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on 27th May, 2015 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same. In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company. Your approval is sought by voting via Ballot Paper/e-Voting in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014. A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 1.00 p.m.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

Item No. 6 & 7

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

Therefore, It is proposed to recommend to the shareholders the appointment of Ms. Saloni Jhaveri (DIN 00029474) and Mr. Jigen A. Mehta (DIN 02693293) as Independent Directors of the Company, not liable to retire by rotation to hold office for a term of 5 consecutive years commencing from 12th August, 2015.

Ms. Saloni Jhaveri (DIN 00029474) and Mr. Jigen A. Mehta (DIN 02693293) have confirmed that they are not disqualified in terms of section 164 of the Companies Act, 2013 and have given their consent to act as such. They have also submitted the declaration under section 149(6) of the Companies Act, 2013. The copy of the draft letter of appointment of the Independent Directors setting out the terms and conditions are available for inspection by members at the Registered office of the Company.

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from the members along with a deposit of Rs 1,00,000/- from each candidate proposing the candidature of Ms. Saloni Jhaveri (DIN 00029474) and Mr. Jigen A. Mehta (DIN 02693293) for the office of Independent Directors.

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

None of the Directors, Key Managerial Personnel and their relatives except Ms. Saloni Jhaveri and Mr. Jigen A. Mehta and their relatives are interested in the resolution.

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

Plot No. B-17/18, Gandhinagar Electronic Estate,
Gandhinagar 382 024 Gujarat.
Dated: 27th May, 2015.

By Order of the Board of Directors
J. M. SHAH
Company Secretary

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

Name of Director	Ms. Saloni Jhaveri	Mr. Jigen A. Mehta	Mr. Dinubhai D. Patel	Mr. Yogesh K. Vyas
Director Identification Number	00029474	02693293	00473507	03420201
Age	49 years	48 years	59 years	57 years
Qualification	B.A. Economics Honours	B.Com	B.A., LL.M., A.C.S.	Bachelor of Science and Engineering (Chemical) , From Regional Engineering College, Rourkela (Now NIT Rourkela) in the year 1982.
Expertise	She runs a business of software outsourcing for almost 17 years and has the responsibility of running the finance, Legal, HR and admin departments.	He brings almost 25 years of experience in Financial and Accounting Field.	He is Currently working with Financial Institution since last 34 years. He has mainly worked in Company Secretary & Legal Department. His areas of working are Corporate Laws, Financial Cases, Civil and Criminal matters, etc.	He is working with State Financial Institution for last 32 years. He has been Shouldered responsibilities in various department/ sections individually and collectively mainly in the field of Project Appraisal .
Other Directorship as on 31st March, 2015 (Excluding Private Companies)	---	1. Sun Tan Trading Co. Ltd. 2. Environmental Purifier Ltd.	1. Gujarat Transreceivers Limited 2. Gujarat State Machine Tools Limited	1. Gujarat Lease Financing Limited 2. Gujarat Sidhee Cement Limited 3. Gujarat Industrial and Technical Consultancy Organisation Limited 4. Gujarat State Machine tools Corporation Ltd. 5. Gujarat Trans Receivers Ltd.
No. of Equity Shares held	---	---	---	120
Relationship with other Directors	---	---	---	---

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

Plot No. B-17/18, Gandhinagar Electronic Estate,
Gandhinagar 382 024 Gujarat.

Dated: 27th May, 2015.

By Order of the Board of Directors

J. M. SHAH

Company Secretary



E-VOTING INSTRUCTIONS

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Sunday, 9th August, 2015 (9:00 am) and ends on Tuesday, 11th August, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 5th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz: "GPAEL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Gujarat Poly-AVX Electronics Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mail@csraginchokshi.com with a copy marked to evoting@nsdl.co.in

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

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

EVEN (Remote E-Voting Event Number)	USER ID	PASSWORD/PIN
(ii)	Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.	

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 5th August, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after 8th July, 2015 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 5th August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or kumaresan@shareproservices.com.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Ms. Ragini Chokshi of Ragini Chokshi & Co., Practicing Company Secretary (CP 1436) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair & transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.polyavx.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchange where the shares of the Company are listed.

DIRECTORS' REPORT

To
The Members of
GUJARAT POLY-AVX ELECTRONICS LIMITED

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

	01-04-14 to 31-03-15 (Rs. in lacs)	01-04-13 to 31-03-14 (Rs. in lacs)
FINANCIAL RESULTS		
Sales	1,115.42	1,029.01
Profit/(Loss) before Depreciation & tax	(3.90)	16.03
Depreciation	13.59	15.60
Profit & (Loss) before tax	(17.49)	0.43
Current tax	--	--
Deferred tax	--	--
Profit/(loss) after tax	<u>(17.49)</u>	<u>0.43</u>

1. STATE OF COMPANY'S AFFAIRS:

During the year ended 31st March, 2015 the Company has incurred a loss of Rs.17.49 Lacs (Previous year profit of Rs.0.43 Lacs). The sales during the year was Rs.1,115.42 Lacs as compared to previous year to Rs.1,029.01 Lacs. Company outsources ceramic capacitors & marketing the same.

In view of the accumulated loss, your Directors have not been able to recommend any Dividend for the year 2014-2015.

2. AUDIT COMMITTEE:

The Audit Committee during the year consisted of 4 members. The details of the committee is given under Corporate Governance Report

3. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Board has establish a vigil mechanism for directors and employees to report genuine concerns to be disclosed, the details of which is placed on the website of the company. The Board has also formulated the whistle blower policy, same has been uploaded on the website of the company. http://www.polyavx.com/polyavx/Download/Whistle%20Blower%20Policy_14.pdf
There were no reporting made by any employees for violations of applicable laws and regulations and the Code of Conduct for the F.Y. 2014-15.

4. NOMINATION AND REMUNERATION COMMITTEE:

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

5. DIRECTORS' RESPONSIBILITY:

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Appropriate accounting principles have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the loss of the Company for the year ended 31st March, 2015.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.
- The directors have laid down internal financial controls to be followed by the company.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws.



6. TAXATION:

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

7. DEPOSITS:

Company has not received any deposits from Public during the year.

8. INDUSTRIAL RELATIONS:

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

9. CONSERVATION OF ENERGY:

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

10. DIRECTORS:

Mr. D. D. Patel, Director retires from Office by rotation, but being eligible, offers himself for re-appointment.

Mr. A. B. Shah has resigned as a nominee director of GILC in the Company w.e.f. 13th February, 2015. The Board do appreciate his contribution during his tenure with Company.

In the Casual vacancy of Mr. A. B. Shah, GILC has nominated Mr. Y. K. Vyas as a Director w.e.f. 13th February, 2015.

Mr. Y. K. Vyas, Director retires from Office by rotation, but being eligible, offers himself for re-appointment.

Brig. K. Balasubramaniam, Director of the Company has resigned w.e.f. 30th March, 2015. The Board do appreciate his contribution during his tenure and long & fruitful association with the Company.

The Board has appointed Ms. Saloni Jhaveri and Mr. Jigen A. Mehta as Additional Directors of the Company with effect from 30th March, 2015, in terms of provisions of the Companies Act, 2013. Your approval is sought for their appointment as detailed in the Notice convening the meeting. It is also propose to appoint them as Independent Directors.

11. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:

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

(a) 29th May, 2014 (b) 13th August, 2014 (c) 12th November, 2014 and (d) 13th February, 2015

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

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

13. FORMAL ANNUAL EVALUATION:

Pursuant to provisions of the companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation through an evaluation sheet wherein certain criteria was set out for which ratings are to be given.

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

The Board on recommendation of Nomination and Remuneration Committee, has framed a policy for appointment and Evaluation of Board and remuneration for the Directors, Key Managerial Personnel and other employees. The policy is available on the website of the Company i. e. http://www.polyavx.com/polyavx/Download/Criteria%20For%20Appointment%20Evaluation%20of%20Board%20of%20Directors,%20KMP%20and%20Senior%20Management%20Personnel_14.pdf

15. RELATED PARTY TRANSACTIONS:

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

The Company has taken loan of Rs.446 lacs from Polychem Limited at the rate of interest of 13% p.a. There are no contracts or arrangements under sub-section (1) of section 188.

The Board on recommendation of Audit Committee, adopted a policy to regulate transactions between the Company and its Related parties, in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. The policy is uploaded and can be viewed on the Company's website http://www.polyavx.com/polyavx/Download/Related%20Party%20Transanction%20Policy_14.pdf

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

(a) There are no qualifications, reservations or adverse remark or disclaimer by the statutory Auditor or by Secretarial Auditor in the respective reports.

(b) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, to which the financial statements relate and the date of the report.

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

17. MANAGERIAL REMUNERATION:

- i. The ratio of remuneration of Mr. A H. Mehta, Managing Director with the median remuneration of the employees of the company is 7.75:1
- ii. Increase in remuneration of Mr. A. H. Mehta, Managing Director is 11.65% and in Mr. Harshad Jani , Chief Financial officer is 11%.
- iii. There is an increase of 38.63 % in the median remuneration of employees in the financial year.
- iv. There are 37 permanent employees in the company.
- v. There is an increase of 8.40% in Company's Performance for the year considering the revenue from the operations and the average increase in the remuneration of the Company is 20.56% for the year. The increase in the remuneration was on account of the reasons as under:
 - 1) During the year 2014-2015, 21 employees opted of Voluntary Retirement Scheme and a sum of Rs. 50.87 Lacs was paid towards discharging the salary dues including Bonus, ex-gratia payments etc.
- vi. During the financial year 2014-15, remuneration to Key Managerial Personnel is Rs.2,990,026/- as against the Company's performance is Rs.111,541,751/- – remuneration to performance ratio comes to 2.68%
- vii. Due to loss in the current year, there is no price earning ratio for the year whereas for the previous financial Year the price earning ratio was 399 times. There is an increase in Market Capitalisation of the Company, Market Capitalisation for current year is Rs.64,980,000/- and for Previous year it was Rs.34,114,500/-.
- viii. Average increase in the salaries of employees other than the managerial personnel was 20.47% due to payment of exgratia, notice pay etc to the employees who left the organisation in the year 2014-15
- ix. Comparison of remuneration of each KMP against the performance of the Company :

Key Managerial Personnel	Remuneration (Rs.)	Performance of the Company (Rs.)	% of remuneration against the performance of the company
A H Mehta	1,577,371/-	111,541,751/-	1.41
H.H. JANI	1,219,071/-	111,541,751/-	1.09
J.M. SHAH	193,584/-	111,541,751/-	0.17

- x. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of directors based on the recommendation of Nomination and Remuneration committee as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year 0.73:1 and
- xii. It is hereby affirmed that the remunerations paid is as per the remuneration policy of the company.
 - Average increase in remuneration in point no. v relates to all the employees including managerial remuneration. Whereas increase in remuneration in point no. viii relates to the employees excluding Managerial remuneration.

18. CORPORATE GOVERNANCE:

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

19. AUDITORS:

You are requested to appoint M/s. Mahendra N. Shah, Chartered Accountants, Ahmedabad, as Auditors for the current year. The existing Auditors, M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, have expressed their regret to continue as Statutory Auditors of the Company.

**20. SECRETARIAL AUDITOR:**

Complying with the provisions of Section 204 of the Companies Act, 2013 the Audit Committee had recommended and the Board of Directors had appointed Mr. Tushar Shridharani, Practicing Company Secretary, Mumbai, (C. P. No. 2190), being eligible and having sought re-appointment, as Secretarial Auditor of the company to carry out the Secretarial Audit of the Company for the year ending March 2016.

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

21. ACKNOWLEDGEMENT:

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

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

By Order of the Board of Directors

TANIL R. KILACHAND

Chairman

Registered Office:

Plot No. B-17/18,
Gandhinagar Electronic Estate
Gandhinagar 382 024, GUJARAT
Dated: 27th May, 2015

ANNEXURE I**A. CONSERVATION OF ENERGY****FORM - A**

- a) Energy conservation steps taken:
- Cut down lighting load
 - Improve performance of Utility equipments (chiller, compressor etc.)
- b) Additional Investments & Proposals being implemented
- Implementation of Preventive Maintenance schedule effectively.
- c) Impact of measures at (a) & (b) above:
The above implementation has resulted in achieving reduction in energy cost & break down time.
- d) Power & Fuel Consumption
- | | 2014-15 | 2013-14 |
|---------------------|-----------|-----------|
| Units (Kwh) | 82,103 | 180,885 |
| Total Amounts (Rs.) | 1,102,281 | 1,654,441 |

B. TECHNOLOGY ABSORPTION**FORM - B****1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY**

- Replacing/Repairing of imported spares with locally developed spares.

2. BENEFITS DERIVED AS A RESULT OF ABOVE R & D

- Increase in product range by adding high value parts
- No procurement of imported spares.

3. FUTURE PLAN OF ACTION

- Develop products similar to our present range of products.

4. EXPENDITURE OF R & D

Negligible

TECHNOLOGY – ABSORPTION, ADAPTATION & INNOVATION**(1) (a) Technology Absorption**

Technology Absorption is complete in the areas commissioned

(b) Adaptation

As part of continuous quality improvement, alteration of process conditions and parameters are being undertaken on a continuous basis.

(c) Innovation

Systems adopted have lead to improvement in the process

(2) BENEFITS

- Increase in product range, reduction in down time & Improved Production processes.

(3) IMPORTED TECHNOLOGY

No additional import of Technology in the Financial Year 2014-15.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- Total Foreign Exchange used:
Rs. 56,617,434/-
- Total Foreign Exchange earned: Rs. NIL

ANNEXURE II
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

CIN	L21308GJ1989PLC012743
Registration Date	14.09.1989
Name of the Company	Gujarat Poly-AVX Electronics Limited
Category/Sub-category of the Company	Public Company / Limited by Shares
Address of the Registered office & contact details	Plot No. B – 17/18, Gandhinagar Electronic Estate, Gandhinagar – 382 024, GUJARAT Tel: 079 23287162/63. Fax: 079 23287161
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Sharepro Services (India) Pvt. Ltd 13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. Tel: 022 67720300, 022 67720400 Fax: 022 28591568 E mail: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Ceramic Capacitor	26101	100%
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
Not Applicable					

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,866,154	-	2,866,154	33.52	2,866,154	-	2,866,154	33.52	



e) Banks / FI	497,103	-	497,103	5.81	497,103	-	497,103	5.81	-
f) Any other Foreign Bodies Corporate	-	1,749,998	1,749,998	20.47	-	1,749,998	1,749,998	20.47	-
Total shareholding of Promoter (A)	3,363,257	1,749,998	5,113,255	59.80	3,363,257	1,749,998	5,113,255	59.80	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	325,799	1,460	327,259	3.83	325,799	1460	327,259	3.83	
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Trust	60	-	60	0.00	60	-	60	0.00	-
Sub-total (B)(1):-	325,859	1,460	327,319	3.83	325,859	1460	327,319	3.83	-
2. Non-Institutions									
a) Bodies Corp.	117,378	11,601	1,28,979	1.51	21,091	11,601	32,692	0.38	(74.83)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,079,252	1,506,750	2,586,002	30.25	1,015,802	1,496,314	2,512,116	29.38	(2.88)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	229,554	-	229,554	2.68	403,111	-	403,111	4.71	75.75
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	17,105	11,011	28,116	0.33	24,821	11,011	35,832	0.42	27.27
Overseas Corporate Bodies									

Foreign Nationals	11,000	-	11,000	0.13	-	-	-	-	(100)
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1,580,064	1,529,362	3,109,426	36.37	1,590,500	1,518,926	3,109,426	36.37	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,905,923	1,530,822	3,436,745	40.20	1,916,359	1,520,386	3,436,745	40.20	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,269,180	3,280,820	8,550,000	100	5,279,616	3,270,384	8,550,000	100	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Polychem Limited	2,866,154	33.52	-	2,866,154	33.52	-	-
2	Gujarat Industrial Investment corporation Ltd	497,103	5.81	-	497,103	5.81	-	-
3	AVX Corporation, USA	1,749,998	20.47	-	1,749,998	20.47	-	-
	Total	5,113,255	59.80	-	5,113,255	59.80	-	-

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

SN	Promoters	Shareholding at the beginning of the year		Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning 01-04-14/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	Polychem Limited	2,866,154	33.52	01.04.2014	No change during the year			
		2,866,154	33.52	31.03.2015				
2.	Gujarat Industrial Investment corporation Ltd	497,103	5.81	01.04.2014	No change during the year			
		497,103	5.81	31.03.2015				
3	AVX Corporation, USA	1,749,998	20.47	01.04.2014	No change during the year			
		1,749,998	20.47	31.03.2015				



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

SN	For Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning 01-04-14/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	ICICI Bank Ltd	239,011	2.79	01.04.2014	No change during the year			
		239,011	2.79	31.03.2015				
2.	MNS Tradelink Pvt. Ltd	87,098	1.02	01.04.2014				
			1.02	13.06.2014	(1,254)	Sold	85,844	1.00
			0.11	20.06.2014	(9,890)	Sold	75,954	0.88
			0.42	04.07.2014	(36,000)	Sold	39,954	0.46
			0.23	11.07.2014	(20,054)	Sold	19,900	0.23
			0.02	18.07.2014	(2,000)	Sold	17,900	0.21
			0.15	25.07.2014	(12,900)	Sold	5,000	0.05
			0.00	01.08.2014	(585)	Sold	4,415	0.05
			0.01	08.08.2014	(940)	Sold	3,475	0.04
			0.02	15.08.2014	(2,475)	Sold	1,000	0.01
			0.01	02.01.2015	(1,000)	Sold	0	0.00
		0	0.00	31.03.2015				
3.	Bank of Baroda	86,788	1.01	01.04.2014	No change during the year			
		86,788	1.01	31-03-2015				
4.	Hitesh Ramji Javeri	75,600	0.88	01.04.2014				
				04.04.2014	781	Bought	76,381	0.89
				11.04.2014	700	Bought	77,081	0.90
				02.05.2014	870	Bought	77,951	0.91
				09.05.2014	5,900	Bought	83,851	0.98
				06.06.2014	1,900	Bought	85,751	1.00
				13.06.2014	591	Bought	86,342	1.00
				20.06.2014	3,658	Bought	90,000	1.05
				18.07.2014	5,000	Bought	95,000	1.11
				08.08.2014	353	Bought	95,353	1.11
				30.09.2014	1,133	Bought	96,486	1.12
				17.10.2014	3,514	Bought	100,000	1.16
		100,000	1.16	31.03.2015				

5.	Harsha Hitesh Javeri	27,299	0.32	01.04.2014				
				02.05.2014	550	Bought	27,849	0.33
				23.05.2014	420	Bought	28,269	0.33
				30.05.2014	1,400	Bought	29,669	0.34
				06.06.2014	4,700	Bought	34,369	0.40
				13.06.2014	4,599	Bought	38,968	0.45
				20.06.2014	11,032	Bought	50,000	0.58
				30.06.2014	199	Bought	50,199	0.59
				04.07.2014	43,611	Bought	93,810	1.08
				11.07.2014	3,481	Bought	97,291	1.13
				18.07.2014	7,708	Bought	104,999	1.23
				25.07.2014	5,982	Bought	110,981	1.30
				01.08.2014	6,114	Bought	117,095	1.37
				15.08.2014	11,950	Bought	129,045	1.51
				22.08.2014	8,585	Bought	137,630	1.61
				29.08.2014	2,050	Bought	139,680	1.63
				05.09.2014	15,210	Bought	154,890	1.81
				12.09.2014	5,019	Bought	159,909	1.87
				19.09.2014	5,822	Bought	165,731	1.94
				30.09.2014	549	Bought	166,280	1.94
				17.10.2014	1,220	Bought	167,500	1.96
				24.10.2014	5,150	Bought	172,650	2.02
				14.11.2014	5,074	Bought	177,724	2.07
				21.11.2014	1,700	Bought	179,424	2.10
				05.12.2014	4,176	Bought	183,600	2.14
				19.12.2014	5,060	Bought	188,660	2.20
				13.03.2015	7,005	Bought	195,665	2.29
				20.03.2015	255	Bought	195,920	2.29
				27.03.2015	1,300	Bought	197,220	2.30
		197,220	2.30	31.03.2015				
6	Saurav Gupta	25,970	0.30	01.04.2014	No change during the year			
		25,970	0.30	31.03.2015				
7	Surendra Patel	24,638	0.29	01.04.2014				
				13.06.2014	(5,000)	Sold	19,638	0.23
				15.08.2014	(3,148)	Sold	16,490	0.19
				22.08.2015	(2,879)	Sold	13,611	0.16
				14.11.2014	(2,000)	Sold	11,611	0.13
				02.01.2015	(11,611)	Sold	0	0.00
		0	0.00	31.03.2015				
8.	Vinodini P. Shah	24,073	0.28	01.04.2014				
				30.05.2014	(24,073)	Sold	0	0.00
		0	0.00	31.03.2015				
9.	Parul Piyush Desai	14,750	0.17	01.04.2014	No change during the year			
		14,750	0.17	31.03.2015				



10	Kalawanti Lalwani	14,396	0.16	01.04.2014	No change during the year			
		14,396	0.16	31.03.2015				
11	Parul Patel	11,821	0.13	01.04.2014				
				19.09.2014	(4,720)	Sold	7,101	0.05
				02.01.2015	(7,101)	Sold	0	0.00
		0	0.00	31.03.2015				
12	Girish K. G. P. Modha	11,000	0.12	01.04.2014	No change during the year			
		11,000	0.12	31.03.2015				
13	Vinodini Pratap Shah	24,073	0.28	01.04.2014	No change during the year			
		24,073	0.28	31.03.2015				
14	Saraiya B. Ramakant	0	0	01.04.2014				
				11.07.2014	2,308	Bought	2,308	0.02
				18.07.2014	4,994	Bought	7,302	0.08
				25.07.2014	680	Bought	7,982	0.09
				01.08.2014	2,620	Bought	10,602	0.12
				31.03.2015	3,000	Bought	13,602	0.15
		13,602	0.15	31.03.2015				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning 01-04-14/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
	Directors							
1	Tanil R. Kilachand	49,602	0.58	01.04.2014	0	No change during the year		
		49,602		31.03.2015	0			
2.	Parthiv T. Kilachand	17,682	0.20	01.04.2014	0	No change during the year		
		17,682	0.20	31.03.2015	0			
3	Atul H. Mehta	306	0.01	01.04.2014				
		206	0.01	08.08.2014	(100)	Sold	206	0.01
		206	0.01	31.03.2015	0	0	206	0.01
4	Chandrakant Khushaldas	Do not hold any shares in the Company						
5	Dinubhai D. Patel (Nominee of GIIC)	Do not hold any shares in the Company						
6	Yogesh K. Vyas Nominee of GIIC (Wef 13.02.2015)	120	0.01	01.04.2014	0	No change during the year		
		120	0.01	31.03.2015	0			

7	Saloni Jhaveri (wef 30.03.2015)	Do not hold any shares in the Company				
8	Jigen A. Mehta (wef 30.03.2015)	121	0.01	01.04.2014	0	No change during the year
		121	0.01	31.03.2015	0	
9	Brig. K. Balasubramaniam (Till 30.03.2015)	Do not hold any shares in the Company				
10	A.B.Shah (Till 13.02.2015)	Do not hold any shares in the Company				
	KMPs					
11	J.M.Shah	60	0.01	01.04.2014	0	No change during the year
		60	0.01	31.03.2015	0	
12	Harshad H. Jani	190	0.01	01.04.2014	0	No change during the year
		190	0.01	31.03.2015	0	

*No change in shareholding of Directors and KMPs except Mr. A.H.Mehta

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	44,600,000	-	44,600,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	416,002	-	416,002
Total (i+ii+iii)	-	45,016,002	-	45,016,002
Change in Indebtedness during the financial year				
* Addition	-	5,798,000	-	5,798,000
* Reduction	-	2,579,799	-	2,579,799
Net Change	-	3,218,201	-	3,218,201
Indebtedness at the end of the financial year				
i) Principal Amount	-	44,600,000	-	44,600,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	7,384,203	-	7,384,203
Total (i+ii+iii)	-	51,984,203	-	51,984,203

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In Rupees)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Atul H Mehta	
1	Gross salary	1,577,371*	1,577,371
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,569,071	1,569,071
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8,300	8,300
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	1,577,371	1,577,371
	Ceiling as per the Act	6,000,000	6,000,000

*Excluding retiral benefits

B. Remuneration to other directors

(In Rupees)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Brig. K. Balasubramaniam	C. Khushaldas	TR Kilachand	PT Kilachand	A B Shah	D D Patel	
		Independent Directors			Non-Executive Directors			
1	Independent Directors							
	Fee for attending board committee meetings	16,000	16,000	-	-	-	-	32,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	16,000	16,000	-	-	-	-	32,000
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	16,000	12,000	4,000	8,000	40,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)			16,000	12,000	4,000	8,000	40,000
	Total (B)=(1+2)	16,000	16,000	16,000	12,000	4,000	8,000	72,000
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A	N.A	N.A

Above Board meeting fees is paid subject to attendance in the meeting.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (In Rupees)

SN	Particulars of Remuneration	Key Managerial Personnel		
		J. M. Shah	Harshad H. Jani	
		CS	CFO	Total
1	Gross salary	219,500*	1,219,071**	1,438,571
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	216,000	1,199,971	1,415,971
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,500	19,100	22,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	219,500	1,219,071	1,438,571

*Excluding Provident Fund

**Excluding Provident Fund and Superannuation Fund

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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



ANNEXURE III
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members -
Gujarat Poly-AVX Electronics Limited
B-17/18, Gandhinagar Electronic Estate
Gandhinagar – 382 024

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Poly-AVX Electronics Limited (“**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015 (“**Audit Period**”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (“**the Act**”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable clauses of The Bombay Stock Exchange.

During the Audit Period; the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable.

During the Audit Period; there was no specific law that otherwise was applicable to the Company.

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the Audit Period the Company has no corporate event / action, which otherwise would have a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place: Mumbai

Date: 27 May, 2015

(Tushar Shridharani)

Practicing Company Secretary

FCS 2690 / COP 2190



MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

GUJARAT POLY-AVX ELECTRONICS LTD (GPAEL) is a joint venture Company setup in 1989 in collaboration with AVX Corporation, USA, a world leader in Electronics Passive Components. The facility to manufacture Multilayer Ceramic Capacitor in Radials, Axial's, Surface Mount Devices (SMD's) in the state of art facility in Gandhinagar, Gujarat. The complete Plant & Machinery was Imported & setup with their support. Subsequently other products like Single Layer Ceramic Capacitors & Metal Oxide Varistor's (MOV's) and Trading in other components like TANCAPS, DIODES etc., have been added to our range of products. The company has now outsourced these products from abroad & marketing the same in our brand name maintaining the same quality levels as our Manufactured Products.

INDUSTRIAL STRUCTURE & DEVELOPMENT.

Electronic components are the building blocks in any Electronics Systems. They are primarily classified into ACTIVE & PASSIVE Components. Ceramic Capacitors are Passive Components & are the most widely used due to their miniature size , low price, Wide Range etc.

These components are widely used by a cross Section of the Electronics Sector Customers divided into the following segments.

1. Computer & Computer Peripherals.
2. Instrumentations & Industrial Electronics
3. Strategic (DEFENCE) Electronics
4. Consumer Electronics
5. Telecommunications
6. Electronics Manufacturing Services (EMS).

Ceramic Capacitors is an Industrial Product & are supplied directly to the customers in above segments or Original Equipment Manufacturers (OEM's). In addition to these, our company also supplies parts through an All INDIA Dealer network.

GPAEL's products find applications in the growing Electronic Industry & have been well received in the market.

OPPORTUNITIES & THREATS.

- Ceramic Capacitors are the most widely used Passive Components due to the excellent Electrical Characteristics over other types as well as by way of its flexibility in casting into any shape.
- In addition to this Ceramic Capacitors have a wide range due to the variable Dielectric Constant & find application in Tuning, Timing Circuits, Coupling, Filtering, Harmonic Suppression, Power factor Compensation etc.,

- The company is also marketing other components to our existing customers.
- We have started outsourcing our parts due to the fiercely Competitive nature of the market.
- It is very easy for Manufacturers to import these parts at zero percent duty.

RISKS & CONCERNS

- The evolution of the EMS segment has brought in new technologies. However this has led to price pressures as the EMS customers have access to global sourcing.
- The Electronic Market is highly Competitive due to which the manufacturers have to resort to new design developments to offer consumers more value for money. Consequently the absolute rate is high.
- The Component market is very sensitive to faster turn around. Resultingly customers expect faster deliveries & high stocking levels to meet their requirements.
- The dependence on imports exposes the company to be sensitive to foreign currency volatility.
- Due to the faster turn around time, customers particularly OEM's resort to imports in kit form & is a persistent threat.

PERFORMANCE BY SECTOR

The overall market continued to be sluggish in the FY 2014-15. Despite the adverse market condition, the UPS, Inverter & the Energy Meter markets fared reasonably well. The Automotive Segments requirements were slow. However the overall Instrumentations & Industrial Electronic Segment recorded a drop over previous year. The Telecom sector sales improved over previous year, due to one time requirement from a C-DOT vendor. The EMS segment has been growing every year & was no exception this year too.

Product wise the Radial , SMD & SLCC sales recorded an increase over previous year & the High Voltage Single Layer Disc sales dropped largely due to low requirements in the Instrumentation Segment. The Radial requirements are continuously being replaced with SMD's.

Due to the above, the revenues during the FY 2014-15 increased from Rs. 1029.01 lacs to Rs. 1115.41 Lacs, an increase of 8%.

OUTLOOK

The directors are hopeful of increasing the sales Turnover of the components through imports and diversifying the product basket. The company is Cautiously optimistic about the growth process for the current Financial Year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Gujarat Poly-AVX Electronics Ltd has adequate system of internal controls to ensure all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

Your Company has nominated Internal Auditors who evaluate all financial and operating system control of the company. The Internal Auditors also review the internal controls to ensure Accounts of the Company are maintained and transactions are in accordance with the prevailing laws and regulations.

Internal Audit findings and recommendations are reviewed by the top management and the Audit Committee of the Board. The Committee reviews the quarterly, half yearly and annual financial statements before these are submitted to the Board and ensures compliance of internal control system.

FINANCIAL PERFORMANCE

Reserves & Surplus

During the year under review there has been no changes in the capital reserves of the company which stands at Rs. 2,975,000/-

Fixed Assets (Net Block)

The Net Block as on 31.3.2015 is Rs. 211.25 Lacs compared to Rs. 220.19 Lacs for previous year. The net block has gone down due to depreciation / adjustment for the year.

Investments

The Company has not made any investments during the year.

Net Current Assets / Liabilities

The net current liability of the Company is Rs.12.68 Lacs as compared to net current liabilities of Rs.13.04 Lacs in the previous year.

Results of operations

The revenue during the year has increased from Rs.1,029.01 Lacs to Rs. 1,115.42 Lacs. But there is a loss of Rs. 17.49 Lacs (previous year profit of Rs. 0.43 Lacs). Provisions for the interest and financial charges are Rs. 58.08 Lacs compared to Rs.50.40 Lacs during the previous year.

Payment to and provision for employees amounts to 22.56 % of sales compared to 21 % in the previous year. Depreciation amounts to 1.22 % of sales during the year compared to 1.51 % in the previous year.

The Company cannot recommend dividend due to accumulated losses.

Material Development in Human Resources

Your Company's vision for the future is designed to provide a total quality environment, which will delight its customers - both internal & external. To achieve this objective the company has embarked on developing its Human Resources by sharpening the industrial skills for multitasking. This empowers every employee to be a leader in its stride towards total quality.



GUJARAT POLY-AVX ELECTRONICS LIMITED

CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (SEBI) ushered in the formal code of corporate governance (hereafter the code) through clause 49 in the listing agreement executed by the Company with the stock exchange. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporates. The SEBI, during FY 2014-15 came up with the amendments in the Code aligning the provisions of the Code with the provisions of the Companies Act, 2013 and to streamline some of the provisions. While most of the practices laid down in clause 49 require mandatory compliance, few are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2014-2015.

Company's Philosophy on Corporate Governance:

The Philosophy on Corporate Governance aims at attainment of the highest level of transparency, accountability and equity in the functioning of the Company vis-à-vis interactions with employees, shareholders, creditors and customers. The objective of the Company is not only to meet the statutory requirements of the code but also go well beyond it by instituting such systems and procedures as are required in accordance with the latest global trend of making management completely transparent and institutionally sound.

1. Board of Directors

The Company has 1 Managing Director and 7 Non- Executive Directors out of which 1 is Non-Executive Chairman, 1 is Independent Director. One Independent director and one Nominee Director has resigned. Company has appointed nominee director nominated by GIIC on 13th February, 2015 and 2 additional directors out of which 1 is a woman director on 30th March, 2015. At the forthcoming Annual General Meeting these 2 directors will be proposed to be appointed as Independent Directors. Board of Directors is responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

During the year Mr. P. T. Kilachand and Mr. A. H. Mehta retired by rotation and were re-appointed at the last Annual General Meeting.

The details of other Directors being appointed and re-appointed in the ensuing Annual General Meeting have been given in the "Notice calling the Twenty Sixth Annual General Meeting of the Company".

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Chairmanships/Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanship/Membership of Board Committees includes only Audit and Shareholders'/Investors' Grievance Committees.

The table below provides the composition of the Board of Directors as on 31.03.2015

FY 2014-15 (April '14 to March '15)

Name of the Director	Attendance Particulars			Board Meeting Sitting Fees	No. of other Directorship and Committee Membership / Chairmanship	
	Category	Board meetings	Last AGM held on 13.08.14		Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T. R. Kilachand	Chairman NED	4	Yes	16,000/-	2	2
Mr. P. T. Kilachand	NED	3	No	12,000/-	3	2
Brig.K.Balasubramaniam (Till 30 th March, 2015)	NED(I)	4	Yes	16,000/-	NA	NA

Mr. C. Khushaldas	NED(I)	4	Yes	16,000/-	1	-
Mr. A. B. Shah (till 13th February, 2015) (Nominee of GIIC)	NED	1	Yes	4,000/-	NA	NA
Mr. D. D. Patel (Nominee of GIIC)	NED	2	No	8,000/-	2	-
Mr. A. H. Mehta	ED	4	Yes	-	3	-
Mr. Y. K. Vyas (wef 13th February, 2015)	NED	-	-	-	5	-
Mr. Jigen A. Mehta (wef 30th March, 2015)	NED(A)	-	-	-	2	-
Ms. Saloni Jhaveri (wef 30th March, 2015)	NED(A)	-	-	-	-	-

Notes:

1. NED – Non-Executive Director.
2. NED (I) – Non-Executive and Independent Director.
3. ED – Executive Director.
4. NED (A) - Non-Executive and Additional Director
5. Mr. Tanil R. Kilachand and Mr. Parthiv T. Kilachand, are related. No other directors are related.

Number of Board Meetings held and dates on which held.

Four Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

29th May, 2014, 13th August, 2014, 12th November, 2014 and 13th February, 2015.

2. Audit Committee:

- i. The Audit Committee of the Company is re-constituted on 13th February, 2015 in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange and pursuant to the requirements of Section 177 of the Companies Act, 2013.
Terms of reference of the Audit Committee are:
 - (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (iii) examination of the financial statement and the auditors' report thereon;
 - (iv) approval or any subsequent modification of transactions of the company with related parties;
 - (v) scrutiny of inter-corporate loans and investments;
 - (vi) valuation of undertakings or assets of the company, wherever it is necessary;
 - (vii) evaluation of internal financial controls and risk management systems;
 - (viii) monitoring the end use of funds raised through public offers and related matters.
- ii. Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.



iii. Composition and Attendance

During the year under review, Four meetings of the Audit Committee were held on the following dates and the attendance of each member of the Committee is given below:

29th May, 2014, 13th August, 2014, 12th November, 2014 and 13th February, 2015.

Name of the Director	Designation	Category	Sitting fees for		
			Audit Committee Rs.	Held during the tenure	Attended
Mr Chandrakant Khushaldas	Chairman	Independent Director	16,000/-	4	4
Brig. K. Balasubramaniam (Till 30 th March, 2015)	Member	Independent Director	16,000/-	4	4
Mr T.R. Kilachand	Member	Non-Executive Director	16,000/-	4	4
Mr. Jigen A. Mehta (wef 30 th March, 2015)	Member	Additional Director	-	-	-
Ms. Saloni A. Jhaveri (wef 30 th March, 2015)	Member	Additional Director	-	-	-

The majority of the members of the Audit Committee are independent and have knowledge of finance, accounts, company law and Electronics industry as a whole. The quorum for audit committee meeting is minimum of two members.

The Company Secretary acts as the Secretary to the Committee.

3. Details of Number of shares and Convertible Instruments held by Non - Executive Directors.

Except Mr. T. R. Kilachand and Mr. P. T. Kilachand who hold 49,602 Equity shares and 17,682 Equity shares of Rs. 10/- each of the Company respectively, no other Non-Executive Director holds any shares or Convertible Instruments of the Company.

4. Nomination & Remuneration Committee:

The Company had formed the Remuneration Committee. As required by section 178(1) of the companies Act, 2013 and Clause 49 of the listing Agreement the Company has re-constituted the committee as Nomination and Remuneration committee on 13th February, 2015.

Terms of Reference:

The Terms of Reference of Nomination & Remuneration Committee include recommending to the Board of Directors specific remuneration packages for Managing Director and management.

The Composition of the Remuneration Committee as on 31st March, 2015 was as under:

Sr. No	Name of the Director	Category	Designation	No of Meeting held	Attendance
1.	Mr. Chandrakant Khushaldas	Independent Director	Chairman	2	2
2	Brig. K. Balasubramaniam (Till 30 th March, 2015)	Independent Director	Member	2	2
3.	Mr. T. R. Kilachand	Non-Executive Director	Member	2	2

All the above Directors are Non-Executive and the Chairman is an Independent Director.

The company has adopted the 'Policy on Appointment and evaluation of Board of Directors, KMP, and Senior Management personnel' which sets out the criteria for remuneration to be paid, has been placed on the website of the Company: <http://www.polyavx.com>

None of the Non-Executive Director receives salary, benefits, bonuses, stock options, pension etc except sitting fees the details of which is given above in table – Board of Directors and Audit committee.

The Company pays Fees to all Directors excluding the Managing Director of the Company for attendance during the meeting. The Managing Director is paid remuneration of Rs.1,834,670 /- during the year.

Further, Board has approved the payment of Sitting fees to NED /Independent Directors of the Company in pursuant to section 197 (5) of the Companies Act, 2013. The Company have not paid any severance fee to its Directors.

5. Stakeholders Relationship Committee

The Shareholders'/Investors' Grievance Committee has been constituted as '**Stakeholders Relationship Committee**' with effect from 13th February, 2015 as per requirement of Section 178(5) of the Companies Act, 2013.

The following directors are the members of the said Committee:-

Sr. No.	Name of the Director	Category	No. of Meeting(s)	
			Held	Attended
1.	Mr T. R. Kilachand – Chairman	Non-Executive Director	24	23
2.	Mr. P. T. Kilachand – Non-Executive Director	Non-Executive Director	24	22
3.	Mr. A. H. Mehta – Managing Director	Executive Director	24	24

The Committee would look into the redressal of the shareholders' complaints in respect of all matters including transfer or credit of shares to demat accounts, non-receipt of Notices/Annual Reports, Non-receipt of Share Certificates etc.

Share Transfer formalities are attended to once a week.

Mr. J.M.Shah, Company Secretary provided secretarial support to the Committee and was also the designated Compliance Officer of the Company.

One complaint was received during the year 1.04.2014 to 31.03.2015 and resolved.

There are no complaints from the shareholders pending as on 31.3.2015.

The Company Secretary acts as the Secretary to the Committee.

6. CEO/CFO Certification

Mr. A.H.Mehta, Managing Director and Mr. Harshad H. Jani, Chief Financial Officer of the Company have certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:-
 1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b). There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c). They accept responsibility for establishing and maintaining internal controls for financial reportings and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee those deficiencies of which they are aware, in the design or operation of such internal control and that they have taken the required steps to rectify these deficiencies.
- (d). They further certify that they have indicated to the auditors and Audit Committee -



- (i) there have been no significant changes in internal control over financial reporting during the year.
- (ii) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

7. Code of Conduct

The Company has framed and adopted a Code of Conduct, which is applicable to all the directors and members of the senior management in terms of Clause 49 V of the Listing Agreement. The said code, which came into effect from January 1, 2006, lays the general principles designed to guide all directors and members of the senior management in making ethical decisions. The same has been posted on the website of the company: <http://www.polyavx.com>

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

Declaration

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

For Gujarat Poly-AVX Electronics Limited

A. H. Mehta
Managing Director

8. Means of Communications

The annual, half-yearly and quarterly results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings as required under clause 41 of the listing agreement and were also published in two newspapers at Ahmedabad. The Management discussion and Analysis (MD&A) is part of the Annual Report. These results are also put on the Company's website: www.polyavx.com

9. Related Party Transaction

The Company has no material significant related party transactions with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interests of the Company at large.

For details about related parties transactions, see Note No. 36 of the Standalone Financial Statement for the financial year 2014-15.

The Company has formed Related Party Transactions Policy pursuant to the requirements of Companies Act, 2013 and revised Clause 49 of the Listing Agreement. The same is also placed at the website of the Company i.e www.polyavx.com. During the year under audit, the Company has not entered into any material related party transactions.

10. Whistle Blower policy

The Company had adopted a "Whistle Blower Policy" through which the Company has institutionalized a mechanism to disclose any unethical behavior, improper practice and wrongful conduct taking place in the Company for suitable action. The Policy, by design, provides access to the Chairman of the Audit Committee. Confidentiality of Whistle Blower is maintained without any discrimination. The same is also placed at the website of the Company www.polyavx.com

11. Legal Compliances

There were no instances of non-compliance or penalties, imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

12. Disclosure

Mr. V. K. Puniani, Senior General Manager (Plant) constitutes 'management' and has no personal interest in any transaction that may have a potential conflict with the interest of the company at large.

13. General Shareholder Information

AGM: Date Time Venue	12 th August, 2015 12.00 noon At: B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat.
Financial Year	April 2014 to March 2015
e-voting period	From 9am on Sunday, 9th August, 2015 to 5pm on Tuesday, 11 th August, 2015
Cut-off date for e-voting	Wednesday, 5 th August, 2015
Dates of Book Closure	Tuesday, 14 th July 2015 to Tuesday, 21 st July, 2015
Dividend Payment Date	N. A.
Listing on Stock Exchange	Bombay Stock Exchange Ltd.
Stock Code	517288 – Bombay Stock Exchange Ltd.
Demat ISIN Number in NSDL & CDSL for Equity Shares	NSDL) CDSL) INE541F01022
Market Price Data : High, Low during each month in the financial year 2014-2015.	See Table No.1 below
Registrar and Share Transfer Agents	M/s. Sharepro Services (India) Pvt. Ltd. 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. Telephone:. 022 67720300, 022 67720400 fax: 022 28591568, e mail: sharepro@shareproservices.com
Share Transfer System	The Shares are traded compulsorily in the Demat form effective 6.12.2002. Shares sent for transfer are registered and returned within 15 days from the date of receipt, if the documents are clear in all respects.
Distribution of shareholding & Category-wise distribution	See Table No. 2 & 3
Dematerialisation of shares	See Table No. 4.
Plant Location	B-17/18, Gandhinagar Electronic Estate, Gandhinagar-382024 (Gujarat) Telephone : 079-23287162 / 63 Fax: 079-23287161 Email: gpael@polyavx.com Web-site: www.polyavx.com

Listing Fees and custodial fees applicable have been paid.

Table 1 – Market Price Data

High, Low (based on closing prices) and number of shares traded during each month in the last financial year on The Bombay Stock Exchange Ltd., are summarized as herein below.

Month	Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Total Number of Shares traded
April - 2014	4.75	3.90	9,899
May - 2014	4.75	4.51	7,121
June - 2014	5.88	4.80	29,199
July - 2014	7.17	5.87	96,460
August - 2014	7.70	6.55	33,891
September - 2014	9.50	6.05	34,260
October - 2014	8.65	6.15	14,407
November - 2014	7.50	5.86	11,643



December - 2014	7.50	7.00	11,317
January - 2015	7.45	7.45	100
February - 2015	8.19	7.08	29,444
March - 2015	8.12	7.35	13,237

Table 2

Distribution of Shareholding as on 31.03.2015.

No. of Equity Shares.	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 100	1,175,282	13.75	19,663	85.18
101 to 500	585,003	6.84	2,860	12.39
501 to 1000	257,733	3.01	341	1.48
1001 to 5000	359,887	4.21	176	0.76
5001 to 10000	194,729	2.28	26	0.11
10001 to 100000	427,880	5.00	14	0.06
100001 and above	5,549,486	64.91	5	0.02
Total	8,550,000	100.00	23,085	100.00

Table 3

Category-wise distribution of shareholding as on 31.03.2015

Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	3	5,113,255	59.80
2.	Public Financial Institutions & Banks	4	327,259	3.83
3.	Mutual Funds	-	-	-
4.	Bodies Corporate	87	32,692	0.38
5.	Resident Individuals	22,967	3,040,962	35.57
6.	FII & OCBs	-	-	-
7.	Non-Resident Individuals	24	35,832	0.42
8.	State Government	-	-	-
	Total	23,085	8,550,000	100.00

Table 4

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

Mode	No. of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	19,105	82.76	3,270,384	38.25
Electronic	3,980	17.24	5,279,616	61.75
Total	23,085	100.00	8,550,000	100.00

14. General Body Meetings:

The particulars of Annual General Meetings and Extra Ordinary General Meetings of the Company held in the last 3 years are as under. The shareholders passed all the resolutions set out in the respective notices.

Financial Year	EGM	Location	Date	Time	No. of Special Resolutions passed
2011 - 12	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	03.08.2012	1.00 p.m	-
2012 - 13	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	02.08.2013	1.00 p.m	-
2013 - 14	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	13.08.2014	1.00 p.m	2

Financial Year	AGM	Location	Date	Time	No. of Special Resolutions passed
2013 - 14	EGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	13.08.2014	3.00 p.m	1

The Company has not passed any shareholders' resolution through postal ballot during the year under reference.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
Gujarat Poly-AVX Electronics Limited**

We have examined the compliance of conditions of Corporate Governance by **Gujarat Poly-AVX Electronics Limited** ("the Company"), for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges.

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

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

We 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 C. C. Chokshi & Co.
Chartered Accountants
(Registration No.101876W)

Kartikeya Raval
Partner
(Membership No.106189)

Ahmedabad,
27th May, 2015



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GUJARAT POLY-AVX ELECTRONICS LIMITED**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 27 to the financial statements regarding preparation of the financial statements of the Company on going concern basis for the reasons stated therein.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The going concern matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 25 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For C. C. Chokshi & Co.
Chartered Accountants
(Firm's Registration No. 101876W)

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, 27th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business / activities during the year, clause (vi) of paragraph 3 of the Order is not applicable to the Company.
2. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
3. In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and during the course of our audit we have not observed any major weakness in such internal control system.
6. According to the information and explanations given to us, the Company has not accepted any deposit during the year.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
 - (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
8. The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. According to the information and explanations given to us, the Company has not borrowed any monies from banks, financial institutions or through issue of debentures.
10. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
11. According to the information and explanations given to us, the Company has not obtained any term loans during the year.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For C. C. Chokshi & Co.
Chartered Accountants
(Firm's Registration No. 101876W)

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, 27th May, 2015



BALANCE SHEET AS AT 31ST MARCH, 2015

(In Rupees)

Particulars	Note	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	183,650,000	183,650,000
(b) Reserves and Surplus	4	(166,334,677)	(164,449,570)
		<u>17,315,323</u>	<u>19,200,430</u>
(2) Non - Current Liabilities			
(a) Deferred Tax Liabilities	5	-	-
(b) Long-term provisions	6	3,022,101	2,014,705
		<u>3,022,101</u>	<u>2,014,705</u>
(3) Current liabilities			
(a) Short-term borrowings	7	44,600,000	44,626,342
(b) Trade payables		9,390,951	7,953,470
(c) Other current liabilities	8	8,075,658	5,079,747
(d) Short-term provisions	9	1,159,776	1,033,643
		<u>63,226,385</u>	<u>58,693,202</u>
TOTAL		<u>83,563,809</u>	<u>79,908,337</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		20,396,140	21,455,210
(ii) Intangible assets		728,625	564,287
		<u>21,124,765</u>	<u>22,019,497</u>
(b) Long-term loans and advances	11	480,185	500,406
		<u>21,604,950</u>	<u>22,519,903</u>
(2) Current assets			
(a) Inventories	12	28,452,480	26,571,320
(b) Trade receivables	13	30,025,474	27,284,003
(c) Cash and cash equivalent	14	2,864,551	2,543,956
(d) Short-term loans and advances	15	599,071	967,694
(e) Other current assets	16	17,283	21,462
		<u>61,958,859</u>	<u>57,388,434</u>
TOTAL		<u>83,563,809</u>	<u>79,908,337</u>

See accompanying notes forming part of the financial statements

In term of our report attached.**For C. C. Chokshi & Co.**

Chartered Accountants

Kartikeya Raval

Partner

(Membership No. 106189)

Place: Ahmedabad

Date: 27th May, 2015

For and on behalf of the Board of Directors

T. R. Kilachand

Chairman

Harshad Jani

CFO

A. H. Mehta

Managing Director

J. M. Shah

Company Secretary

Place: Mumbai

Date: 27th May, 2015

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

(In Rupees)			
Particulars	Note	Year Ended 31st Mar 2015	Year Ended 31st Mar 2014
CONTINUING OPERATIONS			
I. Revenue from operations (Gross)	17	112,690,287	112,133,545
Less: Excise duty		1,148,536	9,232,168
Revenue from Operations (Net)		111,541,751	102,901,377
II. Other income	18	596,467	398,925
III. Total Revenue (I + II)		<u>112,138,218</u>	<u>103,300,302</u>
IV. Expenses:			
a. Cost of Raw Materials Consumed	19	3,599,371	40,840,691
b. Change in Inventories of Finished goods, Work-in-progress and Stock-in-trade	20	(5,215,901)	(4,250,119)
c. Purchases of Stock-in-trade	21	70,359,438	23,886,031
d. Employee Benefits Expense	22	25,160,664	21,653,440
e. Finance Charges	23	5,808,305	5,040,205
f. Depreciation and Amortization expense	10	1,359,030	1,559,944
g. Other Expenses	24	12,816,227	14,526,652
Total Expenses		<u>113,887,134</u>	<u>103,256,844</u>
V. Profit/(Loss) before tax (III-IV)		(1,748,916)	43,458
VI. Tax expense:			
(1) Current Tax	30	-	-
(2) Deferred Tax	5	-	-
VII. Profit/(Loss) for the year (V-VI)		<u>(1,748,916)</u>	<u>43,458</u>
VIII. Earnings per share (of Rs. 10/- each):	35		
Basic and Diluted		(0.20)	0.01

See accompanying notes forming part of the financial statements

In term of our report attached.

For C. C. Chokshi & Co.
Chartered Accountants

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad
Date: 27th May, 2015

For and on behalf of the Board of Directors

T. R. Kilachand
Chairman

Harshad Jani
CFO

A. H. Mehta
Managing Director

J. M. Shah
Company Secretary

Place: Mumbai
Date: 27th May, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	(In Rupees)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
(A) Cash flow From Operating Activities		
1. Net Profit / (Loss) before tax	(1,748,916)	43,458
2. Adjustments for:		
a) Depreciation and Amortisation	1,359,030	1,559,944
b) Finance Costs	5,808,305	5,040,205
c) Interest income	(20,772)	(288,409)
d) Excess provisions written back	(124,517)	(13,932)
e) Sundry credit balances written back	(105,440)	(301,477)
f) Sundry Balance written off	59,425	316,784
g) Profit on Sales of Fixed Assets	(5,656)	-
h) Unrealised Foreign Exchange (gain)/loss	(316,185)	(118,407)
i) Other Income	(23,897)	-
Operating Profit Before Working Capital Changes (1 + 2)	4,881,377	6,238,166
3. Adjustments for Working Capital changes:		
(i) (Increase)/ decrease in Operating Assets		
a) Inventories	(1,881,160)	(751,127)
b) Trade receivables	(2,800,898)	(2,322,039)
c) Long term Loans and Advances	-	144,002
d) Short term Loans and Advances	368,623	(245,757)
e) Other Current Assets	4,179	(9,655)
(ii) Increase/(decrease) in Operating Liabilities		
a) Trade payables	1,983,622	(2,577,673)
b) Other current liabilities	(80,979)	502,295
c) Short term provisions	126,133	698,141
d) Long term provisions	1,007,396	263,705
Cash Generated From Operations	3,608,293	1,940,058
Add: Net Income-tax refunds	20,221	17,631
Net Cash flow from Operating Activities (A)	3,628,514	1,957,689
(B) Cashflow From Investing Activities		
a) Purchase of Fixed Assets	(606,262)	(793,265)
b) Proceeds from Sale of Fixed Assets	11,431	-
c) Interest income	44,669	-
Net Cash flow from/(used in) Investing Activities (B)	(550,162)	(793,265)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	(In Rupees)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
(C) Cashflow From Financing Activities		
a) Proceeds from short term borrowings	-	21,484,282
b) Interest Paid	(2,591,231)	(21,632,565)
c) Repayment of long-term borrowings	(140,184)	(28,953)
d) Repayment of Short term borrowings	(26,342)	-
Net Cash flow from/(used in) Financing Activities (C)	(2,757,757)	(177,236)
(D) Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	320,595	987,188
(E) Cash and Cash Equivalents at the beginning of the year	2,543,956	1,556,768
(F) Cash and Cash Equivalents at the end of the year	2,864,551	2,543,956

Note :

1 Components of Cash & Cash Equivalents

Cash on hand	-	20,236
Balances with Schedule banks		
In Current Accounts	2,864,551	2,523,720
	<u>2,864,551</u>	<u>2,543,956</u>

- 2** The above cashflow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

See accompanying notes forming part of the financial statements

In term of our report attached.

For C. C. Chokshi & Co.
Chartered Accountants

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad
Date: 27th May, 2015

For and on behalf of the Board of Directors

T. R. Kilachand
Chairman

Harshad Jani
CFO

A. H. Mehta
Managing Director

J. M. Shah
Company Secretary

Place: Mumbai
Date: 27th May, 2015



1 CORPORATE INFORMATION

Gujarat Poly-AVX Electronics Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company in collaboration with AVX corporation, USA has set up a state of art facilities for manufacturing of capacitors.

2. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Accounting:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

5) Fixed Assets: (Tangible/ Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

6) Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets, except furniture and fixtures, has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on furniture and fixtures is calculated on Written down value basis as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Cost of leasehold land is amortised over the period of the lease.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- Technical Knowhow is amortised over its useful life of seventeen years which is the useful life of plant and machinery for which it is used.
- Computer software are amortized over a period of three years from the date of their acquisition.

7) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

8) Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

7) Inventories:

Inventories are valued at the lower of cost (determined on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and Finished goods include appropriate proportion of overheads and, where applicable, excise duty.

8) Revenue recognition:

Sale of goods:

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty, where applicable, but exclude sales tax and value added tax.

Other Income:

Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

9) Foreign Currency Transactions:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

10) Employees Benefits:

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and pension fund.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund, employee state insurance scheme and Pension fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the schemes.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

11) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses,, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

12) Government Grants:

Government grants in the nature of promoter's contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

13) Provisions, Contingent liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

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

3. SHARE CAPITAL

	(In Rupees)	
	As at 31st March 2015	As at 31st March 2014
Authorised Share Capital		
1,20,00,000 Equity Shares of Rs. 10/- each	120,000,000	12,00,00,000
10,00,000 1/2 % Non-cumulative Redeemable Preference shares of Rs. 100/- each	100,000,000	10,00,00,000
	<u>22,00,00,000</u>	<u>22,00,00,000</u>
Issued, Subscribed and Paid Up		
85,50,000 (Previous Year 85,50,000) Equity Shares of Rs. 10/- each fully paid up	85,500,000	85,500,000
9,81,500 1/2 % Non-cumulative Redeemable Preference shares of Rs. 100/- each	98,150,000	98,150,000
TOTAL	<u>183,650,000</u>	<u>183,650,000</u>

Notes:

Out of above equity shares:

(a) 7,50,000 Shares of Rs. 10 each have been allotted as fully paid-up to Term Lenders and Bank as per AAIFR order, without payment being received in cash.

(b) 8,00,000 Shares of Rs. 10 each have been allotted as fully paid-up against unsecured loan as per AAIFR order, without payment being received in cash.

(i) a. Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period :

	(In Nos.)	(Amount Rs.)	(In Nos.)	(Amount Rs.)
	As at 31st March 2015	As at 31st March 2015	As at 31st March 2014	As at 31st March 2014
Outstanding at the beginning of the period	8,550,000	85,500,000	8,550,000	85,500,000
Issued during the period	-	-	-	-
Outstanding at the end of the Period	8,550,000	85,500,000	8,550,000	85,500,000

(i) b. Reconciliation of the number of 1/2% Non-cumulative Redeemable Preference Shares outstanding at the beginning and at the end of the reporting period :

	(In Nos.)	(Amount Rs.)	(In Nos.)	(Amount Rs.)
	As at 31st March 2015	As at 31st March 2015	As at 31st March 2014	As at 31st March 2014
Outstanding at the beginning of the period	981,500	98,150,000	9,81,500	98,150,000
Issued during the period	-	-	-	-
Outstanding at the end of the Period	981,500	98,150,000	9,81,500	98,150,000



(ii) a. Details of Shareholders holding more than 5 percent of Equity Shares:

		(In Nos.)	
		As at 31st March 2015	As at 31st March 2014
Polychem Limited	Nos.	2,866,154	2,866,154
	% Holding	33.52%	33.52%
AVX Corporation, USA	Nos.	1,749,998	1,749,998
	% Holding	20.47%	20.47%
GIIC	Nos.	497,103	497,103
	% Holding	5.81%	5.81%

(ii) b. Details of Shareholders holding more than 5 percent of 1/2% Non-cumulative Redeemable Preference Shares:

		(In Nos.)	
		As at 31st March 2015	As at 31st March 2014
3A Capital Limited	Nos.	313,220	313,220
	% Holding	31.91%	31.91%
Polychem Limited	Nos.	668,280	668,280
	% Holding	68.09%	68.09%

(iii) a. Rights of Equity Shareholders:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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 shareholding.

(iii) b. Rights of 1/2% Non-cumulative Redeemable Preference Shareholders:

981,500 1/2% Non-cumulative Preference shares of Rs. 100 each fully paid-up have been allotted to term lenders as per AAIFR order without payment being received in cash, out of which 490,750 shares were redeemable on 31st March 2008 and balance on 31st March 2009.

The Company has one class of Preference shares having a par value of Rs.100 per share. The holders of such shares shall have the right to receive all notices of general meetings of the co. but not the right to vote at any meetings of the company.

In the event of liquidation of the company, the holder of preference shares will have priority over equity shares in the payment of dividend and repayment of capital but shall not have any further or other right to participating either in profit or assets.

		(In Rupees)	
		As at	As at
		31st March 2015	31st March 2014
4. RESERVES AND SURPLUS			
(a) Capital Reserve			
State Government Subsidy on Capital Investment			
Balance as per Last Balance Sheet	2,975,000	2,975,000	
(b) Deficit in Statement of Profit and Loss			
Opening Balance	(167,424,570)	(167,468,028)	
Add: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	(136,192)	-	
Add: Profit/ (Loss) for the year	(1,748,916)	43,458	
Net Deficit in Statement of Profit and Loss	(169,309,677)	(167,424,570)	
TOTAL	(166,334,677)	(164,449,570)	
5. DEFERRED TAX LIABILITIES (Net)			
(a) Tax effect of items constituting deferred tax liabilities			
Difference between book balance and tax balance of fixed assets	3,814,415	3,856,432	
(b) Tax effect of items constituting deferred tax assets (Refer note below)			
Disallowances u/s 43(B) of Income Tax Act,1961	1,700,982	1,185,240	
Brought forward business losses (restricted to the extent of net deferred tax liability on depreciation on account of virtual certainty.)	2,113,433	2,671,192	
	3,814,415	3,856,432	
Net Deferred Tax Liability	-	-	
Note :			
The Company has recognized deferred tax assets of Rs. 3,814,415 (Previous Year: Rs. 3,856,432), including Rs. 2,113,433 (Previous Year: Rs. 2,671,192) on account of unabsorbed losses, restricted to the extent of deferred tax liability on account of depreciation, as it is virtually certain that the reversal of timing differences on account of depreciation would result in sufficient taxable income against which the deferred tax assets can be realised.			
6. LONG-TERM PROVISIONS			
Provision for employee benefits			
Leave Encashment	1,663,517	1,716,211	
Gratuity	1,358,584	298,494	
TOTAL	3,022,101	2,014,705	
7. SHORT-TERM BORROWINGS			
(a) Cash Credit from a bank (secured) (Refer Note 1)	-	26,342	
(b) Loan from a Related party (Unsecured) (Refer Note 2)	44,600,000	44,600,000	
TOTAL	44,600,000	44,626,342	



(In Rupees)

As at
31st March 2015 As at
31st March 2014

Note:

1. The Cash Credit was Secured by hypothecation of stocks of Raw Material, Stock-in-process, Finished Goods, Stores, Spares and assignment of Book Debts and by way of second charge on Fixed Assets of the Company.
2. The loan from the realted party carries interest at 13% p.a. Terms of repayment in respect of the same have not been stipulated.

8. OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt (Refer note Below)	-	140,184
(b) Interest accrued but not due on borrowings	7,384,203	4,167,129
(c) Advance from customers	105,340	196,008
(d) Statutory dues	586,115	576,426
TOTAL	<u>8,075,658</u>	<u>5,079,747</u>

Note: Current maturity of long term debt was secured by Hypothecation of the vehicle financed.

9. SHORT-TERM PROVISIONS**Provision for employee benefits**

(a) Leave Encashment	492,378	231,176
(b) Gratuity	667,398	802,467
TOTAL	<u>1,159,776</u>	<u>1,033,643</u>

10. FIXED ASSETS

(In Rupees)

PARTICULARS	G R O S S B L O C K (At Cost)			D E P R E C I A T I O N / A M O R T I S A T I O N						NET BLOCK
	AS AT 1.04.2014	Additions	Deductions	AS AT 31.03.2015	AS AT 1.04.2014	For the period ending 31.03.15	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer Note below)	Deductions	UPTO 31.03.15	AS AT 31.03.15
A) Tangible Assets:										
Land (Lease Hold)	3,289,596	-	-	3,289,596	748,565	34,212	-	-	782,777	2,506,819
Previous Year	3,289,596	-	-	3,289,596	714,353	34,212	-	-	748,565	2,541,031
Building- Factory	19,400,091	-	-	19,400,091	13,510,280	537,473	-	-	14,047,753	5,352,338
Previous Year	19,400,091	-	-	19,400,091	12,862,316	647,964	-	-	13,510,280	5,889,811
Plant & Equipment	203,370,982	-	-	203,370,982	192,015,473	135,093	3,879	-	192,154,444	11,216,537
Previous Year	203,338,982	32,000	-	203,370,982	191,762,219	253,254	-	-	192,015,473	11,355,508
Furniture & Fixtures	1,373,256	5,050	-	1,378,306	1,271,301	13,866	-	-	1,285,167	93,139
Previous Year	1,338,681	34,575	-	1,373,256	1,226,078	45,223	-	-	1,271,301	101,955
Vehicles	934,620	-	-	934,620	325,077	122,868	-	-	447,945	486,675
Previous Year	934,620	-	-	934,620	238,237	86,840	-	-	325,077	609,543
Office Equipment	1,287,398	-	-	1,287,398	1,004,661	80,572	43,561	-	1,128,794	158,604
Previous Year	1,250,023	37,375	-	1,287,398	970,626	34,035	-	-	1,004,661	282,737

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Computer & Peripherals	1,965,533	166,250	115,489	2,016,294	1,585,493	164,307	88,752	109,715	1,728,837	287,457
Previous Year	1,865,983	99,550	-	1,965,533	1,469,851	115,642	-	-	1,585,493	380,040
Electrical Installation	5,895,188	-	-	5,895,188	5,600,603	14	-	-	5,600,617	294,571
Previous Year	5,893,508	1,680	-	5,895,188	5,598,923	1,680	-	-	5,600,603	294,585
Total (A)	237,516,664	171,300	115,489	237,572,475	216,061,453	1,088,406	136,192	109,715	217,176,334	20,396,140
Previous Year	237,311,484	205,180	-	237,516,664	214,842,603	1,218,850	-	-	216,061,453	21,455,210
B) Intangible Assets:										
Technical Know-How	11,843,456	-	-	11,843,456	11,801,036	42,420	-	-	11,843,456	-
Previous Year	11,843,456	-	-	11,843,456	11,526,160	274,876	-	-	11,801,036	42,420
Computer software	588,085	434,962	-	1,023,047	66,218	228,204	-	-	294,422	728,625
Previous Year	-	588,085	-	588,085	-	66,218	-	-	66,218	521,867
Total (B)	12,431,541	434,962	-	12,866,503	11,867,254	270,624	-	-	12,137,878	728,625
Previous Year	11,843,456	588,085	-	12,431,541	11,526,160	341,094	-	-	11,867,254	564,287
Grand Total (A+B)	249,948,205	606,262	115,489	250,438,978	227,928,707	1,359,030	136,192	109,715	229,314,213	21,124,765
Previous year	249,154,940	793,265	-	249,948,205	226,368,763	1,559,944	-	-	227,928,707	22,019,498

Note: During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 ("the Act"), with effect from 1st April, 2014, the Company has adopted the useful lives of fixed assets as specified in Schedule II of the Act, w.e.f. 1st April, 2014. Accordingly, the unamortised carrying value of the assets as on that date is being depreciated over their revised remaining useful lives. Pursuant to the transition provisions prescribed in Schedule II to the Act, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on 1st April, 2014, and has adjusted an amount of Rs.136,192 against the opening balance of Deficit in the Statement of Profit and Loss under Reserves and Surplus.

(In Rupees)

**As at
31st March 2015 As at
31st March 2014**

11. LONG TERM LOANS & ADVANCES

Unsecured , Considered Good

(a) Advance Tax & Tax deducted at source	25,825	46,046
(b) Electricity & Other Deposits	454,360	454,360
TOTAL	480,185	500,406

12. INVENTORIES (Lower of cost or Net realisable value)

(a) Raw Materials	2,913,216	5,740,404
(b) Work-in-Progress	235,407	285,886
(c) Finished Goods	8,432,833	9,865,011
(d) Stock-in-Trade	12,273,595	5,575,037
(e) Stores & Spares	4,568,288	5,062,076
(f) Packing Materials	29,141	42,906
TOTAL	28,452,480	26,571,320

Break-up of Work-in-progress

(a) Radial Chips	8,455	14,284
(b) SLCC Chips	5,531	6,441
(c) HLCC Chips	23,876	54,703
(d) MOV Chips	-	8,818
(e) Others	197,545	201,640
	235,407	285,886



		(In Rupees)	
		As at	As at
		31st March 2015	31st March 2014
13. TRADE RECEIVABLES			
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
(i) Unsecured, considered good	1,282,409	1,336,981	
(ii) Unsecured, considered doubtful	1,198,537	556,545	
	<u>2,480,946</u>	<u>1,893,526</u>	
Less: Provision for Doubtful Debts	1,198,537	556,545	
	<u>1,282,409</u>	<u>1,336,981</u>	
(b) Others			
Unsecured, considered good	28,743,065	25,947,022	
TOTAL	<u>30,025,474</u>	<u>27,284,003</u>	
14. CASH AND CASH EQUIVALENTS			
(a) Cash On Hand	-	20,236	
(b) Balances with Banks			
In Current Accounts	2,864,551	2,523,720	
TOTAL	<u>2,864,551</u>	<u>2,543,956</u>	
15. SHORT-TERM LOANS AND ADVANCES			
Unsecured, considered good			
(a) Employee Advances	238,325	350,525	
(b) Prepaid Expenses	219,473	309,578	
(c) Deposits and balances with government and other authorities	115,400	187,846	
(d) Advances to Suppliers	14,806	108,790	
(e) Others	11,066	10,955	
TOTAL	<u>599,071</u>	<u>967,694</u>	
16. OTHER CURRENT ASSETS			
Interest Receivable			
Electricity and Other Deposits	17,283	21,462	
TOTAL	<u>17,283</u>	<u>21,462</u>	
17. REVENUE FROM OPERATIONS			
(a) Sale of products (Refer Note (i) below)			
i) Manufactured Goods	11,371,673	84,980,871	
ii) Trading Goods	101,156,261	26,675,237	
(b) Other Operating Income (Refer Note (ii) below)	162,353	477,437	
Revenue from operations (Gross)	<u>112,690,287</u>	<u>112,133,545</u>	
Less:			
(C) Excise duty	1,148,536	9,232,168	
Total	<u>111,541,751</u>	<u>102,901,377</u>	

		(In Rupees)	
		As at	As at
		31st March 2015	31st March 2014
Note:			
(i) Sale of products comprises :			
a. Manufactured goods			
Radial		6,571,653	29,073,995
Chips		2,944,652	37,297,418
Single Layers		1,581,288	18,034,857
Others		274,080	574,601
Total - Sale of manufactured goods		11,371,673	84,980,871
b. Traded goods			
Tantalum Capacitor		8,622,290	8,238,526
Ceramic Capacitor		92,533,971	18,436,711
Total - Sale of traded goods		101,156,261	26,675,237
Total - Sale of products		112,527,934	111,656,108
(ii) Other operating revenues comprise:			
Scrap sales		14,571	236,061
Others		147,783	241,376
Total - Other operating revenues		162,353	477,437
Total		112,690,287	112,133,545
18. OTHER INCOME			
(a) Interest Received From Others		20,772	32,293
(b) Sundry credit balances written back		105,440	13,068
(c) Excess Provision Written back		124,517	302,341
(d) Profit on sale of Fixed Assets		5,656	-
(e) Foreign exchange Gain		316,185	-
(f) Other Non-operating Income		23,897	51,223
TOTAL		596,467	398,925
19. COST OF MATERIALS CONSUMED			
Raw Materials Consumed		3,599,371	40,840,691
a. Details of Raw Materials Consumed under broad heads :			
i) Chips		3,303,729	36,272,456
ii) Copper wire & Epoxy		247,446	3,585,624
iii) Others		48,197	982,611
TOTAL		3,599,371	40,840,691
b. Value of Indigenous and Imported Raw Materials Consumed during the year :			
Imported	Value	2,772,566	37670209
	Percentage	77.03%	92.24%
Indigenous	Value	826,805	3170482
	Percentage	22.97%	7.76%



			(In Rupees)	
			As at	As at
			31st March 2015	31st March 2014
20. CHANGES IN INVENTORIES OF FINISHED GOODS ,WORK-IN-PROGRESS AND STOCK-IN-TRADE				
(a) Closing Stock				
Finished Goods		8,432,833	9,865,011	
Work-in-progress		235,407	285,886	
Trading Goods		12,273,595	5,575,037	
		<u>20,941,835</u>	<u>15,725,934</u>	
(b) Less: Opening Stock				
Finished Goods		9,865,011	9,570,599	
Work-in-progress		285,886	1,136,195	
Trading Goods		5,575,037	769,021	
		<u>15,725,934</u>	<u>11,475,815</u>	
Net (increase)/decrease		<u><u>(5,215,901)</u></u>	<u><u>(4,250,119)</u></u>	
21. Purchase of Stock-in-trade				
Purchases of stock-in-trade under broad heads:				
(a) Tantalum capacitor		5,002,769	4,771,781	
(b) Ceramic capacitors		63,479,996	17,265,111	
(c) Others		1,876,673	1,849,139	
TOTAL		<u><u>70,359,438</u></u>	<u><u>23,886,031</u></u>	
22. EMPLOYEE BENEFITS EXPENSES				
(a) Salaries, Wages, Bonus etc.		21,470,868	17,809,787	
(b) Contribution to Provident, Gratuity and other funds		3,049,507	2,987,493	
(c) Employee welfare expenses		640,289	856,160	
TOTAL		<u><u>25,160,664</u></u>	<u><u>21,653,440</u></u>	
23. FINANCE COST				
Interest Expense on				
Loan from Related party		5,798,001	4,628,850	
Others		10,304	411,355	
TOTAL		<u><u>5,808,305</u></u>	<u><u>5,040,205</u></u>	
24. OTHER EXPENSES				
(a) Power & Fuel		1,102,282	1,654,441	
(b) Repairs Repairs and Maintenance				
Plant and Machinery		12,453	70,232	
Repairs building		739,339	1,058,332	
Office & Other		-	31,385	

	(In Rupees)	
	As at	As at
	31st March 2015	31st March 2014
(c) Stores and Spares and Tools Consumed	495,539	208,677
(d) Packing Material Consumed	95,333	67,051
(e) Labour Charges	-	1,249,830
(f) Excise Duty provided on stock (Refer Note 28)	235,426	(142,255)
(g) Selling Expenses	295,569	283,660
(h) Freight outward (net)	301,318	114,261
(i) Advertisement Expenses	140,035	110,004
(j) Stationary, Printing, Postage and Telephone Expenses	1,345,955	910,719
(k) Insurance	250,998	235,412
(l) Rent	543,942	819,325
(m) Rates, Duties and taxes	160,895	199,440
(n) Bank charges	27,521	36,897
(o) Travelling Expenses & Conveyance	1,739,323	2,045,571
(p) Directors Sitting Fees	126,507	121,732
(q) Legal & Professional Charges	1,237,261	1,726,163
(r) Audit Fees (Refer Note below)	456,642	477,348
(s) Security Service Charges	730,125	730,430
(t) Factory Expenses	324,278	433,680
(u) Loss on foreign exchange fluctuation (Net)	-	359,484
(v) Bad Debts Written off	641,992	-
(w) Miscellaneous Expenses	1,813,495	1,724,833
TOTAL	<u>12,816,227</u>	<u>14,526,652</u>

Note:

Payments to the auditors comprises :

Statutory audit fees	395,000	422,136
Tax audit fees	55,000	50,562
Reimbursement of Expenses	6,642	4,650
TOTAL	<u>456,642</u>	<u>477,348</u>



25. Contingent liabilities:

(Amount in Rs.)

	As at 31.03.15	As at 31.03.14
Disputed Demand of Employees' State Insurance Corporation	102,838	NIL

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

26. In the year 1997, the Board for Industrial and Financial Reconstruction (BIFR) declared the Company a Sick Industrial Undertaking within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act (SICA), 1985. The Scheme of rehabilitation ("the Scheme") of the Company was sanctioned by the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) by its Order dated 27th March, 2002 which became effective from 1st April, 2002. The Scheme envisaged financial restructuring, One Time Settlement (OTS) of the balance dues of term lenders and reschedulement of the working capital finance.

In terms of the Scheme sanctioned by the AAIFR, the Company has fully paid dues to term lenders and bank and obtained no due certificates from them.

During the financial year 2012-13, the company paid Rs.201 lacs to IDBI, in full and final settlement of all their claims including their claims towards principal amount, interest, penal interest and all other charges, costs, expenses etc. IDBI has also issued a "No due certificate".

During the financial year 2013-14, the company paid Rs.241.91 lacs to Bank of Baroda, in full and final settlement of all their claims including their claims towards interest and all other charges, costs, expenses etc. as also amount payable towards outstanding balance of Cash Credit Account, including interest thereon till date. The Company has received the No Dues Certificate from Bank of Baroda.

In the meantime, the Company vide its application No.MA-464/BC/2013 dated 4th September 2013 approached BIFR to get discharge from the purview of SICA/BIFR as its net worth has become positive as per its audited financials for the year ended 31st March, 2013.

Accordingly, the BIFR vide its order dated 1st November, 2013 has directed that the Company ceases to be a sick industrial company within the meaning of Section 3(1) (o) of the SICA as its net worth has turned positive and has discharged it from the purview of SICA/BIFR.

However, the accumulated losses of the Company at the end of this financial year have resulted in erosion of 50% or more of its peak net worth during the immediately preceding five financial years. Company will have to report the fact of such erosion to BIFR as per Sec.23 of SICA and accordingly the Company has submitted report on 3rd September, 2014 pursuant to provisions of Sec.23 (1)(a)(i) of SICA, 1985 stating erosion of 50% or more of its peak net worth during the immediately preceding five years.

27. As at 31st March, 2015, the current liabilities of the Company (including Rs. 51,984,203/- due to an entity exercising significant influence) exceeded the current assets by Rs. 1,267,526/-. Further, the Company has incurred loss amounting to Rs.1,748,916/- during the year and the accumulated losses have resulted in erosion of more than 50% of its net worth as at 31st March 2015. The Company plans to meet its working capital requirement for the forthcoming year from future profits. The Management of the Company is confident that there are adequate opportunities for growth and Company would be able to be profitable in future. Having regard to the above, the financial statements have been prepared by the Management of the Company on a going concern basis.
28. Excise Duty shown as deduction from Revenue from Operations represents the amount of excise duty collected on sales. Excise duty expense under Note-24(f), "other expenses", represents the difference between excise duty element in amounts of closing stock and opening stock.
29. In view of unabsorbed losses/depreciation and in the absence of taxable income under the provisions of the Income Tax Act, 1961 the Company has not provided for tax in the current year. Further, in view of the brought forward loss/unabsorbed depreciation as per books of account, the Company also does not have any tax liability under section 115JB of the Income tax Act, 1961.

30. Employee benefits:
Defined Benefits Plans:

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
a. Reconciliation of opening and closing balance of the present value of defined benefit obligation				
Obligation at the beginning of the year	4,850,452	3302,195	1,947,387	1904,000
Current Service Cost	232,528	1365,953	127,488	53,176
Interest Cost	452,062	353,760	181,496	152,320
Actuarial (Gain) / Loss	926,624	(142,898)	674,674	(113,158)
Benefits Paid	(1,949,654)	(28,558)	(775,150)	(48,951)
Obligation at the end of the year	4,512,012	4,850,452	2,155,895	1,947,387
b. Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at the beginning of the year	3,749,491	3,105,761	NIL	NIL
1 Expected return on plan assets	326,206	248,461	NIL	NIL
2 Actuarial Gain / (Loss) on plan Assets	(72,739)	47,667	NIL	NIL
Contribution	432,726	376,160	NIL	NIL
Benefits Paid	(1,949,654)	(28,558)	NIL	NIL
Fair value of plan assets at the end of the year	2,486,030	3,749,491	NIL	NIL
c. Net Liability recognised in Balance Sheet				
Obligation at the end of the year	4,512,012	4,850,452	2,155,895	1,947,387
Less : Fair value of plan assets at the end of the year	2,486,030	3,749,491	NIL	NIL
Liability recognised in Balance Sheet as at year end	2,025,982	1,100,961	2,155,895	1,947,387
d. Components of employer's expense for the year				
Current service cost	232,528	1,365,953	127,488	53,176
Interest cost	452,062	353,760	181,496	152,320
Expected return on plan assets	(326,206)	(248,461)	NIL	NIL
Net Actuarial (gain) / loss	999,363	(190,565)	674,674	(113,158)
Total expense recognised in the statement of profit and loss	13,57,747	12,80,687	9,83,658	92,338

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
e. Actual Return on Plan assets				
Expected return on plan assets	326,206	248,461	NIL	NIL
Actuarial Gain / (Loss) on plan Assets	(72,739)	47,667	NIL	NIL
Total	253,467	296,128	NIL	NIL

f. Major categories of plan assets as a percentage of total plan assets:

Description	Percentage of Total Plan Assets	
	2014-2015	2013-2014
Qualifying insurance policy with Life Insurance Corporation of India	100%	100%



g. Assumptions	2014-15	2013-14
Discount Rate (p.a)	7.95%	9.32%
Expected rate of return on plan assets (p.a)	7.95%	8.70%
Expected rate of increase in compensation levels (p.a)	6.0%	6.0%
Mortality	Indian Assured Lives (2006-08)	
Retirement Age	60 years	
Actuarial Valuation Method	Projected Unit Credit Method	
	The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.	
	The discount rate is based on the prevailing market yields of Govt. of India securities as at the balance sheet date for the estimated term of the obligations.	
	Closing expected rate of returns taken as described in proposed Ind AS 19 on Employee benefits.	

h. Experience adjustments: (Amount in Rs.)

Gratuity	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of Defined benefit obligation	4,512,012	4,850,452	3,302,195	2,858,200	2,510,521
Fair value of plan assets	2,486,030	3,749,491	3,105,761	2,752,707	1,838,428
Funded status [Surplus / (Deficit)]	(2,025,982)	(1,100,961)	(196,434)	(105,493)	(672,093)
Experience gain / (loss) adjustments on plan liabilities	(926,624)	142,898	(237,116)	(155,647)	(601,851)
Experience gain / (loss) adjustments on plan assets	(72,739)	47,667	NIL	NIL	NIL

		(Amount in Rs.)	
		2014-2015	2013-2014
i. Defined Contribution Plans			
Amount recognized as an expense and included in Note 22(b) of Statement of Profit and Loss			
Contribution to Provident Fund		744,513	842,829
Contribution to Pension Fund		355,828	392,040
Contribution to Superannuation Fund		542,471	471,937
Total		1,642,812	1,706,806

31. The balance due to Micro & Small Enterprises as defined under MSMED Act, 2006 as at 31st March 2013 and 2014 is NIL. No interest during the year and previous year has been paid under the terms of the MSMED Act, 2006. This has been determined to the extent Micro & Small Enterprises have been identified on the basis of information collected by the management, which has been relied upon by the auditors.
32. Assets taken on operating lease:
The Company has taken sales and marketing offices on operating lease basis. Amount of lease rentals recognized in the Statement of Profit and Loss for the year in respect of these cancellable operating leases is Rs. 543,934/- (Previous year Rs.7,36,381/-). The lease term is 9 years for Delhi office and 2 years for Bangalore office.
33. Segment Reporting
The Company's business activity fall within a single business segment viz. Capacitors, comprising mainly trading in Ceramic Capacitors and all the sales are made in India. Considering the same, there are no reportable segments (business / or geographical) in accordance with the requirements of Accounting Standard (AS) -17 "Segment Reporting", prescribed under the Companies (Accounting Standards) Rules, 2006.

34. Particulars of un-hedged Foreign Currency Exposure as at balance sheet date:

Particulars	As at 31.03.15	As at 31.03.14
Import Creditors	Rs, 53,77,215/- (US\$ 85911.72 @ 62.59)	Rs.46,23,067 /- (US\$ 75,962.33 @ Rs.60.86)

There are no hedged exposures as at 31-03-2015 and 31-03-2014.

35. Earnings Per Share:

	2014-2015	2013-2014
Net Profit / loss after tax as per Statement of Profit and Loss (Rs.)	(17,48,916)	43,458
Weighted Average Number of Equity shares	85,50,000	85,50,000
Basic and diluted EPS (Rs.)	(0.20)	0.01
Nominal value of the equity share (Rs.)	10	10

36. Related Party Disclosures :

(a) Names of related parties and description of relationship:

Sr. No.	Nature of relationship	Name of the related party
1	Enterprises which are able to exercise significant influence.	1) Polychem Ltd. 2) AVX Corporation, U.S.A
2	Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence.	Ginners & Pressers Ltd.
3	Key Management Personnel	Mr. A. H. Mehta Mr. Harshad Jani

(b) Details of transactions with related parties during the year/ previous year: (Amount in Rs.)

Particulars	Enterprise which is able to exercise significant influence		Enterprise over which management personnel and their relatives are able to exercise significant influence		Key Management Personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Expenses Reimbursed to - Polychem Ltd.	30,338	40,984	-	-	-	-	30,338	40,984
-Ginners & Pressers Ltd.	-	-	96,250	94,286	-	-	96,250	94,286
Reimbursement of Expenses by - Polychem Ltd.	-	197,903	-	-	-	-	-	197,903
Loan Received - Polychem Ltd.	-	24,500,000	-	-	-	-	-	24,500,000
Interest Expense - Polychem Ltd.	5,798,000	4,166,002					5,798,000	4,166,002
Managerial Remuneration - A.H.Mehta	-	-	-	-	1,834,670	1,545,081	1,834,670	1,545,081
Outstanding Payable Balances at the year end								
Polychem Ltd.	51,984,203	48,766,002	-	-	-	-	51,984,203	48,766,002



37. CIF Value of imports:

	2014-2015	2013-2014
Stock-in-Trade (Trading goods)	Rs. 60,188,818/-	-
Raw-Materials	-	Rs.32,680,565/-

38. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In term of our report attached.

For C. C. Chokshi & Co.

Chartered Accountants

Kartikeya Raval

Partner

(Membership No. 106189)

Place: Ahmedabad

Date: 27th May, 2015

For and on behalf of the Board of Directors

T. R. Kilachand

Chairman

Harshad Jani

CFO

A. H. Mehta

Managing Director

J. M. Shah

Company Secretary

Place: Mumbai

Date: 27th May, 2015

GUJARAT POLY-AVX ELECTRONICS LIMITED**FORM OF PROXY****Registered Office:** B-17/18, Gandhinagar

Electronic Estate, Gandhinagar 382 024, Gujarat.

Tel No: 079-23287162/63, **Fax No:** 079-23287161**Website:** www.polyavx.com, **CIN:** L21308GJ1989PLC012743

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

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

I/We, being the member(s) holding _____ shares of Gujarat Poly-AVX Electronics Limited, hereby appoint:

1. _____ of _____ having email – id _____ or failing him
2. _____ of _____ having email – id _____ or failing him
3. _____ of _____ having email – id _____ as my/our proxy
- my/our proxy to vote for me/us on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 12th August, 2015 at 12:00 Noon at B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolutions	Optional	
Ordinary Business		For	Against
1.	Adoption of Accounts		
2.	Re-appointment of Mr. D. D. Patel who retires by rotation		
3.	Re-appointment of Mr. Y. K. Vyas who retires by rotation		
4.	Appointment of Auditors and Fixing their remuneration		
Special Business			
5.	Adoption of New set of Articles of Association		
6.	Confirmation as Director and appointment as an Independent Director of Ms. Saloni Jhaveri		
7.	Confirmation as Director and appointment as an Independent Director of Mr. Jigen Mehta		

Signed this _____ day of _____ 2015.

Signature of the Member _____

Signature of Proxy _____

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

Affix
Re. 1
Revenue
Stamp

[illegible]



If not delivered, please return to:

GUJARAT POLY-AVX ELECTRONICS LIMITED

Plot No. B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat - 382 024.