



**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.



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.