

**GUJARAT POLY -AVX ELECTRONICS LIMITED**





## GUJARAT POLY-AVX ELECTRONICS LIMITED

### TWENTIETH ANNUAL REPORT 2008-2009

#### ANNUAL GENERAL MEETING

On Monday, the 3rd August, 2009  
at B-17/18, Gandhinagar Electronic Estate,  
Gandhinagar, Gujarat at 1.00 p.m.

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.

#### Board of Directors

**Mr. T. R. Kilachand** (*Chairman*)

**Mr. P. T. Kilachand**

**Mr. A. H. Mehta** (*Executive Director-Finance & Legal*)

**Mr. Chandrakant Khushaldas**

**Brig. K. Balasubramaniam**

**Mr. A.B.Shah** (*GIIC Nominee*)

**Mr. R. K. Jani** (*GIIC Nominee*)

#### Company Secretary

**Mr. J. M. Shah**

#### Bankers

**Bank of Baroda**

#### Auditors

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

#### Solicitors and Legal Advisers

**Crawford Bayley & Co.**

#### Registered Office and Works

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

#### Corporate Office

7, Jamshedji Tata Road  
Churchgate Reclamation  
Mumbai 400 020.

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## TWENTIETH ANNUAL REPORT 2008-09

## NOTICE

Notice is hereby given that the Twentieth 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 Monday, the 3rd August, 2009 at 1.00 p.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009.
2. To appoint a Director in place of Mr Chandrakant Khushaldas who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R.K. Jani who retires by rotation, but 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 for appointing Auditors for the current year.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. C.C.Chokshi & Company, Chartered Accountants, Ahmedabad, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.

Further Resolved that the Board of Directors be and is hereby authorised to fix the remuneration of the Auditors and reimbursement of travelling and all other out of pocket expenses incurred in connection with the audit.

## SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without, modifications, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED that pursuant to Section 163 of the Companies Act, 1956 (hereinafter called "the Act"), the Company hereby approves that the Register of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 159 of the Act together with copies of Certificates and Documents required to be annexed thereof under Section 161 of the Act, or any one or more of them shall be kept at the office of the Messrs. Sharepro Services (India) Pvt. Ltd. the Registrars and Share Transfer Agents, at 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 instead of at Satam Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Andheri (E), Mumbai 400 099.

RESOLVED FURTHER that the Registers, Indices, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection by the Members and/or any persons entitled thereto under the Act, be kept open for such inspection, at the place where they are kept, to the extent, in the manner and on payment of the fees, if any, specified in the Act, between the hours of 11.00 a.m. and 1.00 p.m. on any working day (excluding Saturday) and except when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company.

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do all such acts, deeds and things and execute the necessary documents as may be required to give effect to the aforesaid Resolution."

By Order of the Board of Directors

J.M.SHAH  
Company Secretary

## Registered Office:

Plot No. B-17/18,  
Gandhinagar Electronic Estate  
Gandhinagar 382024  
Gujarat.

Dated: 29th May, 2009

## NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. The Proxies to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 21<sup>st</sup> July, 2009 to Tuesday 28<sup>th</sup> July, 2009 (both days inclusive).
- (c) Members holding shares in the dematerialized mode are requested to intimate changes in their address, if any, to their Depository Participants and Members holding shares in physical form are requested to intimate the change of address, if any, immediately to the Registrar & Share Transfer Agents at Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072.  
Telephone : 022-28215168/022-67720300  
Fax : 022-28375646
- (d) The Company's securities are listed on the following Stock Exchange :

Name & Address of the Stock Exchange	Nature of Security
Bombay Stock Exchange Limited Jeejeebhoy Towers Dalal Street Mumbai 400 023.	85,50,000 Equity Shares of Rs.10/- each

The Company has paid Annual Listing fees for 2008-09 to the above Stock Exchange.

- (e) **Members who have not yet exchanged the Share Certificates, are requested to exchange their Old Share Certificates with New Share Certificates, with the Company.**

Information as required under Clause 49(IV)(G)(i) of the Listing Agreement, in respect of Directors being re-appointed/appointed.

Name of Director	Mr. Chandrakant Khushaldas	Mr.R.K.Jani
Age	73 years	56 years
Qualification	M.Sc. (Pure Mathematics) Allahabad University M.Sc. (Fiscal Studies) University of Bath, United Kingdom	B.Sc. (Hons.) B.Sc. (Tech.)
Date of Appointment	25.07.2003	31.10.2002
Expertise	Retired Member of Central Board of Direct Taxes, wide experience in Taxation and Company Law.	Entrepreneur counselling, Liason and follow up with industrialists and Associations, Technical appraisal and follow up.
Other Directorship in Public Companies (excluding Private Companies) as on 31 <sup>st</sup> March, 2009.	1. Baroda Extrusions Ltd. Vadodara	—
No of equity shares held	—	—

By Order of the Board of Directors

J.M.SHAH  
Company Secretary

## Registered Office:

Plot No. B-17/18,  
Gandhinagar Electronic Estate  
Gandhinagar 382024, Gujarat.  
Dated : 29th May, 2009

**GUJARAT POLY-AVX ELECTRONICS LIMITED****ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.**

The following Explanatory Statement, as required by Section 173(2) of the Companies Act, 1956 sets out the material facts relating to business under item 5 mentioned in the accompanying Notice dated 29<sup>th</sup> May, 2009.

**Item 5.**

M/s. Sharepro Services (India) Pvt. Ltd, Mumbai, who have been appointed since 11.09.2003 as Registrar and Share Transfer Agent of the Company have shifted their Registered Office from Satam Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099 to 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 as per their letter dated 20.05.2009.

Under the provisions of the Companies Act, 1956, (the "Act") certain documents such as the Register and Index of Members, Register and Index of Debentureholders, other related books and papers etc., are required to be kept at the Registered Office of your Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office

of your Company is situated, with the approval of the Members to be accorded by a Special Resolution.

M/s. Sharepro Services (India) Private Limited, Mumbai is our Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the Members is sought in terms of Section 163(1) of the Act, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution. The Board of Directors recommends the resolution as set out in the Notice for your approval.

By Order of the Board of Directors

J. M. SHAH

Company Secretary

**Registered Office:**

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

Dated : 29<sup>th</sup> May, 2009.

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the Twentieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2009.

**1. PRODUCTION ACTIVITIES**

The total production during the Financial Year 2008-09 was 967.00 Lacs pcs against 863.00 Lacs pcs in Financial Year 2007-08.

**2. SALES**

During the Financial Year 2008-09 the sales Turnover was Rs. 681.64 Lacs which is slightly more than last year Turnover of Rs.679.48 lacs. Due to overall market slow down there was a slow down in all the market segments serviced by us. The Instrumentation & Industrial Sector continued to be our key segment while the Telecommunication & Dealer segment recorded a drop in sales over the previous year. Due to change in the product mix and competition with imports the Average Selling price was lower than the previous year.

**3. FINANCIAL RESULTS**

The Company's operations for the year has resulted into loss of Rs.40.62 Lacs.(Previous year profit of Rs.22.82 lacs). Before interest, depreciation & tax there is surplus of Rs.134.65 Lacs (Previous year : Rs.215.32 Lacs).

Major reasons for loss during the year are change in the product mix, rupee becoming weak, steep increase in cost of major chemicals and metal, increase in inward freight etc.

In view of the accumulated loss, your Directors have not been able to recommend any Dividend for the year 2008-2009.

**4. FINANCE**

The Company has not received any additional loans from the financial institutions during the year ended 31st March,2009.

**5. FIXED DEPOSITS**

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

**6. PARTICULARS OF EMPLOYEES**

Provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

**7. PROCEEDINGS BEFORE THE AAFR / BIFR**

In compliance with the Order of the Appellate Authority for Industrial & Financial Reconstruction (AAIFR) dated 27th March, 2002, the Company has already substantially fulfilled its obligations as per the directions of AAIFR, as depicted hereunder:

- 1) The company has converted Rs.75 lacs into equity shares of cash value of Rs.10/- each;
- 2) The company also converted Rs.981.50 lacs into 0.5% non cumulative preference shares;
- 3) And balance dues of Rs.861.41 lacs under One Time Settlement (OTS) to term lenders has been already paid in full.

However, the company is still to pay to Bank of Baroda towards FITL-I Rs.83 lacs and towards FITL-II Rs.63.20 lacs, besides, interest of Rs.57.18 lacs to term lenders for delay in payment of OTS amount as on 31st March, 2009.

The Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 6th May, 2009 has directed that the Company shall implement the provision of Sanctioned Scheme and redeem the non-cumulative shares before the next hearing. However, if mutually accepted compromise between all concerned was arrived at, the Monitoring Agency would inform the Board before the next hearing.

While company is exploring the possibility of reaching an amicable solution, the company has decided to appeal against the said Order of BIFR.

**8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.**

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1968, the Report of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc. is given in Annexure-I forming part of this report.

**9. DIRECTORS**

Mr. Chandrakant Khushaldas and Mr. R.K. Jani retire from office by rotation but being eligible, offer themselves for reappointment.

**10. AUDIT COMMITTEE**

Your Company has set-up an Audit Committee of Directors as mandated by section 292A of the Companies act, 1956 as amended. Mr.Chandrakant Khushaldas,Brig.K.Balasubramaniam and Mr.P.T.Kilachand are the members of the Audit Committee.

## TWENTIETH ANNUAL REPORT 2008-09

**11. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that :

- (i) in the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures;
- (ii) the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

**12. 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 regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

**13. AUDITORS' REMARKS**

As regards the remarks in the Auditors' Report, please refer to

the Notes on Accounts which are self-explanatory.

**14. APPOINTMENT OF AUDITORS**

You are requested to appoint Auditors. The retiring Auditors M/s.C.C.Chokshi & Co., Chartered Accountants, Ahmedabad are eligible for re-appointment.

**15. ACKNOWLEDGEMENT**

Your Directors express their sincere thanks to the Central and State Government authorities, including Gujarat Industrial Investment Corporation Ltd., Bank and Financial Institutions and the Collaborators Kyocera-AVX Corpn of USA.

Sincere thanks are also due to the Management team, the staff and workers for their valuable contribution during this critical period of the Company.

On behalf of the Board of Directors,

**T. R. KILACHAND**  
Chairman

**Registered Office :**

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

Dated : 29<sup>th</sup> May, 2009.

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

- a) Energy conservation steps taken:
  - i) Scheduled and planned maintenance programme has increased the performance of the equipments.
  - ii) The above process has resulted in the low consumption of energy and better performance of the equipment.
  - iii) Effective use of utility equipment (chiller, compressor etc.)
- b) Additional Investments & Proposals being implemented
  - i) Utilize all the equipment installed effectively to minimize the energy consumption.
  - ii) Maintenance schedule monitored for effective use of the machinery.
- c) Impact of measures at (a) & (b) above:  
The above implementation have resulted to achieve better productivity and reduce the energy cost.
- d) Power & Fuel Consumption : Not Applicable

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

- i) Continued development of imported spares locally
- ii) Development of laser stencil to increase the product range
- iii) Effective manufacturing process to reduce the consumption of raw material.

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

- i) Increase in product range
- ii) Reduce the level of stocks of machine spares
- iii) Consistent manufacturing process

**3. FUTURE PLAN OF ACTION**

- i) Continuous indigenization of machine tooling, jigs & fixtures and raw materials.
- ii) To develop jigs & fixtures to increase the product range.
- iii) Continue the development of 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 condition and parameters are being undertaken on a regular basis.**
- (c) Innovation  
Systems adopted have led to improve the process

**(2) BENEFITS**

- i) Increase in product range.
- ii) Reduction in down time and improve the processes of the equipment

**(3) IMPORTED TECHNOLOGY**

No additional import of Technology in the Financial Year 2008-09.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- i) Total Foreign Exchange used : Refer note of 18 (e) of Schedule 15 (B)
- ii) Total Foreign Exchange earned : Rs. NIL



**GUJARAT POLY-AVX ELECTRONICS LIMITED****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Overview**

Gujarat Poly-AVX Electronics Ltd is one of the largest manufacturers of Ceramic Capacitors in India. This state of the art facility was incorporated in the year 1989 in collaboration with AVX Ltd., USA, a world leader in passive components to manufacture Ceramic Capacitors in Radial, Axial, Surface Mount Devices (SMD's) Configuration & Singlelayer (Disc) Ceramic Capacitors.

**Industrial Structure and Development**

Electronic Components form the building blocks of any Electronic system. Ceramic Capacitors are classified as Passive Electronic Component which are manufactured by your Company. These components find application in the following Market Segments:

- (1) Computer & Computer Peripherals
- (2) Instrumentation and Industrial Electronics
- (3) Consumer Electronics
- (4) Defence
- (5) Telecommunications
- (6) Dealers

Ceramic Capacitors manufactured, by your Company, are supplied to Original Equipment Manufacturers(OEM's) in the rapidly growing electronic industry.

**Opportunities and Threats**

- \* Ceramic Capacitors are the most widely used Passive Electronic Component, due to their miniature size and wide range.
- \* Segments as above cover the entire Electronic Industry and our components find application in these segments.
- \* Your company is also dealing in Trading of other types of Capacitors.
- \* In addition to the OEM's the products are also sold through a wide dealer network all over India.
- \* Our Ceramic Capacitors attract 0% Custom Duty and are easy to import by OEMs.
- \* Ceramic Capacitors manufactured by us are imported primarily through China making them fiercely competitive.

The Dollar fluctuation and metal volatility play a very important role in influencing the margins.

**Risks & Concerns**

- \* There is a rising trend of importing Electronic Components in kit form for assembly in India. This trend can have an adverse impact on our customer base.
- \* The new technologies coming into India enforce the OEMs to have a global sourcing especially in the case of subcontractors and can impact our growth.
- \* Over all market slow down have hit Electronic Industry across the board affecting our growth. Similarly the strong dollar and metal volatility has an impact on the already tight margins.

**Performance by Sector and Products**

The Instrumentation and Industrial Electronics segment continues to grow in the present Financial Year. However, the Automotive Industry, Consumer Electronics and Computer segments were particularly sluggish due to the market slow down. Due to this dealer segments recorded decline in sales. Similarly the Telecommunication segment continued the downward trend.

As far as the products are concerned there has been considerable shift in the product mix. The leaded products requirements are converting to SMD's. On the other hand, the Singlelayer Disc Ceramic Capacitors requirements are changing over either to leaded MLCCs or SMDs. It has been observed that the market for SMD's is also shifting to smaller sizes. Due to this reason the overall ASP's achieved are lower than previous year.

During the Financial Year 2008-09 the total sales was Rs. 681.64 Lacs against Rs.679.48 Lacs previous year and the Production was 967.00 Lacs pcs in the present Financial Year in comparison to 863.00 Lacs pcs previous year.

**Outlook**

The Company is cautiously optimistic about the growth prospects for the current Financial Year.

**Internal Control System 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. 29,75,000/-.

**Secured Loans**

As per AAIFR order dated 27th March, 2002, Company was required to pay Rs.861.41 lacs OTS amount to term lenders by 31st December, 2004. As the Company could not make the complete payment as per the said order, it requested Term Lenders for extension of time which they agreed with stipulation for payment of interest for the extended period. The Company thereafter accordingly completed the payment of Principal amount of Rs.861.41 lacs (OTS) to them. The aggregate interest payable by instalments for the extended period and on loans payable to Bank of Baroda as per AAIFR order dated 27.03.2002 come to Rs.397.44 lacs out of which Rs.195.49 lacs have been paid till 31.03.2009, leaving the balance instalments payable aggregating to Rs.201.95 lacs on the said date.

**Fixed Assets (Net Block)**

The Net Block as on 31.3.2009 is Rs 479 lacs compared to Rs.606 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**

The net current assets of the Company have increased from Rs.157.19 lacs to Rs.423.31 lacs.

**Results of operations**

The revenue during the year has increased from Rs.679.48 lacs to Rs.681.64 lacs mainly due to growth in the sale to Instrumentation and Industrial Electronics. There is loss of Rs.40.62 lacs for the year against profit of Rs.22.82 lacs in the previous year. Provisions for interest and financial charges are Rs.45.23 lacs compared to Rs.62.91 lacs during previous year.

Payment to and provisions for employees amounts to 17.94% of sales compared to 14.39% in the previous year. Depreciation amounts to 18.86% of Sales during the year compared to 18.85% in the previous year.

The Company cannot recommend dividend due to accumulated losses.

**Material Development in Human Resources**

Your Company's strength lies in it's human resources and total employee involvement. Emphasis is placed on effective communication, continuous on going training and regular upgradation of each individual's performance & skills. The company's key business strategy continues to empower every employee to be leader in its stride towards total quality management.

## CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereafter the code) through clause 49 in the listing agreement executed by the Company with a 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. 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 2008-2009

### 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 7 Directors including a Non-Executive Chairman. There are 6 Non-Executive Directors out of which 2 are 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.

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 31.03.2009.

### FY 2008-09 (April '08 to March '09)

Name of the Director	Attendance Particulars			Sitting fees Rs.	No. of other Directorship and Committee Membership/ Chairmanship	
	Category	Board Meetings	Last AGM held on 5.08.08		Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T.R.Kilachand	Chairman	5	Yes	10,000/-	2	2
Mr. P.T.Kilachand	NED	4	No	8,000/-	3	1
Brig.K.Balasubramaniam	NED(I)	5	Yes	10,000/-	—	—
Mr.C.Khushaldas	NED(I)	5	Yes	10,000/-	1	—
Mr. A.B.Shah (Nominee of GIIC)	NED	2	Yes	4,000/-	4	2
Mr. R.K.Jani (Nominee of GIIC)	NED	5	Yes	10,000/-	—	—
Mr. A.H.Mehta	ED	5	Yes	—	1	—

### Notes:

1. NED – Non-Executive Director.
2. NED (I) – Non-Executive and Independent Director.
3. ED – Executive Director
4. 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

Five 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:

30<sup>th</sup> April, 2008, 30<sup>th</sup> June, 2008, 5<sup>th</sup> August, 2008, 21<sup>st</sup> October, 2008 and 29<sup>th</sup> January, 2009.

**GUJARAT POLY-AVX ELECTRONICS LIMITED****2. Audit Committee**

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956. Terms of reference of the Audit Committee are broadly include overseeing financial report processes, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal audit function and discussion with internal auditors on any significant findings and follow-up thereon.
- 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, five meetings of the Audit Committee were held on the following dates and the attendance of each member of the Committee is given below :

30<sup>th</sup> April, 2008, 30<sup>th</sup> June, 2008, 5<sup>th</sup> August, 2008, 21<sup>st</sup> October, 2008 and 29<sup>th</sup> January, 2009.

Name of the Director	Designation	Category	Committee Meetings	
			Held during the tenure	Attended
Mr. Chandrakant Khushaldas	Chairman	Non-Executive Independent Director	5	5
Brig. K.Balasubramaniam	Member	Non-Executive Independent Director	5	5
Mr..P.T.Kilachand	Member	Non-Executive	5	4

The majority of the members of the Audit Committee are independent and have knowledge of finance, accounts, company law and telecom 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.

**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 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.

**3. Adoption of Non-mandatory requirement of Clause 49**

The Company complies with the following non-mandatory requirements stipulated under Clause 49.

**Remuneration Committee:**

Terms of reference

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

The composition of the remuneration committee as on 31st March, 2009 was as under:

Sr.No.	Name of the Director	Designation
1.	Mr. Chandrakant Khushaldas	Chairman
2.	Brig. K.Balasubramaniam	Member
3.	Mr. P.T.Kilachand	Member

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

The Remuneration Committee met once during the year on 30th June, 2008.

**4. Shareholders'/Investors' Grievance Committee**

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

Sr.No.	Name of the Director	No. of Meeting(s)	
		Held	Attended
1.	Mr. T.R.Kilachand - Chairman	23	20
2.	Mr. P.T.Kilachand - Non-Executive Director	23	22
3.	Mr. A.H.Mehta - Executive Director	23	23

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 at least once a fortnight.

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

Twelve complaints were received during the year and the same were resolved. There are no complaints pending from the shareholders as on 31.3.2009