



GUJARAT POLY-AVX ELECTRONICS LIMITED

**25th Annual Report
2013 - 2014**



GUJARAT POLY-AVX ELECTRONICS LIMITED

TWENTY FIFTH ANNUAL REPORT 2013-2014

ANNUAL GENERAL MEETING
On Wednesday 13th August ,2014
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.

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BOARD OF DIRECTORS

Mr. T. R. Kilachand (Chairman)
Mr. P. T. Kilachand
Mr. A. H. Mehta (Executive Director-F & L upto 31st May 2014)
(Managing Director w.e.f. 01st June 2014)
Mr. Chandrakant Khushaldas
Brig. K.Balasubramaniam
Mr. A. B. Shah (GIIC Nominee)
Mr. D. D. Patel (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.



NOTICE

Notice is here by given that the Twenty Fifth 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, 13th August, 2014 at 1.00 p.m., 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, 2014, including the audited Balance Sheet as at 31st March, 2014, 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 there on.
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. To appoint a Director in place of Mr. A. H. Mehta (DIN. 00005523) 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 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee to the Board of Directors, M/s. C. C. Chokshi & Company, Chartered Accountants, Ahmedabad (Firm Regn.No.101876W), be and are here by re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of the third 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 an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Brig. K. Balasubramaniam (DIN 00082629), a non-executive 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 the period of five (5) years, commencing from 13th August 2014 not liable to retire by rotation.”

6. 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Chandrakant Khushaldas (DIN 00260818), a non-executive 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 the period of five (5) years, commencing from 13th August 2014 not liable to retire by rotation.”

7. 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 29th July, 2011 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, 2014 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 there of;

“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

J. M. SHAH
Company Secretary

Registered Office:

Plot No.B-17/18,
Gandhinagar Electronic Estate,
Gandhinagar 382 024, Gujarat
Dated : 29th May, 2014.

NOTES :

- (a) The relative Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 7 of the Notice, is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR WHERE THAT IS ALLOWED, ONE OR MORE 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.
- (c) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- (d) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- (e) The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the companies Act, 2013, will be available for inspection by the members at the AGM.
- (f) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 17th June, 2014 to Tuesday, 24th June, 2014 (both days inclusive).
- (g) 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 Registrar & Share Transfer Agents-Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400072.
- Telephone : 022-67720300/022-67720400
 Fax : 022-28591568
 Email : sharepro@shareproservices.com
- (h) The Notice of the 25th Annual General Meeting along with the printed Attendance Slips is being despatched to all Members. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email address is registered with the Company/ the Depository Participant(s)

unless any member has requested for a hard copy of the same. For members who have not registered their email address, the Annual Report for 2014 is sent along with the Notice. Members who have not yet registered their email address are encouraged to submit their request with their respective Depository Participant or the Company, as the case may be.

- (i) Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.polyavx.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post free of cost.
- (j) Additional information pursuant to clause 49 of the Listing Agreement with the stock exchange in respect of the Directors seeking appointment/ re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/ declarations for their appointment/ re-appointment.
- (k) 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.
- (l) All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of AGM.
- (m) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2014
1.	Bombay Stock Exchange Ltd., Jeejeebhoy Towers, Dalal Street, Mumbai 400023.	85,50,000 Equity Shares of Rs.10/- each

The Company has paid Annual Listing fees for 2013-14 to the above Stock Exchange.



(n) Members who have not yet collected the Share Certificates issued in the year 2002, are requested to collect the New Share Certificates from the Company at the earliest.

As required in terms of paragraph IV(G) of Clause 49 of the Listing Agreement, the details of the director retiring by rotation and eligible for re-appointment are furnished below:

Name of Director	Mr. P. T. Kilachand	Mr. A. H. Mehta
Age	47 years	69 years
Qualification	Sc.B. 'Electrical Engg. & A.B'. Engg. & Economics from Brown University	B.Com., F.C.A., F.C.S.
Date of Appointment	11.03.1992	14.09.1989
Expertise	He 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.	Experience in Audit, Accountancy, Secretarial, Legal & Admn., Taxation, etc. with Polychem Ltd., Sandeep Holdings Ltd. and Tandon Singapore Pte. Ltd. He has been involved with the Company since its incorporation and is familiar with all aspects of the Company. He has been serving as an Executive Director of the Company since 1.07.2001 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.
Other Directorship in Public Companies (excluding Private Companies) as on 31st March, 2014.	Polychem Ltd, Ginnars and Pressers Ltd and Sun Tan Trading Co. Ltd.	Environmental Purifiers Ltd and Sun Tan Trading Co. Ltd.
No. of Equity Shares held	17,682	306

By Order of the Board of Directors

J. M. SHAH
Company Secretary

Corporate Identification Number (CIN) : L21308GJ1989PLC012743

Registered Office:

Plot No.B-17/18,
Gandhinagar Electronic Estate,
Gandhinagar 382 024, Gujarat.
Dated: 29th May, 2014.

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 Nos.5 to 7 mentioned in the accompanying Notice dated 29th May, 2014.

ITEM Nos. 5& 6

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements, entered with the Bombay stock exchange, appointed Brig. K. Balasubramaniam and Mr. Chandrakant Khushaldas, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Brig. K. Balasubramaniam and Mr. Chandrakant Khushaldas, non-executive Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and Rules framed thereunder for the appointment as Independent Director and they are independent of the management. A notice has been received by the company from a member under Section 161 of the Companies Act, 2013 proposing the appointment of aforesaid persons as a Directors of this Company at this meeting.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these Directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

ITEM NO.7

Mr. A. H.Mehta was appointed as an Executive Director – Finance & Legal, with effect from 1st July, 2001. In accordance with the conditions specified in Schedule V of the Act, the Board at its meeting held on 29th May, 2014 appointed Mr. A.H. Mehta as Managing Director for a period of 3 years from 1st June, 2014, 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 placed before the meeting, are as follows:

- I. SALARY:
Rs.80,000/- 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, but not more than one month's leave for every eleven months.
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.

The remuneration is approved by the Remuneration Committee of the Directors at its meeting held on 29th May, 2014.

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. 7 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.

A brief Profile of the Independent Directors to be appointed is given below :

Name of Director	Brig. K.Balasubramaniam	Mr. Chandrakant Khushaldas
Age	85 years	78 years
Qualification	PTSc (Eq to ME) (Army), FIETE	M.Sc. (Pure Mathematics) Allahabad University, M.Sc. (Fiscal Studies) University of Bath, United Kingdom
Expertise	General Management.	Retired Member of Central Board of Direct Taxes, wide experience in Taxation and Company Law.
Other Directorship in Public Companies (excluding Private Companies) as on 31st March, 2014.	Not Applicable	Gajra Differential Gears Limited
DIN	00082629	00260818

By Order of the Board of Directors

J. M. SHAH
Company Secretary

Corporate Identification Number (CIN) : L21308GJ1989PLC012743

Registered Office:

Plot No. B-17/18,

Gandhinagar Electronic Estate,

Gandhinagar 382 024, GUJARAT.

Dated : 29th May, 2014.

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. 7 is as follows:

I. General Information:

- (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 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2012
1.	Sales Turnover	1029 lacs	955 lacs	834 lacs
2.	Profit before Interest, Depreciation and Tax	66.43 lacs	(162.52) lacs	(39.95) lacs
3.	Provisions for Tax	-	-	-
4.	Profit after Tax	0.43 lacs	(207.99) lacs	(75.04) lacs

- (5) Foreign Investments or Collaborations, if any :
Collaboration with AVX Ltd, U.S.A, a world leader of Passive Components.

II. Information about the appointee

- (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 13,00,110/- excluding superannuation fund and provident fund has been paid for the year ended 31st March, 2014.
- (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 has been serving as an Executive Director of the Company since 1.07.2001 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. 7
- (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 306 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 of 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 to be attached to the Financial Statement.

E-VOTING INSTRUCTIONS

1. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for 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 participant(s)]:
- (i) Members whose e-mail addresses have been registered, need to open the attached PDF file ["gpael.pdf"] received from NSDL, giving your Client ID or Folio No. as default password (the file contains your "User ID" and "Password for e-voting") and follow steps B (ii) to B (xii) given below to cast your vote.
- B. In case of a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
- (i) Members who have not registered their email address can use the *details as provided overleaf of the Attendance Slip.
*** EVEN (E Voting Event Number) USER ID PASSWORD/PIN**
 - (ii) Launch the 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 noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password 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 e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Gujarat Poly-AVX Electronics Limited.
 - (viii) Now you are ready for e-Voting as the 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 Ms. Ragini Chokshi of Ragini Chokshi & Co. Practising Company Secretary, on her e-mail id: chokshiragini@gmail.com with a copy marked to evoting@nsdl.co.in.
- C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- D. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- E. 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).
- F. The e-voting period commences on August 7, 2014 (9:00 am) and ends on August 9, 2014 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. June 30, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- G. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date i.e. Monday, June 30, 2014.
- H. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 30, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- I. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- J. The Results shall be declared at the 25th Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.polyavx.com and on the website of NSDL within two (2) days of passing of the resolutions at the 25th Annual General Meeting of the Company on 13th August, 2014 and communicated to the BSE Limited.

2. Inspection of documents.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered and Corporate Office of the Company during normal business hours on any working day up to the date of the 25th Annual General Meeting of the Company.



DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Fifth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014

1. PRODUCTION ACTIVITIES

During the Financial Year 2013-14 your Company recorded a Production of 1362.87 Lacs pcs in comparison to 1706.06 Lacs pcs in Financial Year 2012-13, a drop of 20 %.

During the financial year your Company outsourced some of manufactured products to makeup for the low production.

2. SALES

The total sales during the Financial Year 2013-14 was Rs.1029.01 Lacs against sales of Rs.955.07 Lacs in last Financial Year, an increase of 8 %. The product mix continue to change and customer requirements shift from large size to smaller size and due to this ASPs come down marginally. Sales to Instrumentation & Industrial Electronics Segments increased by 6 %.

3. FINANCIAL RESULTS

The Company's operations for the year has resulted in to profit of Rs. 0.43 Lacs (Previous year loss of Rs. 7.20 Lacs). During the year before interest, depreciation and tax there is surplus of Rs. 66.42 Lacs. (Previous year Rs.38.27 lacs). In previous year after debit of Rs. 200.79 Lacs under exceptional item, there was loss of Rs. 207.99 Lacs. During current year there was no such exceptional item.

In view of the accumulated loss, your Directors have not been able to recommend any Dividend for the year 2013-14.

4. FINANCE

During the year Company negotiated with Bank of Baroda for One Time Settlement (OTS) of Rs.241.91 lacs in full and final settlement of all claims/dues against the Company, including interest and all other charges, cost, expenses etc., including overdraft facility of Rs.76 lacs. Company has paid Rs.241.91 Lacs during the year & has received the No due certificate.

Now Company has fully repaid term loans from all financial institutions/ Bank and also overdraft facility of Bank.

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, 2013 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

7. PROCEEDINGS BEFORE BIFR.

Since its net worth turned positive, the Company ceased to be a sick Industrial Company within the meaning of S.3(1) (o) of Sick Industrial Company Act, 1985 (SICA). Board for Industrial & Financial Reconstruction (BIFR) has vide its order dated 1st November, 2013 discharged the Company from the purview of SICA.

The accumulated losses of the Company as at the end of this financial year has resulted in erosion of 50% or more of its peak net worth during the immediately preceding four Financial years. Company will report the fact of such erosion to BIFR as per S.23 of SICA

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. P. T. Kilachand and Mr. A. H. Mehta retire from office by rotation but being eligible, offer themselves for reappointment.

Mr. A. H. Mehta has been appointed as Managing Director with effect from 1st June, 2014.

10. AUDIT COMMITTEE

Your Company has set-up an Audit Committee of Directors as mandated by section 292(A) of the Companies Act, 2013 as amended. Mr.Chandrakant Khushaldas, Brig.K.Balasubramaniam and Mr.T.R.Kilachand are the members of the Audit Committee.

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 the Companies Act, 1956 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. APPOINTMENT OF COST AUDITORS

The Board of Directors has appointed M/s. V. H. Savaliya and Associates, Cost Accountants, Ahmedabad (Membership No.13867) being eligible and having sought re-appointment, as Cost Auditors of the Company to carry out the cost audit of all the products manufactured by the Company for the year ending March, 2015.

16. ACKNOWLEDGEMENT

Your Directors express their sincere thanks to the Central and State Government authorities, including Gujarat Industrial Investment Corporation Ltd., 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 : 29th May, 2014.

ANNEXURE I

A. CONSERVATION OF ENERGY

- a) Energy conservation steps taken :
 - i) Replacement of old control Instruments with more accurate instruments have increased the performance of the machines with better productivity.
 - ii) Resulting in low consumption of energy and better performance of the equipments
 - iii) Improve performance of utility equipments (chiller, compressor etc.)
- b) Additional Investments & Proposals being implemented

- i) Effective utilization of all the installed equipment's, thereby minimizing the energy consumption.
- ii) Planned Preventive Maintenance schedule and monitoring for effective use of the Production machinery.
- c) Impact of measures at (a) & (b) above:

The above implementation have resulted in achieving better productivity and reduce energy cost by reduced break down time
- d) Power & Fuel Consumption : Not Applicable



B. TECHNOLOGY ABSORPTION

FORM – B

TECHNOLOGY – ABSORPTION, ADAPTATION & INNOVATION

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY

- i) Replacing/Repairing of imported spares by local vendors.
- ii) Development of RTS Aluminum Track to increase the productivity.
- iii) Effective management of manufacturing processes to reduce the consumption of raw material and process time using method study and time study.

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

- i) Increase in product range
- ii) Reduce the procurement of imported spares.
- iii) Consistent manufacturing process with higher yields.

3. FUTURE PLAN OF ACTION

- i) Continuous indigenization of machine tooling, jigs & fixtures and raw materials to reduce manufacturing and maintenance cost.
- 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

(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 improvement in 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 2013-14.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Total Foreign Exchange used : Rs.4,15,14,318/-
- ii) Total Foreign Exchange earned : Rs. NIL

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

Gujarat Poly-AVX Electronics Ltd (GPAEL) was set up in the year 1993 to manufacture Multilayer Ceramic Capacitor in Radial, Axial & SMD Configuration. This state of the art facility was set up in the Electronic Estate in Gandhinagar, Gujarat in collaboration with AVX LTD, USA, who are leaders in Passive Components. The Complete Plant & Machinery was Imported, installed and setup with their support.

Your Company subsequently started manufacturing Single Layer Disc Ceramic Capacitors, both High & Low Voltage & Metal Oxide Varistors (MOV's). The Company has started outsourcing Ceramic Capacitors from abroad and selling in Indian market. The company has since then also started Trading in other Electronics Components.

GPAEL Products are well received in the market & is today one of the largest manufacturers of Ceramic Capacitors in India.

Industrial Structure And Development

The Electronics Industry has always witnessed a double digit growth consistently year over year. Electronics Components are the building blocks in any Electronic Systems & is primarily divided into Active & Passive Components. Ceramic Capacitors are classified under Passives and are characterized by their miniature size, wide range & low cost. These products find wide ranging applications in the Electronic Industry like Tuning and Timing Circuits, Coupling, Filtering, Harmonic Suppression, Power factor compensation etc. in the following Market Segments:

- 1) Computers & Peripherals.
- 2) Instrumentation & Industrial Electronics.
- 3) Consumer Electronics
- 4) Defence Electronics or Strategic Electronics.
- 5) Telecommunications
- 6) Electronic Manufacturing Services (EMS) or Sub – Contractors.

All the above segments are serviced directly by your Company & through a network of Dealers, all over India. Being an Industrial Product, supplies are made directly to Original Equipment Manufacturers. (OEM's).

Opportunities And Threats

- Ceramic Capacitors are the most widely used Passive Components due to

1. Wide Range
2. Can be cast into any shape.
3. Superior Electrical Characteristics.

- The Company is also Trading in other Electronic Components to our existing Customers
- These Electronic Components are fiercely competitive as these are sourced by OEM's who have access to global markets.
- It is very easy to Import these Components as the custom duty is zero percent.
- Off late the evolution of the EMS segments has put further pressure on the pricing of the components as these customers now have access to Global Sourcing.
- The US \$ volatility directly impacts on the already competitive pricing.

Risks & Concerns

- Due to fast changing market & new evolving Technologies obsolescence is a major concern.
- Faster delivery requirements require adequate stocking.
- Currency & Commodity price volatility directly impact on the margins.
- Import of Components in KIT form is very popular in India & is a persistent threat.

Performance By Sector

The overall market scenario in Financial Year 2013-2014 continued to be slow. Except for specific products like Inverter, UPS , Energy Meters etc., in the Instrumentations & Industrial Electronic segments which did reasonably well, the other products were slow to take off. The Automotive and the Telecom segment continued to be sluggish and large scale mushrooming of the EMS segment too recorded a low growth.

Product wise the Radial sales recorded a minor drop largely due to migration of requirements to SMD, which grew by over 22% over previous year. Similarly High Voltage Single Layer Disc requirements went up by over 18%.

Consequently the sales achieved was Rs.1,029.01 Lacs in the Financial Year 2013-2014 in comparison to Rs.955.07 Lacs in Financial Year 2012-2013, an increase of 8%.

**Outlook**

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

The accumulated losses of the Company as at the end of this financial year has resulted in erosion of 50% or more of its peak net worth during the immediately preceding four Financial years. Company will report the fact of such erosion to BIFR as per S.23 of SICA.

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/-

Fixed Assets (Net Block)

The Net Block as on 31.3.2014 is Rs.220.19 Lacs compared to Rs.227.86 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 liabilities of the Company is Rs.13.04 Lacs as compared to net current liabilities of Rs.24 Lacs in the previous year.

Results of operations

The revenue during the year has increased from Rs.955.07 Lacs to Rs.1,029.01 Lacs. There is profit of Rs.0.43 Lacs (previous year loss of Rs.7.19 Lacs) before exceptional item. Provisions for the interest and financial charges are Rs.50.40 Lacs compared to Rs.25.78 Lacs during the previous year.

Payment to and provision for employees amounts to 21 % of sales compared to 20.5 % in the previous year. Depreciation amounts to 1.51 % of sales during the year compared to 2 % in the previous year.

The Company cannot recommend dividend due to accumulated losses.

Material Development in Human Resources

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

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 2013-2014.

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-a-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 31.03.2014

FY 2013-14 (April '13 to March '14)

Name of the Director	Attendance Particulars			Board Meeting Sitting Fees	No. of other Directorship and Committee Membership/Chairmanship	
	Category	Board meetings	Last AGM held on 02.08.13	Rs.	Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T.R.Kilachand	Chairman NED	4	Yes	16,000/-	2	2
Mr. P.T.Kilachand	NED	3	No	12,000/-	3	1
Brig.K.Balasubramaniam	NED(I)	4	Yes	16,000/-	-	-
Mr.C.Khushaldas	NED(I)	4	Yes	16,000/-	1	1
Mr. A.B.Shah (Nominee of GIIC)	NED	1	Yes	4,000/-	7	2
Mr. D. D. Patel (Nominee of GIIC)	NED	1	No	4,000/-	2	-
Mr. A.H.Mehta	ED	4	Yes	--	2	-

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.

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

23rd May, 2013, 2nd August, 2013, 29th October, 2013 and 31st January, 2014.



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

23rd May, 2013, 2nd August, 2013, 29th October, 2013 and 31st January, 2014.

Name of the Director	Designation	Category	Committee Meetings	
			Held during the tenure	Attended
Mr Chandrakant Khushaldas	Chairman	Non Executive Independent Director	4	4
Brig. K.Balasubramaniam	Member	Non Executive Independent Director	4	4
Mr T.R. Kilachand	Member	Non-Executive	4	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, 2014 was as under:

Sr. No	Name of the Director	Designation
1.	Mr. Chandrakant Khushaldas-NED (I)	Chairman
2	Brig. K.Balasubramaniam-NED (I)	Member
3.	Mr. T.R. Kilachand-NED	Member

No Remuneration Committee meeting was held during the year 1.04.2013 to 31.03.2014.

Notes:

- 1. NED - Non-Executive Director.
- 2. NED (I) - Non-Executive and Independent Director.

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	16	14
2.	Mr. P.T.Kilachand – Non-Executive Director	16	14
3.	Mr. A.H.Mehta - Executive Director	16	15

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

Share Transfer formalities are attended to once a week.

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

No complaints were received during the year. There are no complaints from the shareholders pending as on 31.3.2014.

5. CEO/CFO Certification

Mr. A.H.Mehta, Executive Director (Finance & Legal) and Mr. Harshad H. Jani, Assistant General Manager (Accounts and Finance) of the Company have certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:-
 - 1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
 - 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b). There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c). They accept responsibility for establishing and maintaining internal controls for financial reportings and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee those deficiencies of which they are aware, in the design or operation of such internal control and that they have taken the required steps to rectify these deficiencies.
- (d). They further certify that they have indicated to the auditors and Audit Committee -
 - (i) there have been no significant changes in internal control over financial reporting during the year.
 - (ii) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

6. Code of Conduct

The Company has framed and adopted a Code of Conduct, which is applicable to all the directors and members of the senior management in terms of Clause 49 V of the Listing Agreement. The said code, which came into effect from January 1, 2006, lays the general principles designed to guide all directors and members of the senior management in making ethical decisions. All Directors and members of the senior management have confirmed their adherence to the provisions of the said code.



Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code for the year ended 31.03.2014.

For Gujarat Poly-AVX Electronics Limited
A.H.Mehta
Executive Director Finance & Legal

7. Remuneration to Directors

The Company pays Fees to all Directors excluding the Executive Director of the Company for attendance during the meeting. The Executive Director is paid remuneration of Rs. 15,45,081 /- during the year.

8. Means of Communications

The annual, half-yearly and quarterly results, as required under clause 41 of the listing agreement are published in two newspapers at Ahmedabad. The Management discussion and Analysis (MD&A) is part of the Annual Report.

9. Disclosure

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

10. Related Party Transactions

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the Company.

There were no instances of non-compliance and no strictures or penalties imposed on the Company either by SEBI, Stock Exchange or any statutory authorities on any matter related to capital markets during the last three years.

11. General Shareholder Information

AGM: Date Time Venue	Wednesday, 13 th August, 2014 1.00 p.m. At: B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat.
Financial Year	April 2013 to March 2014
Dates of Book Closure	Tuesday, 17.06.2014 to Tuesday, 24.06.2014
Dividend Payment Date	N. A.
Listing on Stock Exchange	Bombay Stock Exchange Ltd.
Stock Code	517288 – Bombay Stock Exchange Ltd.
Demat ISIN Number in NSDL & CDSL for Equity Shares	NSDL) CDSL) INE541F01022
Market Price Data : High, Low during each month in the financial year 2013-2014.	See Table No.1 below
Registrar and Share Transfer Agents	M/s. Sharepro Services (India) Pvt.Ltd. 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. Telephone:.. 022 67720300, 022 67720400 fax: 022 28591568, e mail: sharepro@shareproservices.com
Share Transfer System	The Shares are traded compulsorily in the Demat form effective 6.12.2002. Shares sent for transfer are registered and returned within 15 days from the date of receipt, if the documents are clear in all respects.
Distribution of shareholding & Category-wise distribution	See Table No. 2 & 3
Dematerialisation of shares	See Table No. 4.
Plant Location	B-17/18, Gandhinagar Electronic Estate, Gandhinagar-382024 (Gujarat) Telephone: 079-23287162 / 63 Fax : 079-23287161 Email: gpael@polyavx.com Web-site: www.polyavx.com

Listing Fees as applicable have been paid

Table 1 – Market Price Data

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

Month	Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Total Number of Shares traded
April – 2013	5.71	4.92	762
May – 2013	-	-	-
June – 2013	-	-	-
July – 2013	-	-	-
August – 2013	4.68	4.68	70
September – 2013	-	-	-
October – 2013	4.67	4.30	680
November – 2013	4.20	3.54	5,399
December – 2013	3.37	3.21	608
January – 2014	3.16	2.86	3,908
February – 2014	3.47	3.31	1,500
March – 2014	3.99	3.64	2,349

Table 2 – Distribution of Shareholding as on 31.03.2014.

No. of Equity Shares.	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 100	11,83,583	13.84	19,779	84.96
101 to 500	5,94,306	6.95	2,899	12.45
501 to 1000	2,68,311	3.14	354	1.52
1001 to 5000	4,23,239	4.95	203	0.87
5001 to 10000	1,89,654	2.22	25	0.11
10001 to 100000	5,38,641	6.30	17	0.07
100001 and above	53,52,266	62.60	4	0.02
Total	85,50,000	100.00	23,281	100.00

Table 3 – Category-wise distribution of shareholding as on 31.03.2014

Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	3	51,13,255	59.80
2.	Public Financial Institutions & Banks	4	3,27,259	3.83
3.	Mutual Funds	-	-	-
4.	Bodies Corporate	96	1,28,979	1.51
5.	Resident Individuals	23,155	29,41,391	34.40
6.	FII & OCBs	-	-	-
7.	Non-Resident Individuals	23	39,116	0.46
8.	State Government	-	-	-
	Total	23,281	85,50,000	100.00

Table 4 – Break-up of shares in physical & electronic mode as on 31.03.2014.

Mode	No. of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	19,218	82.55	32,80,820	38.37
Electronic	4,063	17.45	52,69,180	61.63
Total	23,281	100.00	85,50,000	100.00



12. Details of Directors appointed and re-appointed during the year:

During the year Mr. Tanil R. Kilachand and Mr. A. B. Shah retired by rotation and were re-appointed at the last Annual General Meeting.

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

13. General Body Meetings:

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

Financial Year	AGM	Location	Date	Time	No. of Special Resolutions passed
2010 - 11	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	29.07.2011	1.00 p.m	-
2011 - 12	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	03.08.2012	1.00 p.m	-
2012 - 13	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	02.08.2013	1.00 p.m	-

No Extra Ordinary General Meetings (EGM) held during the last 3 years.

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

**AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF GUJARAT POLY- AVX ELECTRONICS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **Gujarat Poly-AVX Electronics Limited** for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For C.C.Chokshi & Co
Chartered Accountants
(Registration No. 101876W)
Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad,
Dated: 29th May, 2014

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

Report on the Financial Statements

We have audited the accompanying financial statements of GUJARAT POLY-AVX ELECTRONICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29 to the financial statements regarding preparation of the financial statements of the Company on going concern basis for the reasons stated therein.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, May 29, 2014

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (xiii) and (xiv) of Paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed of any fixed assets during the year.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

 - (a) The Company has taken unsecured loan aggregating Rs.2,45,00,000/- from a Company during the year. The maximum amount involved during the year and the year-end balance of such loan aggregates to Rs.4,87,66,002/- and Rs. 4,87,66,002/- respectively.
 - (b) The rate of interest and other terms and conditions of this loan is, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (c) The payment of principal amounts and interest in respect of such loans are not yet specified.
 - (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
 - (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) There are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year.
 - (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
 - (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained.
We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of any disputes.
- (xi) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit. However, the Company had incurred cash losses in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has been generally regular in the repayment of dues to banks and financial institutions.
- (xiii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xviii) The Company has not issued any secured debentures during the year.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, May 29, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(In Rupees)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	18,36,50,000	18,36,50,000
(b) Reserves and Surplus	4	<u>(16,44,49,570)</u>	<u>(16,44,93,028)</u>
		1,92,00,430	1,91,56,972
(2) Non - Current Liabilities			
(a) Long-term borrowings	5	-	140,184
(b) Deferred Tax Liabilities (Net)	6	-	-
(c) Long-term provisions	7	<u>20,14,705</u>	<u>17,51,000</u>
		20,14,705	18,91,184
(3) Current liabilities			
(a) Short-term borrowings	8	4,87,92,344	2,73,08,062
(b) Trade payables	9	79,53,470	1,05,31,143
(c) Other current liabilities	10	9,37,141	1,76,46,045
(d) Short-term provisions	11	<u>10,33,643</u>	<u>3,49,434</u>
		5,87,16,598	5,58,34,684
TOTAL		<u>7,99,31,733</u>	<u>7,68,82,840</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		2,14,55,210	2,24,68,881
(ii) Intangible assets		<u>5,64,287</u>	<u>3,17,296</u>
		2,20,19,497	2,27,86,177
(b) Long-term loans and advances	13	<u>5,00,406</u>	<u>6,62,039</u>
		2,25,19,903	2,34,48,216
(2) Current assets			
(a) Inventories	14	2,65,71,320	2,58,20,193
(b) Trade receivables	15	2,72,84,003	2,53,00,524
(c) Cash and cash equivalent	16	25,43,956	15,56,768
(d) Short-term loans and advances	17	9,91,089	7,45,332
(e) Other current assets	18	<u>21,462</u>	<u>11,807</u>
		5,74,11,830	5,34,34,624
TOTAL		<u>7,99,31,733</u>	<u>7,68,82,840</u>

Summary of significant accounting policies

2

See accompanying notes forming part of financial statements

As per our attached report of even date.**For C. C. Chokshi & Co.**

Chartered Accountants

Kartikeya Raval

Partner

(Membership No. 106189)

Place: Ahmedabad

Date: 29th May, 2014

For and on behalf of the Board

T. R. Kilachand

Chairman

A. H. Mehta

Executive Director - Finance & Legal

J. M. Shah

Company Secretary

P. T. Kilachand

Director

Chandrakant Khushaldas

Director

Place: Mumbai

Date: 29th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rupees)

Particulars	Note	Year Ended on 31st March 2014	Year Ended on 31st March 2013
CONTINUING OPERATIONS			
I. Revenue from operations (Gross)	19	11,21,62,261	10,64,81,864
Less : Excise duty		<u>92,60,884</u>	<u>1,09,74,546</u>
Revenue from Operations (Net)		<u>10,29,01,377</u>	<u>9,55,07,318</u>
II. Other income	20	3,98,925	43,673
III. Total Revenue (I + II)		<u><u>10,33,00,302</u></u>	<u><u>9,55,50,991</u></u>
IV. Expenses:			
a. Cost of Raw Materials Consumed	21	4,08,40,691	5,07,06,617
b. (Increase)/Decrease in Stock of Finished Goods, Process Stock and Stock-in-trade	22	(42,50,119)	3,09,289
c. Purchase of Stock-in-trade	23	2,38,86,031	49,23,130
d. Manufacturing Expenses	24	31,07,976	61,60,270
e. Employee Benefits Expenses	25	2,16,50,440	1,96,47,891
f. Finance Costs	26	50,40,205	25,77,943
g. Depreciation & Amortization	12	15,59,944	19,69,078
h. Other Expenses	27	1,14,21,676	99,76,373
Total Expenses		<u><u>10,32,56,844</u></u>	<u><u>9,62,70,591</u></u>
V. Profit/(Loss) before exceptional items and tax (III-IV)		43,458	(7,19,600)
VI. Exceptional items	28	-	2,00,79,181
VII. Profit/(Loss) before tax (V-VI)		<u>43,458</u>	<u>(2,07,98,781)</u>
VIII. Tax expense:			
(1) Current Tax	31	-	-
(2) Deferred Tax	6	-	-
IX. Profit/(Loss) for the year (VII-VIII)		<u><u>43,458</u></u>	<u><u>(2,07,98,781)</u></u>
X. Earnings per equity share:			
(1) Basic	36	0.01	(2.43)
(2) Diluted		0.01	(2.43)
Face Value per Share (Rs.)		10.00	10.00
Summary of Significant Accounting Policies	2		
See accompanying notes forming part of financial statements			

As per our attached report of even date.

For C. C. Chokshi & Co.

Chartered Accountants

Kartikeya Raval

Partner

(Membership No. 106189)

Place: Ahmedabad

Date: 29th May, 2014

For and on behalf of the Board

T. R. Kilachand

Chairman

A. H. Mehta

Executive Director - Finance & Legal

J. M. Shah

Company Secretary

P. T. Kilachand

Director

Chandrakant Khushaldas

Director

Place: Mumbai

Date: 29th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rupees)

Particulars	Year Ended 31st March 2014	Year Ended 31st March 2013
(A) Cashflow From Operating Activities		
1. Net Profit / (Loss) before extraordinary items and tax	43,458	(2,07,98,781)
2. Adjustments for:		
a) Depreciation and Amortisation	15,59,944	19,69,078
b) Finance Cost Expenses	50,40,205	2,26,57,124
c) Interest written back	(2,88,409)	-
d) Provision for expense written back	(13,932)	-
e) Sundry credit balances written back	(3,01,477)	(6,629)
f) Sundry Balance written off	3,16,784	-
g) Loss/(Profit) on Sales of Assets	-	48,574
h) Unrealised Foreign Exchange Fluctuation	(1,18,407)	20,808
	<u>61,94,708</u>	<u>2,46,88,955</u>
Operating Profit Before Working Capital Changes (1 + 2)	<u>62,38,166</u>	<u>38,90,174</u>
3. Adjustments for Working Capital changes:		
<u>(i) (Increase)/ decrease in Operating Assets</u>		
a) Inventories	(7,51,127)	15,83,512
b) Trade receivables	(23,22,039)	(12,51,741)
c) Long term Loans and Advances	1,44,002	(62,833)
d) Short term Loans and Advances	(2,45,757)	(1,25,952)
e) Other Current Assets	(9,655)	(557)
<u>(ii) Increase(decrease) in Operating Liabilities</u>		
a) Trade payables	(25,77,673)	(22,15,883)
b) Other current liabilities	5,02,295	20,911
c) Short term provisions	6,98,141	2,55,175
d) Long term provisions	2,63,705	3,20,992
Cash Generated From Operations	19,40,058	24,13,798
Less: Direct Taxes (Paid)/Refund (Net)	17,631	(23,296)
	<u>19,57,689</u>	<u>23,90,502</u>
Net Cash From Operating Activities (A)	19,57,689	23,90,502
(B) Cashflow From Investing Activities		
a) Purchase of Fixed Assets	(7,93,265)	(1,18,404)
b) Sale of Fixed Assets	-	7,000
Net Cash used in Investing Activities (B)	<u>(7,93,265)</u>	<u>(1,11,404)</u>
(C) Cashflow From Financing Activities		
a) Proceeds from short term borrowings(Net)	2,14,84,282	1,98,42,592
b) Interest Paid	(2,16,32,565)	(2,26,54,637)
c) Repayment of long-term borrowings	(28,953)	(150,843)
d) Proceeds from Long term borrowings(Net)	-	-

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rupees)

Particulars	Year Ended 31st March 2014	Year Ended 31st March 2013
Net Cash used in Financing Activities (C)	<u>(1,77,236)</u>	<u>(29,62,888)</u>
(D) Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	9,87,188	(6,83,789)
(E) Cash & Cash Equivalents at the beginning of the year	<u>15,56,768</u>	<u>22,40,557</u>
(F) Cash & Cash Equivalents at the end of the year	<u>25,43,956</u>	<u>15,56,768</u>
	As at 31st March, 2014	As at 31st March, 2013

Note:

1 Components of Cash & Cash Equivalents

Cash on hand	20,236	25,497
Balances with Schedule banks In Current Accounts	<u>25,23,720</u>	<u>15,31,271</u>
	<u>25,43,956</u>	<u>15,56,768</u>

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

As per our attached report of even date.

For C. C. Chokshi & Co.

Chartered Accountants

Kartikeya Raval

Partner

(Membership No. 106189)

Place: Ahmedabad

Date: 29th May, 2014

For and on behalf of the Board

T. R. Kilachand

Chairman

A. H. Mehta

Executive Director - Finance & Legal

J. M. Shah

Company Secretary

P. T. Kilachand

Director

Chandrakant Khushaldas

Director

Place: Mumbai

Date: 29th May, 2014



1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Convention:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2) Use of Estimates:

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

3) Fixed Assets:

(a) Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

(b) Intangible assets: Certain technical know how costs are capitalised and recognised as Intangible assets in accordance with Accounting Standard – 26 "Intangible Assets" based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than one year.

4) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

5) Depreciation and Amortisation:

(i) Depreciation on all Fixed assets except furniture and fixtures is calculated on straight line basis under section 205(2)(a) of the Companies Act, 1956 at the rates and in the manner as specified in schedule XIV of the said Act.

(ii) Depreciation on furniture & fixtures is calculated on written down value basis under section 205(2)(a) of the Companies Act, 1956 at the rates and in the manner as specified in schedule XIV of the Companies Act, 1956.

(iii) Cost of leasehold land is written off over the period of lease.

(iv) Intangible asset like Technical Knowhow in respect of Technical Documentation Information and process technology and exclusive license used to manufacture products is amortised over the useful life of seventeen years like the life of plant and machinery for which it is used.

(v) Intangible asset being computer software are amortized over the period of three years from the date of their acquisition.

6) Leases:

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

7) Inventories:

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

8) Revenue recognition:

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

9) Foreign Currency Transactions:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

10) Employees Benefits:

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

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

Defined benefit plans and compensated absences

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

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

11) Taxation:

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



Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

12) Government Subsidy:

Subsidy in the nature of Capital Investment is treated as capital reserve.

13) Provisions, Contingent liabilities and Contingent Assets:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

3. SHARE CAPITAL

	(In Rupees)	
	As at 31st Mar 2014	As at 31st Mar 2013
Authorised Share Capital		
1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000	12,00,00,000
10,00,000 1/2 % Non-cumulative Redeemable Preference shares of Rs. 100/- each	10,00,00,000	10,00,00,000
	<u>22,00,00,000</u>	<u>22,00,00,000</u>
Issued, Subscribed and Paid Up		
85,50,000 (Previous Year 85,50,000) Equity Shares of Rs. 10/- each fully paid up	8,55,00,000	8,55,00,000
9,81,500 (Previous Year 9,81,500) 1/2 % Non-cumulative Redeemable Preference shares of Rs. 100/- each	9,81,50,000	9,81,50,000
TOTAL	<u>18,36,50,000</u>	<u>18,36,50,000</u>

Notes:

Out of above equity shares:

(a) 7,50,000 Shares of Rs. 10 each have been allotted as fully paid-up to Term Lenders and Bank as per AAIFR order.

(b) 8,00,000 Shares of Rs. 10 each have been allotted as fully paid-up against unsecured loan as per AAIFR order.

	(In Rupees)	
	As at 31st Mar 2014	As at 31st Mar 2013
(i) a. Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period :		
At the Beginning of the Period	85,50,000	85,50,000
Issued during the period	-	-
Outstanding at the end of Period	85,50,000	85,50,000
(i) b. Reconciliation of the number of 1/2% Non-cumulative Redeemable Preference Shares outstanding at the beginning and at the end of the reporting period :		
At the Beginning of the Period	9,81,500	9,81,500
Issued during the period	-	-
Outstanding at the end of Period	9,81,500	9,81,500
(ii) a. Details of Shareholders holding more than 5 percent of Equity Shares:		
Polychem Limited	Nos. 28,66,154	28,66,154
	% Holding 33.52%	33.52%
AVX Corporation, USA	Nos. 17,49,998	17,49,998
	% Holding 20.47%	20.47%
GIIC	Nos. 4,97,103	4,97,103



				(In Rupees)	
Particulars	Note	As at 31st March 2014	As at 31st March 2013		
	% Holding	5.81%	5.81%		
(ii) b. Details of Shareholders holding more than 5 percent of 1/2% Non-cumulative Redeemable Preference Shares:					
3A Capital Limited					
	Nos.	3,13,220	3,13,220		
	% Holding	31.91%	31.91%		
Polychem Limited					
	Nos.	6,68,280	5,47,410		
	% Holding	68.09%	55.77%		
Bank of Baroda					
	Nos.	-	1,20,870		
	% Holding	-	12.32%		
(iii)a. Rights of Equity Shareholders:					
The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.					
(iii)b. Rights of 1/2% Non-cumulative Redeemable Preference Shareholders:					
The Company has one class of Preference shares having a par value of Rs.100 per share. Preference shareholders doesn't have any right to vote.					
4. RESERVES AND SURPLUS					
(a) Capital Reserve					
State Government Subsidy on Capital Investment					
Balance as per Last Balance Sheet		29,75,000	29,75,000		
(b) Surplus/(Deficit) in Statement of Profit and Loss					
Opening Balance		(16,74,68,028)	(14,66,69,247)		
Add: Profit/(Loss) for the Year		43,458	(2,07,98,781)		
Less: Appropriations					
Proposed Equity and Preference Dividend		-	-		
Tax on Dividend		-	-		
Transfer to General Reserve		-	-		
Closing Balance		<u>(16,74,24,570)</u>	<u>(16,74,68,028)</u>		
TOTAL		<u>(16,44,49,570)</u>	<u>(16,44,93,028)</u>		
5. LONG-TERM BORROWINGS					
Term Loan					
From a bank (Secured)		-	1,40,184		
TOTAL		<u>-</u>	<u>1,40,184</u>		

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(In Rupees)

Particulars	As at 31st March 2014	As at 31st March 2013
<p>Note:- Secured against hypothecation of vehicle. Amounts due within next 12 Months have been shown under Note 10 (a) as current maturities of long-term debt.</p>		
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	38,56,432	-
(b) Deferred tax Assets		
In respect of disallowance u/s 43(B) of Income Tax Act,1961 and carry forward of losses (restricted to the extent of deferred tax liability on depreciation on account of reasonable certainty.)	38,56,432	-
Net Deferred Tax Liability	<u><u>-</u></u>	<u><u>-</u></u>
7. LONG-TERM PROVISIONS		
Provision for employee benefits		
Leave Encashment	17,16,211	17,51,000
Gratuity	2,98,494	-
TOTAL	<u><u>20,14,705</u></u>	<u><u>17,51,000</u></u>
8. SHORT-TERM BORROWINGS		
(a) Cash Credit from a bank (Note 1)	26,342	72,08,062
(b) Loan from Related party (Unsecured) (Note 2)	4,87,66,002	2,01,00,000
TOTAL	<u><u>4,87,92,344</u></u>	<u><u>2,73,08,062</u></u>
Note:		
1. During the previous year the above Cash Credit was Secured by hypothecation of stocks of Raw Material, Stock-in-process, Finished Goods, Stores, Spares and assignment of Book Debts and by way of second charge on Fixed Assets.		
2. 13% (Previous year: 13%) loan from an entity exercising significant influence over the Company for which terms of repayment are not yet agreed.		
9. TRADE PAYABLES		
Sundry Creditors :		
a) Micro & Small Enterprises (Refer Note below)	-	-
b) Others	79,53,470	1,05,31,143
TOTAL	<u><u>79,53,470</u></u>	<u><u>1,05,31,143</u></u>

Note: Based on information available with the Company, the balance due to Micro & Small Enterprises as defined under MSMED Act, 2006 as at 31st March 2013 and 2014 is NIL. No interest during the year and previous year has been paid under the terms of the MSMED Act, 2006.



(In Rupees)

Particulars	As at 31st March 2014	As at 31st March 2013
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10. OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt {Refer Note 5 }	1,40,184	1,69,137
(b) Interest accrued but not due on borrowings	1,127	2,487
(c) Interest accrued and due on borrowings	-	1,68,79,409
(d) Advance from customers	1,96,008	55,395
(e) Statutory dues	5,99,822	5,39,617
TOTAL	9,37,141	1,76,46,045

11. SHORT-TERM PROVISIONS

(a) Leave Encashment	2,31,176	1,53,000
(b) Gratuity	8,02,467	1,96,434
TOTAL	10,33,643	3,49,434

12. FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION				NET BLOCK		
	AS AT 01.04.2013	Additions	Deductions	AS AT 31.03.2014	AS AT 01.04.2013	For the period ending 31.03.2014	Deductions	UPTO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
A) Tangible Assets:										
Land (Lease Hold)	32,89,596	-	-	32,89,596	7,14,353	34,212	-	7,48,565	25,41,031	25,75,243
Building - Factory	1,94,00,091	-	-	1,94,00,091	1,28,62,316	6,47,964	-	1,35,10,280	58,89,811	65,37,775
Plant & Machinery	19,74,23,872	32,000	-	19,74,55,872	18,63,21,122	74,998	-	18,63,96,120	1,10,59,751	1,11,02,750
Electrical Installation	58,93,508	1,680	-	58,95,188	55,98,923	1,680	-	56,00,603	2,94,585	2,94,585
Furniture & Fixtures	13,38,681	34,575	-	13,73,256	12,26,078	45,223	-	12,71,301	1,01,955	1,12,603
Office Equipment	12,50,023	37,375	-	12,87,398	9,70,626	34,035	-	10,04,661	2,82,737	2,79,397
Vehicles	9,34,620	-	-	9,34,620	2,38,237	86,840	-	3,25,077	6,09,543	6,96,383
Computer & Peripherals	18,65,983	99,550	-	19,65,533	14,69,851	1,15,642	-	15,85,493	3,80,040	3,96,132
Air Conditioning Plant	59,15,110	-	-	59,15,110	54,41,097	1,78,256	-	56,19,353	2,95,757	4,74,013
Total (A)	23,73,11,484	2,05,180	-	23,75,16,664	21,48,42,603	12,18,850	-	21,60,61,453	2,14,55,210	2,24,68,881
B) Intangible Assets:										
Technical Know-How	1,18,43,456	-	-	1,18,43,456	1,15,26,160	2,74,876	-	1,18,01,036	42,420	3,17,296
Computer software	-	5,88,085	-	5,88,085	-	66,218	-	66,218	5,21,867	-
Total (B)	1,18,43,456	5,88,085	-	1,24,31,541	1,15,26,160	3,41,094	-	1,18,67,254	5,64,287	3,17,296
Grand Total (A+B)	24,91,54,940	7,93,265	-	24,99,48,205	22,63,68,763	15,59,944	-	22,79,28,707	2,20,19,497	2,27,86,177
Previous year	24,91,19,216	1,18,404	82,680	24,91,54,940	22,44,26,791	19,69,078	27,106	22,63,68,763	2,27,86,177	

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(In Rupees)

Particulars	As at 31st March 2014	As at 31st March 2013
13. LONG TERM LOANS & ADVANCES		
Unsecured , Considered Good		
(a) Advance Tax & Tax deducted at source	46,046	63,677
(b) Electricity & Other Deposits	4,54,360	5,98,362
TOTAL	<u>5,00,406</u>	<u>6,62,039</u>
14. INVENTORIES		
(a) Raw Materials	57,40,404	90,33,723
(b) Process Stock	2,85,886	11,36,195
(c) Finished Goods	98,65,011	95,70,599
(d) Trading Goods	55,75,037	7,69,021
(e) Stores & Spares	50,62,076	52,68,810
(f) Packing Materials	42,906	41,845
TOTAL	<u>2,65,71,320</u>	<u>2,58,20,193</u>
15. TRADE RECEIVABLES		
(a) Trade receivables outstanding for a period more than six months from the date they became due		
(i) Unsecured, considered good	13,36,981	9,16,395
(ii) Unsecured, considered doubtful	5,56,545	5,78,321
	<u>18,93,526</u>	<u>14,94,716</u>
Less: Provision for Doubtful Debts	5,56,545	5,78,321
	<u>13,36,981</u>	<u>9,16,395</u>
(b) Others		
Unsecured, considered good	2,59,47,022	2,43,84,129
TOTAL	<u>2,72,84,003</u>	<u>2,53,00,524</u>
16. CASH AND CASH EQUIVALENTS		
(a) Cash On Hand	20,236	25,497
(b) Balances with Banks		
In Current Accounts	25,23,720	15,31,271
TOTAL	<u>25,43,956</u>	<u>15,56,768</u>
17. SHORT-TERM LOANS AND ADVANCES		
Loans and advances to Others		
Unsecured, considered good		
(a) Employee Advances	3,50,525	2,48,580
(b) Prepaid Expenses	3,09,578	1,81,146
(c) Deposits and balances with government and other authorities	2,11,242	2,99,442
(d) Advances to Suppliers	1,08,789	5,097
(e) Others	10,955	11,067



Particulars	(In Rupees)	
	As at 31st March 2014	As at 31st March 2013
TOTAL	<u>9,91,089</u>	<u>7,45,332</u>
18. OTHER CURRENT ASSETS		
Interest Receivable	21,462	11,807
TOTAL	<u>21,462</u>	<u>11,807</u>
19. REVENUE FROM OPERATIONS		
(a) Sale of products (Refer Note (i) below)		
i) Manufactured Goods	8,50,09,587	9,97,83,473
ii) Trading Goods	2,66,75,237	59,03,679
(b) Other Operating Income (Refer Note (ii) below)	4,77,437	7,94,712
Revenue from operations (Gross)	<u>11,21,62,261</u>	<u>10,64,81,864</u>
Less:		
(c) Excise duty	92,60,884	1,09,74,546
Total	<u>10,29,01,377</u>	<u>9,55,07,318</u>
Note:		
(i) Sale of products comprises :		
a. Manufactured goods		
Radial	2,59,78,267	2,96,45,144
Chips	3,32,36,504	3,29,02,289
Single Layers	1,60,21,188	2,54,17,472
Others	5,12,744	8,44,022
Total - Sale of manufactured goods	<u>7,57,48,703</u>	<u>8,88,08,927</u>
b. Traded goods		
Tantalum Capacitor	82,38,526	59,03,679
Ceramic Capacitor	1,84,36,711	-
Total - Sale of traded goods	<u>2,66,75,237</u>	<u>59,03,679</u>
Total - Sale of products	<u>10,24,23,940</u>	<u>9,47,12,606</u>
(ii) Other operating revenues comprise:		
Scrap sales	2,36,061	5,79,455
Others	2,41,376	2,15,257
Total - Other operating revenues	<u>4,77,437</u>	<u>7,94,712</u>
Total	<u>10,29,01,377</u>	<u>9,55,07,318</u>
20. OTHER INCOME		
(a) Interest Received From Others	32,293	13,119
(b) Sundry credit balances written back	13,068	6,629
(c) Excess Interest provision written back	2,88,409	-
(d) Provision for expenses written back	13,932	-
(e) Other Non-operating Income	51,223	23,925
TOTAL	<u>3,98,925</u>	<u>43,673</u>

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(In Rupees)

Particulars	As at 31st March 2014	As at 31st March 2013
21. COST OF MATERIALS CONSUMED		
Raw Materials Consumed	4,08,40,691	5,07,06,617
<i>a. Raw Materials Consumed in broad heads:</i>		
i) Chips	3,62,72,456	3,89,91,132
ii) Copper wire & Epoxy	35,85,624	72,79,958
iii) Others	9,82,611	44,35,527
TOTAL	4,08,40,691	5,07,06,617
<i>b. Value of Indigenous and Imported Raw Materials Consumed during the year:</i>		
Imported	Value 3,76,70,209	4,09,25,456
	Percentage 92.24%	80.71%
Indigenous	Value 31,70,482	97,81,161
	Percentage 7.76%	19.29%
22. (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS, PROCESS STOCK AND STOCK IN TRADE		
(a) Closing Stock		
Finished Goods	98,65,011	95,70,599
Work-in-progress	2,85,886	11,36,195
Trading Goods	55,75,037	7,69,021
	1,57,25,934	1,14,75,815
(b) Less: Opening Stock		
Finished Goods	95,70,599	98,41,975
Work-in-progress	11,36,195	11,12,558
Trading Goods	7,69,021	8,30,571
	1,14,75,815	1,17,85,104
TOTAL	(42,50,119)	3,09,289
23. PURCHASE OF STOCK-IN-TRADE		
<i>Purchase of stock-in-trade in broad heads:</i>		
a. Tantalum capacitor	47,71,781	42,13,012
b. Ceramic capacitors	1,72,65,111	-
c. Others	18,49,139	7,10,118
TOTAL	2,38,86,031	49,23,130
24. MANUFACTURING EXPENSES		
(a) Power & Fuel	16,54,441	22,89,971
(b) Repairs		
Plant and Machinery	70,232	1,56,978
(c) Stores, Spares and Tools Consumed	2,08,677	1,03,906
(d) Packing Material Consumed	67,051	1,20,843
(e) Wages & Labour Charges	12,49,830	35,60,010
(f) Excise Duty provided on stock (Refer Note 30)	(1,42,255)	(71,438)
TOTAL	31,07,976	61,60,270



(In Rupees)

Particulars	Year Ended on 31st March 2014	Year Ended on 31st March 2013
<i>a. Value of Indigenous and Imported Stores, Tools and Spares Consumed during the year:</i>		
Imported	Value	103,906
	Percentage	100.00%
Indigenous	Value	-
	Percentage	-
25. EMPLOYEE BENEFITS EXPENSES		
(a) Salaries, Bonus etc.	1,78,09,787	1,68,07,674
(b) Contribution to Provident, Gratuity and other funds	29,87,493	19,11,480
(c) Employee welfare expenses	8,53,160	9,28,737
TOTAL	<u>2,16,50,440</u>	<u>1,96,47,891</u>
26. FINANCE COST		
Interest Expenses	50,40,205	25,77,943
TOTAL	<u>50,40,205</u>	<u>25,77,943</u>
27. OTHER EXPENSES		
(a) Selling Expenses	2,83,660	2,50,951
(b) Freight outward (net)	1,14,261	2,00,540
(c) Advertisement Expenses	1,10,004	78,153
(d) Stationery, Printing, Postage and Telephone Expenses	9,10,719	8,15,431
(e) Repairs and Maintenance Office & Other	10,89,717	7,12,975
(f) Insurance	2,35,412	2,16,450
(g) Rent	8,19,325	7,36,848
(h) Rates, Duties and taxes	1,99,440	2,98,435
(i) Bank charges	36,897	63,051
(j) Travelling Expenses & Conveyance	20,45,571	17,23,630
(k) Directors Sitting Fees	1,21,732	69,000
(l) Legal & Professional Charges	17,26,163	11,09,969
(m) Audit Fees (Refer Note below)	4,77,348	3,79,743
(n) Security Service Charges	7,30,430	6,28,398
(o) Loss on Sale of Fixed Assets	-	48,574
(p) Factory Expenses	4,33,680	4,22,159
(q) Loss on foreign exchange fluctuation (Net)	3,59,484	5,45,233
(r) Miscellaneous Expenses	17,27,833	16,76,833
TOTAL	<u>1,14,21,676</u>	<u>99,76,373</u>
Note:		
Payments to the auditors comprises :		
Statutory audit	4,22,136	3,30,000
Tax audit	50,562	45,000
Reimbursement of Expenses	4,650	4,743
TOTAL	<u>4,77,348</u>	<u>3,79,743</u>

28. In the year 1997, the Board for Industrial and Financial Reconstruction (BIFR) declared the Company a Sick Industrial Undertaking within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act (SICA), 1985. The Scheme of rehabilitation ("the Scheme") of the Company was sanctioned by the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) by its Order dated 27th March, 2002 which became effective from 1st April, 2002. The Scheme envisaged financial restructuring, One Time Settlement (OTS) of the balance dues of term lenders and reschedulement of the working capital finance.
- In terms of the Scheme sanctioned by the AAIFR, the Company has fully paid dues to term lenders and bank and obtained no due certificates from them.
- During the financial year 2012-13, the company paid Rs.201 lacs to IDBI, in full and final settlement of all their claims including their claims towards principal amount, interest, penal interest and all other charges, costs, expenses etc. IDBI has also issued a "No due certificate". The payments have been treated as exceptional items in the financial statements of the respective financial year.
- During the financial year 2013-14, the company paid Rs. 241.91 lacs to Bank of Baroda, in full and final settlement of all their claims towards interest and all other charges, costs, expenses etc. as also amount payable towards outstanding balance of Cash Credit Account, including interest thereon till date. The Company has received the No Dues Certificate From Bank of Baroda.
- In the meantime, the Company vide its application No.MA-464/BC/2013 dated 4th September 2013 approached BIFR to get discharge from the purview of SICA/BIFR as its net worth has become positive as per its audited financials for the year ended 31st March, 2013.
- Accordingly, the BIFR vide its order dated 1st November, 2013 has directed that the Company ceases to be a sick industrial company within the meaning of Section 3(1) (o) of the SICA as its net worth has turned positive and discharged it from the purview of SICA/BIFR.
- However, the accumulated losses of the Company at the end of this financial year have resulted in erosion of 50% or more of its peak net worth during the immediately preceding four financial years. Company will report the fact of such erosion to BIFR as per S.23 of SICA.
29. As at 31st March, 2014, the current liabilities (including Rs 4,87,66,002/- to an entity exercising significant influence) exceeded the current assets by Rs. 13,04,768/- and the Company had incurred losses till the previous year. The Company plans to meet the working capital requirement for the forthcoming year from future profits. The Management of the Company is confident that there are adequate opportunities for growth and Company would be able to become profitable in future. Having regard to the above, the financial statements have been prepared by the Management of the Company on a going concern basis.
30. Excise Duty shown as deduction from sales represents the amount of excise duty collected on sales. Excise duty expenses under Note-24(f), "Manufacturing Expenses", represents the difference between excise duty element in amounts of closing stocks and opening stocks.
31. In view of unabsorbed losses/depreciation and in the absence of taxable income under the provisions of the Income Tax Act, 1961 the Company has not provided for tax in the current year. Further, in view of brought forward loss/unabsorbed depreciation as per books of accounts, the Company also does not have tax liability under section 115JB of the Income tax Act, 1961. Accordingly no provision for income tax has been made in the accounts under Income Tax Act, 1961.
32. Employee benefits:
The accruing liability on account of gratuity and leave encashment is accounted as per Accounting Standard 15 (revised 2005) "Employee Benefits". The Company has defined benefit plans for gratuity to eligible employees. The Company also provides leave encashment to the employees. The details of these defined benefit plans recognised in the financial statements are as under:



Amount (Rs.)

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
a. Reconciliation of opening and closing balance of the present value defined benefit obligation				
Obligation at the beginning of the year	33,02,195	28,58,200	19,04,000	16,14,208
Current Service Cost	13,65,953	1,53,073	53,176	1,45,049
Interest Cost	353,760	2,28,656	1,52,320	1,25,010
Actuarial (Gain) / Loss	(1,42,898)	2,37,116	(1,13,158)	1,22,895
Benefits Paid	(28,558)	(1,74,850)	(48,951)	(1,03,162)
Obligation at the end of the year	48,50,452	33,02,195	19,47,387	19,04,000
b. Reconciliation of opening and closing balances of fair value of plan assets				
Plan assets at the beginning of the year, as fair value	31,05,761	27,52,707	NIL	NIL
Expected return on plan assets	2,48,461	2,69,334	NIL	NIL
Actuarial Gain / (Loss) on plan Assets	47,667	NIL	NIL	NIL
Contribution	3,76,160	2,58,570	48,951	1,03,162
Benefits Paid	(28,558)	(1,74,850)	(48,951)	(103,162)
Plan Assets at the end of the year at fair value	37,49,491	31,05,761	NIL	NIL
c. Net Liability recognised in Balance Sheet				
Obligation at the end of the year	48,50,452	33,02,195	19,47,387	19,04,000
Less : Plan assets at the end of the year at fair value	37,49,491	31,05,761	NIL	NIL
Liability recognised in Balance Sheet as at year end	11,00,961	1,96,434	19,47,387	19,04,000
d. Components of employer expenses for the year				
Current service cost	13,65,953	1,53,073	53,176	1,45,049
Interest cost	3,53,760	2,28,656	1,52,320	1,25,010
Expected return on plan assets	(2,48,461)	(2,69,334)	NIL	NIL
Net Actuarial (gain) / loss	(1,90,565)	2,37,116	(1,13,158)	1,22,895
Net Cost	12,80,687	3,49,507	92,338	3,92,954

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

Description	Percentage Investment	
	2013-2014	2012 - 2013
Qualifying insurance policy with Life Insurance Corporation of India	100%	100%

f. Assumptions	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Discount Rate (p.a)	9.32%	8.0%	9.32%	8.0%
Expected rate of return on op plan assets (p.a)	8.70%	0.0%	0.0%	0.0%
Expected rate of increase in compensation levels (p.a)	6.0%	4.0%	6.0%	6.0%

g. Experience adjustments:

Gratuity	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of DBO	48,50,452	33,02,195	28,58,200	25,10,521	17,51,149

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Fair value of plan assets	37,49,491	31,05,761	27,52,707	18,38,428	16,07,511
Funded status [Surplus / (Deficit)]	(11,00,961)	(1,96,434)	(1,05,493)	(6,72,093)	(1,43,638)
Experience gain / (loss) adjustments on plan liabilities	1,42,898	(2,37,116)	(1,55,647)	(6,01,851)	(1,85,985)
Experience gain / (loss) adjustments on plan assets	47,667	NIL	NIL	NIL	NIL

Leave encashment	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of DBO	19,47,387	19,04,000	16,14,208	13,81,216	11,52,444
Fair value of plan assets	NIL	NIL	NIL	NIL	NIL
Funded status [Surplus / (Deficit)]	(19,47,387)	(19,04,000)	(16,14,208)	(13,81,216)	(11,52,444)
Experience gain / (loss) adjustments on plan liabilities	1,13,158	(1,22,895)	(57,252)	(76,092)	(75,084)
Experience gain / (loss) adjustments on plan assets	NIL	NIL	NIL	NIL	NIL

		2013-2014	2012-2013
h Defined Contributions Plans			
Amount recognized as an expenses and included in Note 25(b) of Statement of Profit and Loss		17,06,806	15,61,973

Notes:

a) The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

33. Assets taken on operating lease:

The Company has taken sales & marketing office on operating lease basis. Amount of lease rental recognized in the statement of Profit & Loss in respect of cancellable operating lease Rs.7,36,381/- (Previous year Rs.6,59,664/-)

34. As the Company's business activity fall within single business segment viz. Capacitor, comprising mainly manufacture of Ceramic Capacitor and all the sales are made in India. Considering the same, there are no reportable segment (business or geographical) in accordance with the requirements of Accounting Standard (AS)-17 Segment Reporting, prescribed under Company (Accounting Standards) Rules, 2006.

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

Particulars	As on 31.03.14	As on 31.03.13
Import Creditors	Rs.46,23,067 /- (US\$ 75,962.33@Rs.60.86)	Rs.43,90,657/- (US\$ 79,613@Rs.55.15)

36. The basic and diluted earning per share are:

		Amount (Rs)
	2013-2014	2012-2013
Net profit / loss after tax as per profit and loss account	43,458	(2,07,98,781)
Number of Equity shares	85,50,000	85,50,000
Basic and diluted EPS	0.01	(2.43)
Nominal value of equity share	10	10

**37. Related party :****(a). Names of related parties and description of relationship:**

Sr. No.	Nature of relationship	Name of the related party
1	Enterprise which is able to exercise significant influence	1) Polychem Ltd. 2) AVX Corporation, USA
2	Enterprise over which management personnel and their relatives are able to exercise significant influence	Ginners & Pressers Ltd.
3	Key management personnel	Mr. A H Mehta

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

Particulars	Enterprise which is able to exercise significant influence		Enterprise over which management personnel and their relatives are able to exercise significant influence		Key Management personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Expenses Payable	40,984	31,753	94,286	87,328	-	-	1,35,270	1,19,081
Expense Recoverable	1,97,903	1,97,904	-	-	-	-	1,97,903	1,97,904
Loan Received	2,45,00,000	2,01,00,000	-	-	-	-	2,45,00,000	2,01,00,000
Interest Expense	41,66,002	13,72,981	-	-	-	-	41,66,002	13,72,981
Managerial Remuneration	-	-	-	-	15,45,081	14,46,950	15,45,081	14,46,950
Outstanding Balances								
Payable/ (Receivable)	4,87,66,002	2,01,00,000	-	-	-	-	4,87,66,002	2,01,00,000

38. CIF Value of imports:

	2013-2014 Rs.	2012-2013 Rs.
Raw Materials	3,26,80,565	3,92,96,246

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

Signature to Note 1 to 39

As per our attached report of even date.

For C. C. Chokshi & Co.
Chartered Accountants

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad
Date: 29th May, 2014

For and on behalf of the Board

T. R. Kilachand
Chairman

A. H. Mehta
Executive Director - Finance & Legal

J. M. Shah
Company Secretary

P. T. Kilachand
Director

Chandrakant Khushaldas
Director

Place: Mumbai
Date: 29th May, 2014

GUJARAT POLY-AVX ELECTRONICS LIMITED**FORM OF PROXY**

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

Tel No.: 079-23287162/63, **Fax No.:** 079-23287161

Website : www.polyavx.com **CIN :** L21308GJ1989PLC012743

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

1. of having email – id or failing him
2. of having email – id or failing him
3. of having email – id as

my/our proxy to vote for me/us on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 13th August, 2014 at 1:00 P.M. at B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolutions	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Accounts		
2.	Re-appointment of Mr. P.T. Kilachand who retires by rotation		
3.	Re-appointment of Mr. A.H. Mehta who retires by rotation		
4.	Appointment of Auditors and Fixing their remuneration		
Special Business			
5.	Appointment of Brig. K. Balasubramaniam as an Independent Director		
6.	Appointment of Mr. Chandrakant Khushaldas as an Independent Director		
7.	Appointment of Mr. A.H. Mehta as Managing Director		

Signed this day of 2014. Signature of the Member

Signature of Proxy

Re. 1 Revenue Stamp

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



GUJARAT POLY-AVX ELECTRONICS LIMITED

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