

28th

**Annual
Report**

For the year 2016 - 2017



GUJARAT POLY ELECTRONICS LIMITED

(FORMERLY KNOWN AS GUJARAT POLY-AVX ELECTRONICS LIMITED)



GUJARAT POLY ELECTRONICS LIMITED
(Formerly Known as Gujarat Poly-AVX Electronics Limited)
CIN: L21308GJ1989PLC012743

TWENTY EIGHTH ANNUAL REPORT 2016-2017

ANNUAL GENERAL MEETING
ON Monday, 21st August, 2017,
At B-17/18, Gandhinagar Electronic Estate,
Gandhinagar - 382 024, 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)	(DIN 00006659)
Mr. P. T. Kilachand		(DIN 00005516)
Mr. A. H. Mehta	(Managing Director)	(DIN 00005523)
Mr. C. K. Khushaldas		(DIN 00260818)
Ms. S. A. Jhaveri		(DIN 00029474)
Mr. J. A. Mehta		(DIN 02693293)
Mr. Y. K. Vyas	(GIIC Nominee)	(DIN 03420201)
Mr. D. D. Patel	(GIIC Nominee)	(DIN 00473507)
(till 11.07.2016)		

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. D. H. Upadhyaya

CHIEF FINANCIAL OFFICER

Mr. H. H. Jani

AUDITORS

M/s. Mahendra N. Shah & Co.
(Chartered Accountants)

REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.,
C – 101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (W), Mumbai 400 083.

REGISTERED OFFICE AND WORKS

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



NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of GUJARAT POLY ELECTRONICS LIMITED (formerly known as "Gujarat Poly-AVX Electronics Limited") will be held at B-17/18, Gandhinagar Electronic Estate, Gandhinagar - 382 024, Gujarat, on Monday, 21st August, 2017 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, 2017, including the audited Balance Sheet as at 31st March, 2017, 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. P. T. Kilachand (DIN 00005516), who retires by rotation, and being eligible, offers himself for re-appointment.
3. **Ratification of Auditors' Appointment**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and pursuant to the resolution passed by the Members at the Twenty Sixth Annual General Meeting (AGM) held on 12th August, 2015 in respect of appointment of the auditors, M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad (Firm Regn. No. 105775W), (MNS) till the conclusion of the AGM to be held in the year 2020, the Company hereby ratifies and confirms the appointment of MNS, as Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of AGM of the Company to be held in the year 2018 to examine and audit the accounts of the Company for the Financial Year ending March 31, 2018 on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors".

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification/s the following resolution as a Special Resolution:-
"RESOLVED THAT in supersession of the Resolution passed by the members of the Company at the Annual General Meeting held on 13th August, 2014 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 approval of the members of the Company be and is hereby accorded to the appointment of Mr. A. H. Mehta (DIN 00005523), as Managing Director of the Company, for a period of three years with effect from 1st June, 2017 upon the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. A. H. Mehta subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the terms of office of Mr. A. H. Mehta the remuneration payable to him by way of salary, allowances, and perquisites shall not, exceed the limits prescribed under the Companies Act, 2013, read with Schedule V or any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

By Order of the Board of Directors

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

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

Dated: 29th May, 2017.

D. H. UPADHYAYA
(ACS No.15068)

Company Secretary & Compliance Officer

NOTES:

- (a) An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business under Item No. 4 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 authorizing 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 Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under as required in terms of regulation 36(3)(a) of Securities and Exchange Board of India, (Listings Obligations and Disclosures Requirements) Regulations 2015 are provided in page No. 4.
- (g) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 12th July, 2017 to Wednesday, 19th July, 2017 (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 – M/s. Link Intime 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.gpelindia.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 31-03-2017
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 2017-18 to the above Stock Exchange.

By Order of the Board of Directors

D. H. UPADHYAYA
(ACS No. 15068)

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Company Secretary & Compliance Officer

Registered Office:

Plot No. B-17/18, Gandhinagar Electronic Estate, Gandhinagar 382 024 Gujarat.
Dated: 29th May, 2017.



As required in terms of regulation 36(3)(a) of Securities and Exchange Board of India, (Listings Obligations and Disclosures Requirements) Regulations 2015, the details of the Director retiring by rotation and eligible for re-appointment are furnished below:

Name of Director	Mr. P. T. Kilachand
Director Identification Number	00005516
Age	50 years
Qualification	Sc.B. 'Electrical Engg. & A.B' Engg. & Economics from Brown University.
Date of Appointment	11.03.1992
Expertise	He has served as an Executive Director of the Company for more than 7 years and has been actively involved and looking after all aspects of the various activities of the Company since inception. Experience in Management, Marketing and negotiation with varied authorities.
Other Directorship in public companies as on 31st March, 2017 (Excluding Private Companies)	1. Polychem Limited 2. Ginners & Pressers Limited 3. Sun Tan Trading Company Limited. 4. J.K. Investors (Bombay) Limited.
No. of Equity Shares held	17,682
Relationship with other Directors	Mr. P. T. Kilachand is related to Mr. T. R. Kilachand.

By Order of the Board of Directors

D. H. UPADHYAYA

ACS No. 15068

Company Secretary & Compliance Officer

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

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

Dated: 29th May, 2017.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Explanatory Statement, as required by Section 102(1) of the Companies Act, 2013 sets out the material facts relating to business under Item No.4 mentioned in the accompanying Notice dated 29th May, 2017.

ITEM NO. 4

Mr. A. H. Mehta was appointed as Managing Director with effect from 1st June, 2014. In accordance with the conditions specified in Schedule V of the Act, the Board at its meeting held on 29th May, 2017 appointed Mr. A. H. Mehta as Managing Director for a period of 3 years from 1st June, 2017, superseding the earlier resolution passed by the Company in this connection. This appointment is subject to the approval of the members at the Annual General Meeting.

The main terms of appointment of Mr. A. H. Mehta as Managing Director is placed before the meeting, are as follows:

- I. **SALARY:**
Rs.1,10,000/- per month which may be increased by such amounts as the Board may determine from time to time subject to a maximum of Rs.2,50,000/- per month.
- II. **COMMISSION:**
Commission of one percent of the net profit of the Company, subject to a ceiling of 50% of the salary or Rs.8,00,000/- per annum, whichever is less.
- III. **PERQUISITES:**
 - A. **1 HOUSING:**
 - (a) In case of unfurnished accommodation, hired by the Company, such expenditure not exceeding 60% of the salary over and above 10% payable by the Managing Director.
 - (b) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
 - (c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.
 - 2 The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to the ceiling of ten percent of the salary of the Managing Director.
 3. Reimbursement of medical expenses incurred for the Managing Director and his family, namely his dependent children, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
 4. Leave Travel Concession for the Managing Director and his family namely, dependent children once in a year incurred in accordance with the Rules specified by the Company.
 5. Fees of two clubs, which will not include admission and Life Membership Fees.
 6. Personal Accident Insurance of premium not exceeding Rs.10,000/- per annum.
 7. The Company's contribution to Provident Fund, Superannuation Fund and or Annuity Fund. The same will not be included in the computation of the ceiling limit to the extent of the same either singly or put together are not taxable under Income Tax Act.
 8. Gratuity as per the rules of the Company.
 9. Free use of Company's car with driver for the business of the Company and telephone at his residence will not be considered as perquisites.
 10. Mr. A. H. Mehta will also be entitled to privilege leave on full pay and allowances, as per rules of the company.
 11. Other Perquisites: Subject to overall ceiling on remuneration mentioned herein, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time.

The above remuneration in terms of Salary, Commission, Perquisites payable to him is subject to the limits of 5% and 10% of the Net Profits of the Company as the case may be as laid down in Section 197 of the Companies Act, 2013 and the overall limit of 11% on the Net Profits of the Company as laid down in Section 197 of the said Act.

The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.



In the event of any loss, absence or inadequacy of profits in any financial year, during the terms of office of Mr. A. H. Mehta the remuneration payable to him by way of salary, allowances, and perquisites shall not, exceed the limits prescribed under the Companies Act, 2013, read with Schedule V or any amendment, modification, variation or re-enactment thereof."

The remuneration is approved by the Remuneration Committee of the Directors at its meeting held on 29th May, 2017.

The Board of Directors recommends the resolution for approval of the members.

This may be treated as an abstract of the terms and conditions, governing the appointment and remuneration of the Managing Director, pursuant to Section 109 of the Companies Act, 2013. A Statement as required under section II, Part II of the Schedule V to the Companies Act, 2013 with reference to Resolution No. 4 is annexed hereto and marked as **Annexure A**.

None of the other Directors or Key Managerial Personnel of the Company, except Mr. A. H. Mehta is in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

D. H. UPADHYAYA

ACS No. 15068

Company Secretary & Compliance Officer

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

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

Dated: 29th May, 2017.

Annexure A

Statement as required under Section II, Part II of the Schedule V to the Companies Act, 2013 with the reference to the Resolution at Item No. 4 is as follows:

I. General Information:

- A. 1 Nature of Industry : Manufacturers, Importer, Seller, Marketing etc. of Ceramics Capacitors
- 2 Date or expected date of commencement of Commercial production:
Existing Company already commenced commercial production since 1993.
- 3 In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Existing Company, Not applicable
- 4 Financial Performance based on given Indicators:

Sr. No	Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015
1.	Sales Turnover	1,223.65 Lakhs	1,153.02 Lakhs	1,115.42 Lakhs
2.	Profit before Interest, Depreciation and Tax	67.97 Lakhs	108.67 Lakhs	(54.18) Lakhs
3.	Provisions for Tax	-	-	-
4.	Profit after Tax	2.42 Lakhs	39.34 Lakhs	(17.49) Lakhs

- 5 Foreign Investments or Collaborations, if any: None

II. Information about the appointee :

- A. (1) Background details:
Mr. A. H. Mehta (DIN 00005523)
Mr. A. H. Mehta holds a Bachelor Degree in Commerce, In addition he is a Chartered Accountant and a Company Secretary.
He has experience in Audit, Accountancy, Secretarial, Legal & Admn, Taxation, etc with Polychem Ltd., Sandeep Holdings Ltd and Tandon Singapore Pte. Ltd.
- (2) Past Remuneration: Remuneration of Rs.19,96,614/- excluding superannuation fund and provident fund has been paid for the year ended 31st March, 2017.
- (3) Recognition or awards: None
- (4) Job profile and suitability:
He has been involved with the Company since its incorporation and is familiar with all aspects of the Company. He had been serving as an Executive Director of the Company from 1st July, 2001 till 31st May, 2014 and is responsible for Company's finance and legal functions and carries out duties as instructed to him from time to time by the Board of Directors.
- (5) Remuneration Proposed:
As stated in the Resolution proposed in the notice at item No. 4
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):
The Remuneration is proposed for Mr. A. H. Mehta is similar to that drawn by the peers in the similar capacity in the similar industry.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :
Mr. A. H. Mehta holds 206 Equity shares of Rs.10/- each of the Company and remuneration paid to Mr. A. H. Mehta, Other than these there is no pecuniary relationship of Mr. A. H. Mehta, directly or indirectly with company or with its managerial personnel.



III. Other Information:

(1) Reasons of loss or inadequacy profits:

Due to fast changing market & new evolving technologies obsolescence is a major concern. Also, faster delivery requirements require adequate stocking, another disruptive factor is Volatility in currency & Commodity prices etc. which have a direct impact on margins.

(2) Steps taken or proposed to be taken for improvement:

The Company has taken steps to outsource materials which will reduce costs of the products, increase margins, reduce costs particularly personnel cost. All these steps will improve working of the company.

(3) Expected Increase in productivity and profits in measurable terms:

The Company is one of the largest manufacturers and sellers of ceramic Capacitors in India. Due to the continuous effort of improving the operational efficiencies, outsourcing of materials, reduction in costs etc., the Directors are hopeful of increasing the sales turnover of the company. However considering nature of activities and the market move, it is not possible to quantify the growth in measurable terms.

IV. Disclosures:

Disclosure in the Board of Directors' report under 'Corporate Governance' is attached to the Financial Statement.

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 Regulation 44 of SEBI (LODR) Regulations, 2015. 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 Thursday, 17th August, 2017 (9:00 am) and ends on Sunday, 20th August, 2017 (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 Monday, 14th August, 2017, 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; "GPEL 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 "Forget 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 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@csraginichokshi.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