



For the year 2016 - 2017



GUJARAT POLY ELECTRONICS LIMITED
(FORMERLY KNOWN AS GUJARAT POLY-AVX ELECTRONICS LIMITED)



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

TWENTY EIGHTH ANNUAL REPORT 2016-2017

ANNUAL GENERAL MEETING
ON Monday, 21st August, 2017,
At B-17/18, Gandhinagar Electronic Estate,
Gandhinagar - 382 024, Gujarat, at 12.00 noon.

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

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BOARD OF DIRECTORS

Mr. T. R. Kilachand	(Chairman)	(DIN 00006659)
Mr. P. T. Kilachand		(DIN 00005516)
Mr. A. H. Mehta	(Managing Director)	(DIN 00005523)
Mr. C. K. Khushaldas		(DIN 00260818)
Ms. S. A. Jhaveri		(DIN 00029474)
Mr. J. A. Mehta		(DIN 02693293)
Mr. Y. K. Vyas	(GIIC Nominee)	(DIN 03420201)
Mr. D. D. Patel	(GIIC Nominee)	(DIN 00473507)

(till 11.07.2016)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. D. H. Upadhyaya

CHIEF FINANCIAL OFFICER

Mr. H. H. Jani

AUDITORS

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

REGISTRAR & TRANSFER AGENTS

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

REGISTERED OFFICE AND WORKS

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



NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of GUJARAT POLY ELECTRONICS LIMITED (formerly known as "Gujarat Poly-AVX Electronics Limited") will be held at B-17/18, Gandhinagar Electronic Estate, Gandhinagar - 382 024, Gujarat, on Monday, 21st August, 2017 at 12.00 noon, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2017, including the audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a Director in place of Mr. P. T. Kilachand (DIN 00005516), who retires by rotation, and being eligible, offers himself for re-appointment.
3. **Ratification of Auditors' Appointment**

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

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

SPECIAL BUSINESS:

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

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

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

By Order of the Board of Directors

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

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

Dated: 29th May, 2017.

D. H. UPADHYAYA
(ACS No.15068)

Company Secretary & Compliance Officer

NOTES:

- (a) An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business under Item No. 4 to be transacted at the meeting, is annexed hereto.
 - (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
 - (c) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
 - (d) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 - (e) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. up to the date of the Meeting.
 - (f) Brief resume of Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under as required in terms of regulation 36(3)(a) of Securities and Exchange Board of India, (Listings Obligations and Disclosures Requirements) Regulations 2015 are provided in page No. 4.
 - (g) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 12th July, 2017 to Wednesday, 19th July, 2017 (both days inclusive).
 - (h) Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company or its Registrar & Share Transfer Agents – M/s. Link Intime India Pvt. Ltd.
 - (i) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository.
- (j) Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
 - (j) The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.gpelindia.com and also on website of the respective Stock Exchange.
 - (k) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
 - (l) As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
 - (m) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
 - (n) Members holding shares in physical form are requested to get them dematerialized, as the shares of the Company are under compulsory demat system.
 - (o) The Company's securities are listed on the following Stock Exchange:
- | Sr. No. | Name & Address of the Stock Exchange | Nature of Security as on 31-03-2017 |
|---------|--|---|
| 1. | Bombay Stock Exchange Ltd.,
Jeejeebhoy Towers, Dalal Street,
Mumbai 400 023. | 85,50,000 Equity Shares of Rs.10/- each |
- The Company has paid Annual Listing fees for 2017-18 to the above Stock Exchange.

By Order of the Board of Directors

D. H. UPADHYAYA
(ACS No. 15068)

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Company Secretary & Compliance Officer

Registered Office:

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



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

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

By Order of the Board of Directors

D. H. UPADHYAYA

ACS No. 15068

Company Secretary & Compliance Officer

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

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

Dated: 29th May, 2017.

ANNEXURE TO THE NOTICE

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

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

ITEM NO. 4

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

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

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

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

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



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

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

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

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

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

By Order of the Board of Directors

D. H. UPADHYAYA

ACS No. 15068

Company Secretary & Compliance Officer

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

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

Dated: 29th May, 2017.

Annexure A

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

I. General Information:

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

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

- 5 Foreign Investments or Collaborations, if any: None

II. Information about the appointee :

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



III. Other Information:

(1) Reasons of loss or inadequacy profits:

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

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

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

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

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

IV. Disclosures:

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

E-VOTING INSTRUCTIONS

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015. The Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Thursday, 17th August, 2017 (9:00 am) and ends on Sunday, 20th August, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 14th August, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "GPEL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using "Forget User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - [Login](#)
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Gujarat Poly Electronics Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mail@csraginichokshi.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided as below at the bottom of the Attendance Slip for the AGM:

EVEN (Remote E-Voting Event Number)
USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user



- manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14th August, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after 19th July, 2017 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 14th August, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or evoting.investors@linkintime.co.in
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Ms. Ragini Chokshi of Ragini Chokshi & Co., Practicing Company Secretary (CP 1436) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.gpelindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchange where the shares of the Company are listed.

DIRECTORS' REPORT

To
The Members of
Gujarat Poly Electronics Limited
(Formerly known as Gujarat Poly-AVX Electronics Limited)

Your Directors' present the Twenty Eighth Annual Report and Statement of Accounts for the year ended 31st March, 2017.

	01-04-16 to 31-03-17 (Rs. in Lakhs)	01-04-15 to 31-03-16 (Rs. in Lakhs)
FINANCIAL RESULTS		
Sales	1,223.65	1,153.02
Profit/(Loss) before Depreciation & tax	14.33	52.42
Depreciation	11.91	13.08
Profit &(Loss) before tax	2.42	39.34
Current tax	--	--
Deferred tax	--	--
Profit/(loss) after tax	2.42	39.34

1. STATE OF COMPANY'S AFFAIRS:

The Sales during the year was Rs.1,223.65 lakhs compared to previous year Sales of Rs.1,153.02 lakhs. During the year ended 31st March, 2017 the Company has earned a Profit of Rs.2.42 lakhs (Previous year Profit of Rs.39.34 lakhs).

The Company manufactures as well as outsourced the full range of products viz. ceramic Capacitors both Multilayer and Single layer, through various sources, as per our quality standards. We also market other Active and Passive Components.

In view of the accumulated loss, your Directors have not been able to recommend any Dividend for the year 2016-2017.

2. TERMINATION OF PROMOTERS AGREEMENT WITH AVX CORPORATION, USA

GUJARAT POLY ELECTRONICS LTD (GPEL), (formerly known as "Gujarat Poly-AVX Electronics Limited"), was a Joint venture company with AVX Corporation, USA, by virtue of an agreement entered between Polychem Ltd & AVX Corporation, USA pursuant to promoters agreement dated 20th December, 1990. On 25th July, 2016 a 'Share Purchase cum Termination Agreement' (SPTA) was executed amongst Polychem Limited, AVX Corporation, USA, and GPAEL. In accordance with the terms of the aforesaid agreement, AVX Corporation, USA had, in capacity of Promoter of GPAEL, transferred by way of sale of its entire shareholding to Polychem Limited. In view of the transfer of entire shareholding of 17,49,998 equity shares of Rs.10/- each to Polychem Ltd by AVX Corporation, USA the promoters agreement executed on 21st December, 1990 had been automatically terminated and the provisions thereof ceased to bind the parties. Now Polychem Limited is a holding company of GPEL.

3. AUDIT COMMITTEE:

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

4. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Board has established a vigil mechanism for directors and employees to report genuine concerns to be disclosed, the details of which is placed on the website of the company. The Board has also formulated the whistle blower policy, same has been uploaded on the website of the company. http://www.gpelindia.com/gpelindia/Download/Whistle%20Blower%20Policy_14.pdf.

There were no reporting made by any employee for violations of applicable laws and regulations and the Code of Conduct for the F.Y. 2016-17.



5. NOMINATION AND REMUNERATION COMMITTEE:

Details on the committee are given in Corporate Governance Report.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b. Appropriate accounting principles have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended 31st March, 2017;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The directors have laid down internal financial controls to be followed by the company.
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws.

7. TAXATION:

The Company's Income Tax assessments have been completed up to the year ended 31st March, 2014.

8. DEPOSITS:

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

9. INDUSTRIAL RELATIONS:

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

10. CONSERVATION OF ENERGY:

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

11. DIRECTORS:

Mr. P. T. Kilachand, Director retires from Office by rotation, but being eligible, offers himself for re-appointment.

Mr. D. D. Patel has resigned as a nominee director of GIC in the Company w.e.f. 11th July, 2016. The Board do appreciate his contribution during his tenure with Company.

The Board at its meeting held on 29th May, 2017, re-appointed Mr. A. H. Mehta, as Managing Director for a period of 3 years from 1st June, 2017, superseding the earlier resolution passed by the Company in this connection.

The above re-appointment is placed before the Members for their approval in ensuing Annual General Meeting.

12. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:

During the year 2016-17, Five Board Meetings were held on the following dates:

- | | | |
|-------------------------------------|------------------------------------|----------------------------------|
| (a) 16 th May, 2016 | (b) 11 th July, 2016 | (c) 5 th August, 2016 |
| (d) 10 th November, 2016 | (e) 8 th February, 2017 | |

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

The Company has received the declaration from each Independent Directors that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013, under regulation 16(b) of SEBI (LODR) Regulations, 2015.

14. FORMAL ANNUAL EVALUATION:

As required under the act, evaluation of every Director's performance was carried out. An evaluation sheet was given to each director wherein certain criteria was set out for which ratings are to be given.

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

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

16. RELATED PARTY TRANSACTIONS:

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

The Company has taken loan of Rs.446 lakhs from Polychem Limited at the rate of interest of 12% p.a.

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL.
2. Details of material contracts or arrangement or transactions at arm's length basis: NIL.

The Board on recommendation of Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement and SEBI (LODR) Regulations, 2015. The policy is uploaded and can be viewed on the Company's website http://www.gpelindia.com/gpelindia/Download/Related%20Party%20Transation%20Policy_14.pdf

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

- (a) There are no qualifications, reservations or adverse remark or disclaimer by the Statutory Auditor or by Secretarial Auditor in their respective reports.
- (b) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, to which the financial statements relate and the date of the report.
- (c) Extract of the Annual Report as provided in sub-section 3 of section 92, is given in **Annexure II** forming part of this report.

18. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy is uploaded and can be viewed on the Company's website <http://www.gpelindia.com/gpelindia/Download/AntiSexual%20Harasement%20Policy.pdf>

The Company has also formed an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

The Company has not received any complaints on sexual harassment during the year.

19. MANAGERIAL REMUNERATION:

- i. The ratio of remuneration of Mr. A. H. Mehta, Managing Director with the median remuneration of the employees of the company is 9.35:1.
- ii. Increase in remuneration of Mr. A. H. Mehta, Managing Director is 19.65% and in Mr. H. H. Jani , Chief Financial officer is 10.00%
- iii. There is an increase of 8.03% in the median remuneration of employees in the financial year.
- iv. There are 38 permanent employees in the company.
- v. There is an increase of 6.13% in Company's Performance for the year considering the revenue from the operations and the average increase in the remuneration of the Company is 10.00% for the year. The increase in the remuneration was on account of the annual increment to the employee.
- vi. During the financial year 2016-17, remuneration to Key Managerial Personnel is Rs.41,76,861/- as against the Company's performance is Rs.12,23,65,475 /- remuneration to performance ratio comes to 3.41%.
- vii. The price earning ratio for the year is 0.03 where as in previous year price earning ratio was 0.46. There is a decrease in Market Capitalisation of the Company, Market capitalisation for current year is Rs.7,70,35,500/- and for Previous year it was Rs.7,84,03,500/-.
- viii. Average increase in the salaries of employees other than the managerial personnel was 11.41%.
- ix. Comparison of remuneration of each KMP against the performance of the Company :



Key Managerial Personnel	Remuneration (Rs.)	Performance of the Company (Rs.)	% of remuneration against the performance of the company
A. H. Mehta	23,56,640/-	12,23,65,475/-	1.93
H. H. Jani	14,98,886/-	12,23,65,475/-	1.22
D. H. Upadhyaya	3,21,335/-	12,23,65,475/-	0.26

- x. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation of Nomination and Remuneration committee as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xi. The ratio of the remuneration of the highest paid director to that of the employee who is not a director but receive remuneration in excess of the highest paid director during the year 0.84:1.
- xii. It is hereby affirmed that the remuneration paid is as per the remuneration policy of the company.
- Average increase in remuneration in point no. (v) relates to all the employees including managerial remuneration. Whereas increase in remuneration in point no. (viii) relates to the employees excluding managerial remuneration.

20. CORPORATE GOVERNANCE:

Pursuant to Regulation 34(3) and Schedule V of SEBI (LODR) Regulations, 2015, a separate report on Corporate Governance and a certificate from the Auditors of the Company are annexed to the Directors' Report.

21. AUDITORS:

The members of the Company at the 26th Annual General Meeting of the Company held on 12th August, 2015 appointed M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad for a period of 5 years, subject to ratification of the appointment as auditors at the Annual General Meeting of each year.

The members are requested to ratify the appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2018, on remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

22. SECRETARIAL AUDITOR:

Mr. Tushar Shridharani, Practicing Company Secretary is currently working as Secretarial Auditors of the Company.

Mr. Tushar Shridharani, has intimated his inability to continue as Secretarial Auditor.

Complying with the provisions of Section 204 of the Companies Act, 2013, the Audit Committee had recommended and the Board of Directors has proposed to appoint M/s. D. J. Vyas & Associates, Company Secretaries, Mumbai, (Membership No. 2874 & C.P. No. 1775), being eligible and having sought appointment, as Secretarial Auditor of the company to carry out the Secretarial Audit of the Company for the year ending March 2018 on fees as may be mutually agreed.

The Secretarial Audit Report for F.Y. 2016-17 is enclosed and marked as **Annexure III**.

23. ACKNOWLEDGEMENT:

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

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

By Order of the Board of Directors

T. R. KILACHAND
Chairman

Corporate Identification Number
(CIN): L21308GJ1989PLC012743

Registered Office:

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

Dated: 29th May, 2017.

ANNEXURE I

A. CONSERVATION OF ENERGY

FORM - A

- a) Energy conservation steps taken :
- i) Replacement of old control Instruments with automated and accurate instruments have increased the performance of the machines with improved productivity.
 - ii) Resulting in low consumption of energy and better performance of the equipment.
 - iii) Improve performance of Utility equipment (chiller, compressor etc.).
 - iv) Replacement of traditional CFL with LED lighting in street lighting and few points on shop floor resulting in energy saving.
- b) Additional Investments & Proposals being implemented
- i) Optimum utilization of all the installed equipment, thereby minimizing the energy consumption.
 - ii) Planned preventive maintenance schedule and monitoring for effective use of the Production machinery resulting in reduced down time.
- c) Impact of measures at (a) & (b) above:
The above implementation has resulted in achieving better productivity and reduce energy cost by reduced break down time.
- d) Power & Fuel Consumption :
- | | 2016-17 | 2015-16 |
|--------------------|-----------------|----------|
| Units (Kwh) | 73,683 | 73,963 |
| Total Amount (Rs.) | 8,69,463 | 9,42,401 |

B. TECHNOLOGY ABSORPTION

FORM - B

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

- i) Continuously Replacing/Repairing of imported spares by local vendors.
- ii) Improving methods of material handling using TIME & METHOD study resulting in higher productivity.
- iii) Effective management of, manufacturing processes to reduce rejection and cost of rework.

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

- i) Increased 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

TECHNOLOGY – ABSORPTION, ADAPTATION & INNOVATION

(1) (a) Technology Absorption

Technology Absorption is complete in the areas commissioned

(b) Adaptation

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

(c) Innovation

Systems adopted have 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 2016-17.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- i) Total Foreign Exchange used: Rs. 6,84,01,603/-
- ii) Total Foreign Exchange earned: Rs. NIL

ANNEXURE II
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

CIN	L21308GJ1989PLC012743
Registration Date	14.09.1989
Name of the Company	Gujarat Poly Electronics Limited (Formerly known as Gujarat Poly-AVX Electronics Limited)
Category/Sub-category of the Company	Public Company/Limited by shares
Address of the Registered office & contact details	Plot No. B – 17/18, Gandhinagar Electronic Estate, Gandhinagar – 382 024, GUJARAT Tel: 079 23287162/63. Fax: 079 23287161 Email Id: gpel@kilachand.com Website: www.gpelindia.com
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Link Intime India Pvt. Ltd., C – 101, 1 st Floor, 247 Park, Lal Bahadur Shahstri Marg, Vikhroli (W), Mumbai 400 083. Tel. No.: +91 22 4918 6000 Fax No.: +91 22 4918 6060 Email Id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Polychem Limited 7, Jamshedji Tata Road, Churchgate Reclamation, Mumbai – 400020	L24100MH1955PLC009663	Holding	53.99	2(46)

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	28,66,154	-	28,66,154	33.52	28,66,154	17,49,998	46,16,152	53.99	20.47
e) Banks / FI	4,97,103	-	4,97,103	5.81	4,97,103	-	4,97,103	5.81	-
f) Any other Foreign Bodies Corporate	-	17,49,998	17,49,998	20.47	-	-	-	-	(20.47)
Total shareholding of Promoter (A)	33,63,257	17,49,998	51,13,255	59.80	33,63,257	17,49,998	51,13,255	59.80	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	3,25,799	1,460	3,27,259	3.83	3,25,799	1,460	3,27,259	3.83	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Trust	60	-	60	0.00	60	-	60	0.00	-
Sub-total (B) (1):-	3,25,859	1,460	3,27,319	3.83	3,25,859	1,460	3,27,319	3.83	-
2. Non-Institutions									
a) Bodies Corp.	22,327	11,601	33,928	0.40	27,072	-	27,072	0.32	(0.08)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-



i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8,92,297	14,86,777	23,79,074	27.83	10,32,576	14,91,057	25,23,633	29.52	1.69
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,57,477	-	5,57,477	6.52	4,19,880	-	4,19,880	4.91	(1.61)
c) Others (specify)									
Directors other than Promoters	1,25,795	-	1,25,795	1.47	1,25,795	-	1,25,795	1.47	-
Non Resident Indians	2,141	11,011	13,152	0.15	2,035	11,011	13,046	0.15	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	16,00,037	15,09,389	31,09,426	36.37	16,07,358	15,02,068	31,09,426	36.37	-
Total Public Shareholding (B)=(B)(1)+ (B) (2)	19,25,896	15,10,849	34,36,745	40.20	19,33,217	15,03,528	34,36,745	40.20	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	52,89,153	32,60,847	85,50,000	100	52,96,474	32,53,526	85,50,000	100	-

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year. (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Polychem Limited	28,66,154	33.52	-	46,16,152	53.99	-	20.47
2	Gujarat Industrial Investment Corporation Ltd	4,97,103	5.81	-	4,97,103	5.81	-	-
3	AVX Corporation, USA	17,49,998	20.47	-	-	-	-	(20.47)
	Total	51,13,255	59.80	-	51,13,255	59.80	-	-

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

Sr. No.	Promoters	No. of Shares at the beginning 01-04-16/ end of the year (31-03-17)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
							No. of shares	% of total shares of the company
1	Polychem Limited	28,66,154	33.52	01.04.2016				
				31.03.2017	17,49,998	Bought	46,16,152	53.99
		46,16,152	53.99	31.03.2017				
2.	Gujarat Industrial Investment corporation Ltd	4,97,103	5.81	01.04.2016	No change during the year			
		4,97,103	5.81	31.03.2017				
3	AVX Corporation, USA	17,49,998	20.47	01.04.2016				
				31.03.2017	-17,49,998	Sold	0	0
		0	0	31.03.2017				

D) Shareholding Pattern of top ten Shareholders as on 31st March, 2017 (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Top 10 Shareholders	No. of Shares at the beginning 01-04-16/ end of the year (31-03-17)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
							No. of shares	% of total shares of the company
1	ICICI Bank Ltd	2,39,011	2.80	01.04.2016	No change during the year			
		2,39,011	2.80	31.03.2017				
2.	Harsha Hitesh Javeri	2,32,107	2.71	01.04.2016				
				08.04.2016	296	Bought	2,32,403	2.72
				22.04.2016	1,790	Bought	2,34,193	2.74
				26.08.2016	5,807	Bought	2,40,000	2.81
		2,40,000	2.81	31.03.2017				



Sr. No.	For Top 10 Shareholders	No. of Shares at the beginning 01-04-16/ end of the year (31-03-17)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
							No. of shares	% of total shares of the company
3.	Hitesh Ramji Javeri	1,64,798	1.93	01.04.2016				
				08.04.2016	202	Bought	1,65,000	1.93
				15.04.2016	700	Bought	1,65,700	1.94
				22.04.2016	1,253	Bought	1,66,953	1.95
				29.04.2016	728	Bought	1,67,681	1.96
				06.05.2016	390	Bought	1,68,071	1.97
				13.05.2016	3,822	Bought	1,71,893	2.01
				20.05.2016	660	Bought	1,72,553	2.02
				19.08.2016	740	Bought	1,73,293	2.03
				26.08.2016	6,587	Bought	1,79,880	2.10
		1,79,880	2.10	31.03.2017	-	-	-	-
4.	Bank of Baroda	86,788	1.01	01.04.2016				
		86,788	1.01	31.03.2017				
							No change during the year	
5.	Nandish T. Kilachand	45,832	0.53	01.04.2016				
		45,832	0.53	31.03.2017				
							No change during the year	
6.	Neka Shah	27,757	0.32	01.04.2016				
				12.08.2016	14,266	Bought	42,023	0.49
				26.08.2016	2,298	Bought	44,321	0.52
				02.09.2016	2,000	Bought	46,321	0.54
				09.09.2016	1,000	Bought	47,321	0.55
				30.09.2016	1,937	Bought	49,258	0.58
				07.10.2016	986	Bought	50,244	0.59
				11.11.2016	21,000	Bought	71,244	0.89
				25.11.2016	4,959	Bought	76,203	0.89
				02.12.2016	6,693	Bought	82,896	0.96
				09.12.2016	600	Bought	83,496	0.97
				24.02.2017	6,504	Bought	90,000	1.05
		90,000	1.05	31.03.2017				
7.	Saurav Gupta	25,370	0.30	01.04.2016				
				11.11.2016	- 200	Sold	25,170	0.29
		25,170	0.29	31.03.2017				
							No change during the year	
8	Vinodini Pratap Shah	20,073	0.23	01.04.2016				
		20,073	0.23	31.03.2017				
							No change during the year	
9.	Parul Piyush Desai	14,750	0.17	01.04.2016				
		14,750	0.17	31.03.2017				
							No change during the year	
10	Kalawanti Lalwani	14,396	0.17	01.04.2016				
		14,396	0.17	31.03.2017				
							No change during the year	
11	Dipak Kanayalal Shah	26,000	0.30	01.04.2016				
				29.07.2016	-4,266	Sold	21,734	0.25
				12.08.2016	-10,000	Sold	11,734	0.14
				19.08.2016	-11,734	Sold	0	0
		0	0	31.03.2017				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Promoters	No. of Shares at the beginning 01-04-16/ end of the year (31-03-17)	% of total shares of the company	Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
							No. of shares	% of total shares of the company
	Directors							
1	Tanil R. Kilachand	49,602	0.58	01.04.2016	0	No change during the year		
		49,602	0.58	31.03.2017	0			
2.	Parthiv T. Kilachand	17,682	0.20	01.04.2016	0	No change during the year		
		17,682	0.20	31.03.2017	0			
3	Atul H. Mehta	206	0.01	01.04.2016	0	No change during the year		
		206	0.01	31.03.2017	0			
4	Chandrakant K. Khushaldas	Do not hold any shares in the Company						
5	Dinubhai D. Patel (Nominee of GIIC) (Till 11th July, 2016)	Do not hold any shares in the Company						
6	Yogesh K. Vyas (Nominee of GIIC)	121	0.01	01.04.2016	0	No change during the year		
		121	0.01	31.03.2017	0			
7	Saloni Jhaveri	Do not hold any shares in the Company						
8	Jigen A. Mehta	Do not hold any shares in the Company						
	KMPs							
9	D. H. Upadhyaya	60	0.01	01.04.2016	0	No change during the year		
		60	0.01	31.03.2017	0			
10	Harshad H. Jani	190	0.01	01.04.2016	0	No change during the year		
		190	0.01	31.03.2017	0			

*No change in shareholding of Directors.



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

(In Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	4,46,00,000	-	4,46,00,000
ii) Interest due but not paid	-	24,46,260	-	24,46,260
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	4,70,46,260	-	4,70,46,260
Change in Indebtedness during the financial year				
* Addition	-	53,51,999	-	53,51,999
* Reduction	-	26,47,200	-	26,47,200
Net Change	-	27,04,799	-	27,04,799
Indebtedness at the end of the financial year				
i) Principal Amount	-	4,46,00,000	-	4,46,00,000
ii) Interest due but not paid	-	51,51,060	-	51,51,060
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	4,97,51,060	-	4,97,51,060

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rupees)

	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		A. H. Mehta	
1	Gross salary	19,96,614*	19,96,614
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,80,414*	19,80,414
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	16,200	16,200
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	19,96,614	19,96,614
	Ceiling as per the Act	60,00,000	60,00,000

*Excluding retiral benefits.

B. Remuneration to other directors

(In Rupees)

	Particulars of Remuneration	Name of Directors							Total Amount
		C. K. Khushaldas	J. A. Mehta	S. A. Jhaveri	T. R. Kilachand	P. T. Kilachand	D. D. Patel	Y. K. Vyas	
		Independent Directors			Non-Executive Directors				
1	Independent Directors								
	Fee for attending board committee meetings	32,400	32,400	10,800	-	-	-	-	75,600
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	32,400	32,400	10,800	-	-	-	-	75,600
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	-	-	-	32,400	14,400	-	18,000	64,800
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	32,400	14,400	-	18,000	64,800
	Total (B)=(1+2)	32,400	32,400	10,800	32,400	14,400	-	18,000	1,40,400
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In Rupees)

SN	Particulars of Remuneration	Key Managerial Personnel		
		D. H. Upadhyaya	H. H. Jani	Total
		CS	CFO	
1	Gross salary	2,91,071*	12,84,903**	15,75,974
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,85,804*	12,73,503**	15,59,307
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,267	11,400	16,667
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	2,91,071	12,84,903	15,75,974

*Excluding Provident Fund

**Excluding Provident Fund and Superannuation Fund

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties, punishment or compounding of offence during the Year ended March 31, 2017.



ANNEXURE III

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2017 (**“Audit Period”**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 (**“the Act”**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable regulations of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

I further report that:

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

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

During the Audit Period, all decisions at Board Meetings and Committee Meetings were carried out unanimously.

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

I further report that during the audit period the Company had no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

Place: Mumbai

Date: 29th May, 2017

(Tushar Shridharani)
Practicing Company Secretary
FCS 2690 / COP 2190



MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

GUJARAT POLY ELECTRONICS LTD (GPEL), (formerly known as “Gujarat Poly-AVX Electronics Limited”), was a Joint venture company with AVX Corporation, USA, by virtue of an agreement entered between Polychem Ltd & AVX Corporation pursuant to promoters agreement dated 20th December, 1990. On 25th July, 2016 a ‘Share Purchase cum Termination Agreement’ (SPTA) was executed amongst Polychem Limited, AVX Corporation and GPAEL. In accordance with the terms of the aforesaid agreement, AVX had, in capacity of Promoter of GPAEL, transferred by way of sale of its entire shareholding to Polychem Limited. In view of the transfer of entire shareholding of 17,49,998 equity shares of Rs.10/- each to Polychem Ltd by AVX Corporation, the promoters agreement executed on 21st December 1990 had been automatically terminated and the provisions thereof ceased to bind the parties. As on date, GPEL is no more a joint venture Company with AVX Corporation, USA. GPEL’s, state of the art facility to manufacture Ceramic Capacitor is set up in the Pollution free electronics estate in Gandhinagar, Gujarat. Company imports & sells, as well as manufactures Multilayer Ceramic Capacitor in Radial, Surface Mount configuration, Single Layer Ceramic Capacitor both High and Low Voltage. In addition, we also deal in Semiconductor Device & other Types of Capacitors. GPEL products are well received in the market place.

INDUSTRIAL STRUCTURE & DEVELOPMENT.

The Electronic Industry has been one of the fastest growing business with a double digit growth consistently year over year. Electronics components form the building blocks of any electronics systems & are classified under Active & Passive Components. Ceramic Capacitors are Passive Components & are typically characterized by their miniature size, wide range & low cost. All the passive components find wide ranging applications in the Electronics Industry like Tuning, Coupling, Filtering etc. These are primarily supplied to through following Segments in the Electronic Industry.

1. Computer & Computer Peripherals
2. Instrumentations & Industrial Electronics
3. Consumer Electronics
4. Defense Electronics or Strategic Electronics
5. Telecommunications
6. Electronics Manufacturing Services (EMS) or Sub-Contractors

Our company supplies parts to Original Equipment Manufacturers (OEM’s) in above segments directly or through our all India Dealer Network.

OPPORTUNITIES & THREATS.

Passive Components are the most widely used passive Components and are typically

1. Miniature in size.
2. Low Cost.
3. Have superior Electrical Characteristics.
 - All the components can be easily imported at zero custom duty.
 - They are fiercely competitive as these are supplied to OEM’s who have access to global sources
 - Deliveries & price are the key factors influencing the purchase decision.
 - Foreign Exchange volatility directly impacts on the bottom lines.

RISK & CONCERNS

- The Electronic Industries is sensitive to obsolescence which is a major concern to the components Industry.
- The stocking levels for making sale are on the rise as customers expect immediate deliveries.
- Due to new evolving technologies customer often resort to imports in KIT form & is a persistent threat.
- Due to fierce competition from Global sources particularly, from sources in China, the margin are always under severe pressure.

PERFORMANCE BY SECTOR

The overall Market scenario during year, continued to be sluggish. The Price & deliveries were the two prime movers for driving sales. The EMS sector, particularly, was influenced by obsolescence & immediate delivery issues. The instrumentation & Industrial Electronic Segment did reasonably well & increased by 17% over previous year. Similarly the Dealer & telecom sales were better than previous year. Product wise Radial sales declined by 7% whereas sales of other types of Ceramic Capacitors improved over previous year. The other traded products also reported a decline. Despite the adverse market conditions, the sales increased to Rs. 1,223.65 Lakhs in comparison to Rs.1,153.02 Lakhs in previous year, an increase of 6.13%.

OUTLOOK

The Directors are hopeful of increasing the sales Turnover of the components by adding other products to our line of products & thereby increasing the basket of our products. The company is cautiously optimistic about the growth in the current Financial Year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Gujarat Poly Electronics Limited, has adequate system of internal controls to ensure all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, 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 31.03.2017 is Rs.177.82 Lakhs compared to Rs.199.66 Lakhs for previous year. The net block gone down to depreciation / adjustment for the year.

Investments

The Company has not made any investments during the year.

Net Current Assets / Liabilities

The net current assets of the Company are Rs.59.60 Lakhs as compared to net current liabilities of Rs.36.90 Lakhs in the previous year.

Results of operations

The revenue during the year has increased from Rs.1,153.02 Lakhs to Rs.1,223.65 Lakhs. Company has earned a profit of Rs.2.42 Lakhs (previous year Rs.39.34 Lakhs). Provisions for the interest and financial charges are Rs.53.65 Lakhs compared to Rs.56.25 Lakhs during the previous year.

Payment to and provision for employees amounts to 17.48% of sales compared to 16.86 % in the previous year. Depreciation amounts to 0.97% of sales during the year compared to 1.13% in the previous year.

The Company cannot recommend dividend due to accumulated losses.

Material Development in Human resources

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



CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance:

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

II. Board of Directors

The Company has 1 Managing Director and 6 Non- Executive Directors out of which 1 is Non-Executive Chairman, 1 is Non-Executive Director, 3 are Independent Directors, 1 is a Nominee Director. Board of Directors are responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

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

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

The table below provides the composition of the Board of Directors as on 31.03.2017

1. Financial Year April 16 to March 17

Name of the Director	Attendance Particulars					No. of other Directorship and Committee Membership/ Chairman-ship	
	Category	No. of Board Meetings held	No. of Board Meetings attended	Last AGM held on 05.08.16	Board Meeting Sitting Fees paid Rs.	Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T. R. Kilachand	Chairman NED	5	5	Yes	20,000/-	2	2
Mr. P. T. Kilachand	NED	5	4	No	16,000/-	4	2
Mr. A. H. Mehta	MD	5	5	Yes	-	3	-
Mr. C. K. Khushaldas	NED(I)	5	5	Yes	20,000/-	1	-
Mr. Y. K. Vyas (Nominee of GIIC)	NED	5	5	Yes	20,000/-	5	-
Mr. D. D. Patel (Nominee of GIIC) (Till 11th July, 2016)	NED	5	Nil	No	-	-	-
Mr. J. A. Mehta	NED(I)	5	5	Yes	20,000/-	2	-
Ms. S. A. Jhaveri	NED(I)	5	2	No	8,000/-	-	-

Notes:

1. NED – Non-Executive Director.
2. MD- Managing Director
3. NED (I) – Non-Executive and Independent Director.

2. Number of Board Meetings held and dates on which held.

During the financial year 2016 – 17, Five Board Meetings were held on the following dates:

- (a) 16th May, 2016 (b) 11th July, 2016 (c) 5th August, 2016
 (d) 10th November, 2016 (e) 8th February, 2017

3. Disclosure of Relationships between directors inter-se:

Mr. T. R. Kilachand and Mr. P. T. Kilachand, are related.

4. Separate Meeting of Independent Director

As stipulated by the code of Independent Directors under the Companies Act, 2013 and under regulation 25(3) of SEBI (LODR) Regulations, 2015 a separate meeting of the Independent directors of the company was held on 8th February, 2017 to review the performance of Non - Independent Directors and the Board as a whole, review of the performance of the Chairperson of the Company, assessment of the quality, quantity and timeliness of the flow of information between the Company's management and the Board and its committees.

Name of the Director	Category	Meeting Attended
Mr. C. K. Khushaldas	Chairman	1
Mr. J. A. Mehta	Member	1
Ms. S. A. Jhaveri	Member	-

5. Evaluation of Independent Directors and Board's Performance:

In compliance with the companies Act, 2013 and SEBI (LODR) Regulations 2015, the performance evaluation of the Independent Directors and Board as a whole was carried out during the year, the details of the same has been already given under directors' report.

6. Familiarization Program:

The Company has taken up the initiative to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company, etc. The details of such familiarization program has been disclosed on the company's website. <http://www.gpelindia.com/Download/gpelindia-%20Familiarisation%20Programme.pdf>

7. Details of Director appointed and re-appointed during the year:

The details of Directors being appointed and re-appointed in the ensuing Annual General Meeting has been given in the Notice calling the Twenty Eighth Annual General Meeting of the Company.

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

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

9. 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 Regulation 17(5)(a) of SEBI (LODR) Regulations, 2015. The said code, 2016, 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 Regulation 26 (3) of SEBI (LODR) Regulations, 2015, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code for the year ended 31.03.2017.

For Gujarat Poly Electronics Limited
(Formerly known as Gujarat Poly-AVX Electronics Limited)

A. H. Mehta
Managing Director

III. Audit Committee:

- i. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

Terms of reference of the Audit Committee are:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (iii) examination of the financial statements and the auditors' report thereon;
 - (iv) approval or any subsequent modification of transactions of the company with related parties;
 - (v) scrutiny of inter-corporate loans and investments;
 - (vi) valuation of undertakings or assets of the company, wherever it is necessary;
 - (vii) evaluation of internal financial controls and risk management systems;
 - (viii) monitoring the end use of funds raised through public offers and related matters.
- ii. Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.
- iii. Composition and Attendance

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

- (a) 16th May, 2016 (b) 5th August, 2016 (c) 10th November, 2016 (d) 8th February, 2017.

Name of the Director	Category	No. of Meetings attended	Sitting fees paid. (Rs.)
Mr. C. K. Khushaldas	Chairman	4	16,000/-
Mr. T. R. Kilachand	Member	4	16,000/-
Mr. J. A. Mehta	Member	4	16,000/-
Ms. S. A. Jhaveri	Member	1	4,000/-

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

The Company Secretary acts as the Secretary to the Committee.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- 1. Management discussion and analysis of financial condition and results of operations;
- 2. Verify with regard to related party transactions, whether Committee laid down parameters for determining a particular transaction as significant and reviewed the necessity of such transactions;
- 3. Management letters / letters of internal control weaknesses issued by the statutory auditor;
- 4. Internal audit reports relating to internal control weaknesses; and
- 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.



Name of the Director	Category	No. of Meeting(s)	
		Held	Attended
Mr. T. R. Kilachand	Chairman	9	9
Mr. P. T. Kilachand	Member	9	9
Mr. A. H. Mehta	Member	9	9

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 Annual Report, non-receipt of Share Certificates etc.

Share Transfer formalities are attended to once a week.

Mr. D. H. Upadhyaya, Company Secretary provided secretarial support to the Committee and was also the designated Compliance Officer of the Company.

Fifteen complaints were received during the year ended on 31st March, 2017 and no complaints were pending as on 31st March, 2017.

VI. General Body Meetings:

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

Financial Year	AGM	Location	Date	Time	No. of Special Resolutions passed
2013 - 14	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	13.08.2014	1.00 p.m	2
2014 - 15	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	12.08.2015	12.00 noon	3
2015 - 16	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	05.08.2016	12.00 noon	1

Financial Year	EGM	Location	Date	Time	No. of Special Resolutions passed
2013 - 14	EGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	13.08.2014	3.00 p.m	1
2015 - 16	EGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	11.08.2016	11.00 a.m.	1

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

VII. Disclosure

Mr. A. H. Mehta, Managing Director, Mr. V. K. Puniani, Senior General Manager (Plant) and Mr. H. H. Jani, CFO, constitutes 'management'.

1. Disclosures on materially significant related party transactions that may have a potential conflict with the interest of company at large.

The Board noted that certificate has been received from the management that there have not been any material financial or commercial transactions during the year where management has personal interest that may have a potential conflict with the interest of company at large.

The details of transactions of the company with the related parties have been disclosed as Note No.37 of the Notes on Accounts.

2. Details of Non-Compliance by the company, penalties, strictures:

There were no instances of non-compliance and no strictures or Material 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.

3. Whistle Blower Mechanism

The Company has adopted the whistle blower policy and has establish a vigil mechanism under Regulation 22 of SEBI (LODR) Regulations 2015, the details of mechanism and policy has been disclosed on the website.

It is hereby affirm that no person has been denied access to the audit committee

4. Details of Compliance with Mandatory Requirements :

The Company has executed the fresh Agreement with Stock Exchange as required under SEBI (LODR) Regulations, 2015 on February 8, 2016.

5. Web Link of Policies :

- a) The Company has no subsidiary and hence there is no need to frame any policy for determining “material” subsidiary.
- b) The Company has framed a Policy on Related Party transaction, the weblink for the same is http://www.gpelindia.com/gpelindia/download/related%20Party%20Transation%20Policy_14.pdf
- c) The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

6. There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

VIII. CEO/CFO Certification

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

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:-
 1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b). There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 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

IX. Discretionary Requirements under regulation 27(1) of SEBI (LODR) Regulations, 2015.

The company has complied with all the Mandatory requirements, apart from it the company has also adopted some non-mandatory requirements as follows.

1. Audit Qualifications:
 - (a) The Company’s financial statement for the year ended 31st March, 2017 does not contain any qualification.
 - (b) Secretarial Audit Report for the year ended 31st March, 2017 does not contain any qualification.
2. Separate posts of Chairman and CEO: The Chairman of the Board’s position is separate from that of Managing Director.
3. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.



X. Means of Communications

The quarterly results are communicated to Bombay Stock Exchange Ltd., Mumbai. These results are also published in one English Newspaper i.e. The Indian Express, Ahmedabad and one Regional language Newspaper i.e. Financial Express times, Ahmedabad. Results of 4th quarter i.e. Quarter ended 31st March, 2017 has been uploaded on the Company's website: www.gpelindia.com.

XI. General Shareholder Information

AGM: Date Time Venue	21 st August, 2017 12.00 noon At: B-17/18, Gandhinagar Electronic Estate, Gandhinagar - 382 024, Gujarat.
Financial Year	April 2016 to March 2017
e-voting period	From 9 a.m. Thursday, 17 th August, 2017 to 5 p.m. Sunday, 20 th August, 2017
Cut-off date for e-voting	14 th August, 2017
Dates of Book Closure	Wednesday, 12 th July, 2017 to Wednesday, 19 th July, 2017
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 2016-2017.	See Table No.1 below
Registrar and Share Transfer Agents	M/s. Link Intime India Pvt. Ltd., C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400 083. Phone: +91 22 4918 6000 Fax: +91 22 4918 6060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Share Transfer System	The Shares are traded compulsorily in the Demat form effective 6.12.2002. Shares sent for transfers are registered and returned within a period 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: gpel@kilachand.com Web-site: www.gpelindia.com (CIN): L21308GJ1989PLC012743

Listing Fees and custodial fees applicable have been paid.

Table 1 – Market Price Data

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

Month	Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Total Number of Shares traded
April – 2016	11.57	9.16	13,909
May – 2016	12.70	9.96	9,656
June – 2016	11.55	9.06	9,076
July – 2016	10.48	8.55	5,539
August – 2016	9.58	7.80	52,625
September – 2016	10.50	7.25	7,716
October – 2016	13.65	10.00	25,730
November – 2016	16.90	12.72	64,171
December - 2016	16.76	12.40	16,741
January - 2017	15.67	12.35	4,918
February - 2017	13.60	10.00	7,390
March - 2017	11.70	9.01	8,059

Table 2

Distribution of Shareholding as on 31.03.2017.

No. of Equity Shares.	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 500	17,18,905	20.11	22,196	97.79
501 to 1000	2,28,411	2.67	304	1.34
1001 to 2000	1,61,205	1.89	109	0.48
2001 to 3000	79,750	0.93	31	0.14
3001 to 4000	51,585	0.60	15	0.07
4001 to 5000	55,536	0.65	12	0.05
5001 to 10000	83,042	0.97	11	0.05
10001 and above	61,71,566	72.18	19	0.08
Total	85,50,000	100.00	22,697	100.00

Table 3

Category-wise distribution of shareholding as on 31.03.2017

Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	2	51,13,255	59.80
2.	Public Financial Institutions & Banks	4	3,27,259	3.83
3.	Mutual Funds	-	-	-
4.	Bodies Corporate	45	27,072	0.32
5.	Resident Individuals	22,625	30,69,368	35.90
6.	FII & OCBs	-	-	-
7.	Non-Resident Individuals	21	13,046	0.15
8.	State Government	-	-	-
	Total	22,697	85,50,000	100.00



Table 4

Break-up of shares in physical & electronic mode as on 31.03.2017.

Mode	No. of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	18,954	83.51	32,53,526	38.05
Electronic	3,743	16.49	52,96,474	61.95
Total	22,697	100.00	85,50,000	100.00

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Gujarat Poly Electronics Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Poly Electronics Limited for the year ended March 31, 2017 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

For Mahendra N. Shah & Co.
Chartered Accountants
Firm Registration No.: 105775W

Mahendra N Shah
Partner
Membership No.: 3969

Ahmedabad
29th May, 2017

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Poly Electronics Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The company has disclose the impact of pending litigations on its financial position in its financial statements, Refer to Note 25 to the financial statement.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management – Refer note no. 29.

For and on behalf of
Mahendra N. Shah & Co.
 Chartered Accountants
 Firm Registration No.: 105775W

Mahendra N Shah
 Partner
 Membership No.: 3969

Ahmedabad
 29th May, 2017



“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

1. In respect of Fixed Assets :

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of five years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.

2. In respect of Inventories:

According to information and explanation given to us, Physical verification of inventories has been conducted in reasonable interval by the Management and no material discrepancies were noticed on physical verification during the year.

3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has not granted loan or given guarantee or provided security as provided in the section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The Central Government has not prescribed maintenance of Cost Records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records,
 - (a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations

given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, and service tax value added tax, duty of customs and Cess which have not been deposited with the appropriate authorities on account of any dispute.
8. The company has not defaulted in repayment of dues to Financial Institutions or banks or debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given by the management, the managerial remuneration has been paid or provided in due compliance of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
Mahendra N. Shah & Co.
Chartered Accountants
Firm Registration No.: 105775W

Mahendra N Shah
Partner
Membership No.: 3969

Ahmedabad
29th May, 2017

ANNEXURE 'B'

Annexure to the Independent Auditor's report of even date on the Standalone financial statements of Gujarat Poly Electronics Limited.

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Sec.143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Gujarat Poly Electronics Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting was operating effectively as on March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

For and on behalf of
Mahendra N. Shah & Co.
Chartered Accountants
Firm Registration No.: 105775W

Mahendra N. Shah
Partner
Membership No.: 3969

Ahmedabad
29th May, 2017



BALANCE SHEET AS AT 31ST MARCH, 2017

(In Rupees)

Particulars	Note	As at	
		31 st March 2017	31 st March 2016
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>(16,21,58,701)</u>	<u>(16,24,00,823)</u>
		2,14,91,299	2,12,49,177
(2) Non - Current Liabilities			
(a) Deferred Tax Liabilities	5	-	-
(b) Long-term provisions	6	<u>27,87,327</u>	29,12,700
		27,87,327	29,12,700
(3) Current liabilities			
(a) Short-term borrowings	7	4,97,51,060	4,70,46,261
(b) Trade payables		1,12,51,003	1,51,49,521
(c) Other current liabilities	8	15,16,528	7,53,683
(d) Short-term provisions	9	<u>22,17,472</u>	<u>14,57,123</u>
		6,47,36,063	6,44,06,588
TOTAL		<u>8,90,14,689</u>	<u>8,85,68,465</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		1,76,05,173	1,95,47,136
(ii) Intangible assets		<u>1,76,811</u>	<u>4,18,421</u>
		1,77,81,984	1,99,65,557
(b) Long-term loans and advances	11	<u>5,37,046</u>	<u>5,06,360</u>
		1,83,19,030	2,04,71,917
(2) Current assets			
(a) Inventories	12	3,24,54,393	2,94,28,112
(b) Trade receivables	13	3,26,72,726	3,23,33,104
(c) Cash and cash equivalent	14	22,28,520	35,12,887
(d) Short-term loans and advances	15	33,20,896	28,03,097
(e) Other current assets	16	<u>19,124</u>	<u>19,348</u>
		7,06,95,659	6,80,96,548
TOTAL		<u>8,90,14,689</u>	<u>8,85,68,465</u>

Refer accompanying notes forming part of the financial statements and significant accounting policies

In term of our report attached.
For Mahendra N. Shah & Co.
Chartered Accountants
FRN105775W

Mahendra N Shah
Partner
(Membership No.3969)

Place: Ahmedabad
Date: 29th May, 2017

For and on behalf of the Board of Directors

T. R. Kilachand
Chairman
DIN 00006659

H. H. Jani
Chief Financial officer

A. H. Mehta
Managing Director
DIN 00005523

D. H. Upadhyaya
Company Secretary & Compliance officer
(ACS No.: 15068)

Place: Mumbai
Date: 29th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(In Rupees)

Particulars	Note	Year Ended 31 st March 2017	Year Ended 31 st March 2016
I. Revenue from operations (Gross)	17	12,27,08,135	11,57,35,786
Less: Excise duty		<u>3,42,660</u>	<u>4,34,006</u>
Revenue from Operations (Net)		12,23,65,475	11,53,01,780
II. Other income	18	10,75,160	4,99,775
III. Total Revenue (I + II)		<u>12,34,40,635</u>	<u>11,58,01,555</u>
IV. Expenses:			
a. Cost of Raw Materials Consumed	19	8,16,152	3,55,939
b. Change in Inventories of Finished goods, Work-in-progress and Stock-in-trade	20	(29,36,608)	(9,98,136)
c. Purchases of Stock-in-trade	21	8,18,38,345	7,47,61,365
d. Employee Benefits Expense	22	2,13,85,191	1,94,39,257
e. Finance Charges	23	53,65,459	56,24,879
f. Depreciation and Amortization expense	10	11,90,661	13,07,972
g. Other Expenses	24	1,55,39,313	1,13,76,424
Total Expenses		<u>12,31,98,513</u>	<u>11,18,67,700</u>
V. Profit/(Loss) before tax (III-IV)		2,42,122	39,33,855
VI. Tax expense:			
(1) Current Tax	28	-	-
(2) Deferred Tax	5	-	-
VII. Profit/(Loss) for the year (V-VI)		<u>2,42,122</u>	<u>39,33,855</u>
VIII. Earnings per share (of Rs. 10/- each):	36		
Basic and Diluted		0.03	0.46

Refer accompanying notes forming part of the financial statements and significant accounting policies

**In term of our report attached.
For Mahendra N. Shah & Co.**

Chartered Accountants
FRN105775W

Mahendra N Shah
Partner
(Membership No.3969)

Place: Ahmedabad
Date: 29th May, 2017

For and on behalf of the Board of Directors

T. R. Kilachand
Chairman
DIN 00006659

H. H. Jani
Chief Financial officer

A. H. Mehta
Managing Director
DIN 00005523

D. H. Upadhyaya
Company Secretary & Compliance officer
(ACS No.: 15068)

Place: Mumbai
Date: 29th May, 2017



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(In Rupees)

Particulars	Year Ended 31 st March 2017	Year Ended 31 st March 2016
(A) Cash flow From Operating Activities		
1. Net Profit / (Loss) before tax	2,42,122	39,33,854
2. Adjustments for:		
a) Depreciation and Amortisation	11,90,661	13,07,972
b) Finance Costs	53,65,459	56,24,879
c) Interest income	(22,580)	(27,236)
d) Excess provisions written back	(2,457)	(50,639)
e) Sundry credit balances written back	(1,58,031)	(1,329)
f) Sundry Balance written off	1,91,510	55,143
g) Profit on Sales of Fixed Assets	11,63,386	(2,26,219)
h) Unrealised Foreign Exchange (gain)/loss	(8,82,252)	(1,94,352)
i) Other Income	(9,840)	0
Operating Profit Before Working Capital Changes (1 + 2)	70,77,979	1,04,22,073
3. Adjustments for Working Capital changes:		
(i) <u>(Increase)/ decrease in Operating Assets</u>		
a) Inventories	(30,26,282)	(9,75,632)
b) Trade receivables	(5,31,132)	23,07,629
c) Long term Loans and Advances	(30,686)	(26,175)
d) Short term Loans and Advances	(5,17,800)	(22,04,026)
e) Other Current Assets	224	(2,065)
(ii) <u>Increase/(decrease) in Operating Liabilities</u>		
a) Trade payables	(28,55,778)	59,75,572
b) Other current liabilities	7,62,846	62,227
c) Short term provisions	7,60,349	2,97,347
d) Long term provisions	(1,25,373)	(1,09,401)
Cash Generated From Operations	15,14,347	1,11,32,292
Add: Net Income-tax refunds	0.00	(25,825)
Net Cash flow from Operating Activities (A)	15,14,347	1,11,06,467
(B) Cashflow From Investing Activities		
a) Purchase of Fixed Assets	(7,53,474)	(2,35,508)
b) Proceeds from Sale of Fixed Assets	5,83,000	3,12,962
c) Interest income	32,420	27,236
Net Cash flow from/(used in) Investing Activities (B)	(1,38,054)	1,04,690
(C) Cashflow From Financing Activities		
a) Proceeds from short term borrowings	0	0
b) Interest Paid	(26,60,660)	(1,05,62,821)
c) Repayment of long-term borrowings	0	0
d) Repayment of Short term borrowings	0	0
Net Cash flow from/(used in) Financing Activities (C)	(26,60,660)	(1,05,62,821)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(In Rupees)

Particulars	Year Ended 31 st March 2017	Year Ended 31 st March 2016
(D) Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	(12,84,367)	6,48,336
(E) Cash and Cash Equivalents at the beginning of the year	35,12,887	28,64,551
(F) Cash and Cash Equivalents at the end of the year	<u>22,28,520</u>	<u>35,12,887</u>
Note :		
1 Components of Cash & Cash Equivalents		
Cash on hand	0	0
Balances with Schedule banks In Current Accounts	<u>22,28,520</u>	<u>35,12,887</u>
	<u>22,28,520</u>	<u>35,12,887</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.

Refer accompanying notes forming part of the financial statements

In term of our report attached.

For Mahendra N. Shah & Co.

Chartered Accountants
FRN105775W

Mahendra N Shah

Partner
(Membership No.3969)

Place: Ahmedabad

Date: 29th May, 2017

For and on behalf of the Board of Directors

T. R. Kilachand

Chairman
DIN 00006659

H. H. Jani

Chief Financial officer

A. H. Mehta

Managing Director
DIN 00005523

D. H. Upadhyaya

Company Secretary & Compliance officer
(ACS No.: 15068)

Place: Mumbai

Date: 29th May, 2017



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. CORPORATE INFORMATION

Gujarat Poly Electronics Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company has set up a plant for manufacturing of capacitors and also trading in Capacitors.

2. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Accounting:

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

2) Use of Estimates:

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

3) Operating Cycle

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

4) Cash flow Statement

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

5) Fixed Assets: (Tangible/ Intangible)

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

6) Depreciation and Amortisation:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

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

7) Impairment of Assets

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

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

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

8) Leases:

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

9) Inventories:

Inventories are valued at the lower of cost (determined on 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. Work-in-progress and Finished goods include appropriate proportion of overheads and, where applicable, excise duty.

10) Revenue recognition:

Sale of goods:

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

Other Income:

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

11) Foreign Currency Transactions:

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

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

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

12) Employees Benefits:

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

Defined contribution plans

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Defined benefit plan

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

Short-term employee benefits

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

Long-term employee benefits

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

13) Taxes on Income:

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

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

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

14) Government Grants:

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

15) 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, 2017

(In Rupees)

Particulars	As at	As at
	31 st March 2017	31 st March 2016
3. SHARE CAPITAL		
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 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, without payment being received in cash.
- (b) 8,00,000 Shares of Rs. 10 each have been allotted as fully paid-up against unsecured loan as per AAIFR order, without payment being received in cash.

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

	(In Nos.)	(Amount Rs.)	(In Nos.)	(Amount Rs.)
	As at	As at	As at	As at
	31 st March 2017	31 st March 2017	31 st March 2016	31 st March 2016
Outstanding at the beginning of the period	85,50,000	8,55,00,000	85,50,000	8,55,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the Period	85,50,000	8,55,00,000	85,50,000	8,55,00,000

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

	(In Nos.)	(Amount Rs.)	(In Nos.)	(Amount Rs.)
	As at	As at	As at	As at
	31 st March 2017	31 st March 2017	31 st March 2016	31 st March 2016
Outstanding at the beginning of the period	9,81,500	9,81,50,000	9,81,500	9,81,50,000
Issued during the period	-	-	-	-
Outstanding at the end of the Period	9,81,500	9,81,50,000	9,81,500	9,81,50,000



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	As at	
	31 st March 2017	31 st March 2016
(ii) a. Details of Shareholders holding more than 5 percent of Equity Shares:		(In Nos.)
Polychem Limited	Nos. 46,16,152	28,66,154
	% Holding 53.99%	33.52%
AVX Corporation , USA	Nos. -	17,49,998
	% Holding 0.00%	20.47%
GIIC	Nos. 4,97,103	4,97,103
	% Holding 5.81%	5.81%
(ii) b. Details of Shareholders holding more than 5 percent of 1/2% Non-cumulative Redeemable Preference Shares		(In Nos.)

Particulars	As at	
	31 st March 2017	31 st March 2016
3A Capital Services Limited	Nos. 3,13,220	3,13,220
	% Holding 31.91%	31.91%
Polychem Limited	Nos. 6,68,280	6,68,280
	% Holding 68.09%	68.09%

(iii) a. Rights of Equity Shareholders:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

9,81,500 1/2% Non-cumulative Preference shares of Rs. 100 each fully paid-up have been allotted to term lenders as per AAIFR order without payment being received in cash, out of which 4,90,750 shares were redeemable on 31st March 2008 and balance on 31st March 2009.

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

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

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) Deficit in Statement of Profit and Loss

Opening Balance

(16,53,75,823) (16,93,09,677)

Add: Depreciation on transition to Schedule II of the Companies Act, 2013 on
tangible fixed assets with nil remaining useful life

-

Add: Profit/ (Loss) for the year

2,42,122 39,33,854

Net Deficit in Statement of Profit and Loss

(16,51,33,701) (16,53,75,823)

TOTAL

(16,21,58,701) (16,24,00,823)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(In Rupees)

Particulars	As at 31 st March 2017	As at 31 st March 2016
5. DEFERRED TAX LIABILITIES (Net)		
(a) Tax effect of items constituting deferred tax liabilities		
Difference between book balance and tax balance of fixed assets	41,30,245	46,86,532
(b) Tax effect of items constituting deferred tax assets (Refer note below)		
Disallowances u/s 43(B) of Income Tax Act,1961	16,31,387	14,55,862
Brought forward business losses (restricted to the extent of net deferred tax liability on depreciation on account of virtual certainty.)	24,98,858	32,30,670
	<u>41,30,245</u>	<u>46,86,532</u>
Net Deferred Tax Liability	<u>-</u>	<u>-</u>
Note :		
The Company has recognized deferred tax assets of Rs. 41,30,245 (Previous Year: Rs. 46,86,532), including Rs. 24,98,958 (Previous Year: Rs.32,30,670) on account of unabsorbed losses, restricted to the extent of deferred tax liability on account of depreciation, as it is virtually certain that the reversal of timing differences on account of depreciation would result in sufficient taxable income against which the deferred tax assets can be realised.		
6. LONG-TERM PROVISIONS		
Provision for employee benefits		
Leave Encashment	18,51,272	20,26,668
Gratuity	9,36,055	8,86,032
TOTAL	<u>27,87,327</u>	<u>29,12,700</u>
7. SHORT-TERM BORROWINGS		
Loan from a Related party (Unsecured) (Refer Note 1)	4,97,51,060	4,70,46,261
TOTAL	<u>4,97,51,060</u>	<u>4,70,46,261</u>
Note:		
1. The loan from the related party carries interest at 12% p.a. Terms of repayment in respect of the same have not been stipulated.		
8. OTHER CURRENT LIABILITIES		
(a) Advance from customers	70,734	2,62,126
(b) Statutory dues	14,45,794	4,91,557
TOTAL	<u>15,16,528</u>	<u>7,53,683</u>
9. SHORT-TERM PROVISIONS		
Provision for employee benefits		
(a) Leave Encashment	13,53,216	6,89,121
(b) Gratuity	8,64,256	7,68,002
TOTAL	<u>22,17,472</u>	<u>14,57,123</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

10. FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
	AS AT 01.04.2016	Additions	Deductions	AS AT 31.03.2017	AS AT 01-04-2016	For the period ending 31.03.2017	Deductions	UPTO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
A) Tangible Assets:										
Land (Lease Hold)	32,89,596	-	-	32,89,596	8,16,989	34,212	-	8,51,201	24,38,395	24,72,607
Building - Factory	1,94,00,091	-	-	1,94,00,091	1,45,86,699	5,37,473	-	1,51,24,172	42,75,919	48,13,392
Plant & Machinery	19,70,48,981	-	1,29,76,036	18,40,72,945	18,63,00,120	35,899	1,15,25,405	17,48,10,614	92,62,331	1,07,48,861
Electrical Installation	59,04,848	7,820	-	59,12,668	56,01,536	1,542	-	56,03,078	3,09,590	3,03,312
Furniture & Fixtures	13,78,306	21,000	-	13,99,306	12,96,073	10,389	-	13,06,462	92,844	82,233
Office Equipment	13,13,898	5,92,926	-	19,06,824	11,93,668	99,870	-	12,93,538	6,13,286	1,20,230
Vehicles	9,34,620	-	-	9,34,620	5,57,782	70,402	-	6,28,184	3,06,436	3,76,838
Computer & Peripherals	21,37,724	1,24,728	-	22,62,452	18,03,816	1,52,264	-	19,56,080	3,06,372	3,33,908
Air Conditioning Plant	59,15,110	-	59,15,110	-	56,19,355	-	56,19,355	-	-	2,95,756
Total (A)	23,73,23,174	7,46,474	1,88,91,146	21,91,78,502	21,77,76,038	9,42,051	1,71,44,760	20,15,73,329	1,76,05,173	1,95,47,136
B) Intangible Assets:										
Technical Know-How	1,18,43,456	-	-	1,18,43,456	1,18,43,456	-	-	1,18,43,456	-	-
Computer software	10,55,447	7,000	-	10,62,447	6,37,026	2,48,610	-	8,85,636	1,76,811	4,18,421
Total (B)	1,28,98,903	7,000	-	1,29,05,903	1,24,80,482	2,48,610	-	1,27,29,092	1,76,811	4,18,421
Grand Total (A+B)	25,02,22,077	7,53,474	1,88,91,146	23,20,84,405	23,02,56,520	11,90,661	1,71,44,760	21,43,02,420	1,77,81,984	1,99,65,557
Previous year	25,04,38,978	2,35,508	4,52,409	25,02,22,077	22,93,14,214	13,07,972	3,65,666	23,02,56,520	1,99,65,557	2,11,24,764

(In Rupees)

Particulars	As at 31 st March 2017	As at 31 st March 2016
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11. LONG TERM LOANS & ADVANCES

Unsecured , Considered Good

Electricity & Other Deposits

5,37,046 5,06,360

TOTAL

5,37,046 5,06,360

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

(a) Raw Materials

28,40,895 28,50,589

(b) Work-in-Progress

1,61,117 1,92,847

(c) Finished Goods

55,90,905 67,28,352

(d) Stock-in-Trade

1,91,24,557 1,50,18,772

(e) Stores & Spares

45,66,640 45,66,641

(f) Packing Materials

11,796 32,152

(g) Goods in transit

1,58,483 38,759

TOTAL

3,24,54,393 2,94,28,112

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(In Rupees)

Particulars	As at 31 st March 2017	As at 31 st March 2016
Break-up of Work-in-progress		
(a) Radial Chips	-	6,415
(b) SLCC Chips	-	5,531
(c) HLCC Chips	-	18,305
(d) MOV Chips	-	-
(e) Others	<u>1,61,117</u>	<u>1,62,596</u>
	<u>1,61,117</u>	<u>1,92,847</u>
13. TRADE RECEIVABLES		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	39,26,439	28,12,430
(ii) Unsecured, considered doubtful	<u>6,73,203</u>	<u>6,73,203</u>
	45,99,642	34,85,633
Less: Provision for Doubtful Debts	<u>6,73,203</u>	<u>6,73,203</u>
	39,26,439	28,12,430
(b) Others		
Unsecured, considered good	<u>2,87,46,287</u>	<u>2,95,20,674</u>
TOTAL	<u>3,26,72,726</u>	<u>3,23,33,104</u>
14. CASH AND CASH EQUIVALENTS		
(a) Cash On Hand	-	-
(b) Balances with Banks		
In Current Accounts	<u>22,28,520</u>	<u>35,12,887</u>
TOTAL	<u>22,28,520</u>	<u>35,12,887</u>
15. SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Employee Advances	1,63,060	2,56,800
(b) Prepaid Expenses	2,28,847	1,94,814
(c) Deposits and balances with government and other authorities	29,05,395	22,26,230
(d) Advances to Suppliers	5,926	1,14,187
(e) Others	<u>17,668</u>	<u>11,066</u>
TOTAL	<u>33,20,896</u>	<u>28,03,097</u>
16. OTHER CURRENT ASSETS		
Interest Receivable	<u>19,124</u>	<u>19,348</u>
TOTAL	<u>19,124</u>	<u>19,348</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	(In Rupees)	
	Year Ended 31 st March 2017	Year Ended 31 st March 2016
17. REVENUE FROM OPERATIONS		
(a) Sale of products (Refer Note (i) below)		
i) Manufactured Goods	22,05,854	33,72,472
ii) Trading Goods	12,00,97,791	11,22,32,515
(b) Other Operating Income (Refer Note (ii) below)	4,04,490	1,30,798
Revenue from operations (Gross)	<u>12,27,08,135</u>	<u>11,57,35,786</u>
Less:		
(C) Excise duty	3,42,660	4,34,006
Total	<u>12,23,65,475</u>	<u>11,53,01,780</u>
Note:		
(i) Sale of products comprises :		
a. Manufactured goods		
Radial	8,45,503	19,08,896
Chips	10,93,620	7,77,932
Single Layers	1,25,874	3,54,239
Others	1,40,857	3,31,405
Total - Sale of manufactured goods	<u>22,05,854</u>	<u>33,72,472</u>
b. Traded goods		
Tantalum Capacitor	1,11,53,156	1,30,45,926
Ceramic Capacitor	10,89,44,635	9,91,86,589
Total - Sale of traded goods	<u>12,00,97,791</u>	<u>11,22,32,515</u>
Total - Sale of products	<u>12,23,03,645</u>	<u>11,56,04,987</u>
(ii) Other operating revenues comprise:		
Scrap sales	40,000	-
Others	3,64,490	1,30,798
Total - Other operating revenues	<u>4,04,490</u>	<u>1,30,798</u>
Total	<u>12,27,08,135</u>	<u>11,57,35,786</u>
18. OTHER INCOME		
(a) Interest Received From Others	22,580	27,236
(b) Sundry credit balances written back	1,58,031	1,329
(c) Excess Provision Written back	2,457	50,639
(d) Profit on sale of Fixed Assets	-	2,26,219
(e) Foreign exchange Gain	8,82,252	1,94,352
(f) Other Non-operating Income	9,840	-
TOTAL	<u>10,75,160</u>	<u>4,99,775</u>
19. COST OF MATERIALS CONSUMED		
Raw Materials Consumed	8,16,152	3,55,939
a. Details of Raw Materials Consumed under broad heads :		
i) Chips	7,51,388	2,87,898
ii) Copper wire & Epoxy	31,434	61,178
iii) Others	33,330	6,863
TOTAL	<u>8,16,152</u>	<u>3,55,939</u>
b. Value of Indigenous and Imported Raw Materials Consumed during the year :		
Imported		
Value	16,432	28,260
Percentage	2.01%	7.93%
Indigenous		
Value	7,99,720	3,27,679
Percentage	97.99%	92.07%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	(In Rupees)	
	Year Ended 31 st March 2017	Year Ended 31 st March 2016
20. CHANGES IN INVENTORIES OF FINISHED GOODS ,WORK-IN-PROGRESS AND STOCK-IN-TRADE		
(a) Closing Stock		
Finished Goods	55,90,905	67,28,352
Work-in-progress	1,61,117	1,92,847
Trading Goods	<u>1,91,24,557</u>	<u>1,50,18,772</u>
	2,48,76,579	2,19,39,971
(b) Less : Opening Stock		
Finished Goods	67,28,352	84,32,833
Work-in-progress	1,92,847	2,35,407
Trading Goods	<u>1,50,18,772</u>	<u>1,22,73,595</u>
	<u>2,19,39,971</u>	<u>2,09,41,835</u>
Net (increase)/decrease	<u>(29,36,608)</u>	<u>(9,98,136)</u>
21. Purchase of Stock-in-trade		
Purchases of stock-in-trade under broad heads :		
a. Tantalum capacitor	83,00,676	84,56,176
b. Ceramic capacitors	7,34,32,727	6,31,91,425
c. Others	-	30,59,519
d. packing material	<u>1,04,942</u>	<u>54,245</u>
TOTAL	<u>8,18,38,345</u>	<u>7,47,61,365</u>
22. EMPLOYEE BENEFITS EXPENSES		
(a) Salaries, Wages, Bonus etc.	1,79,64,418	1,65,21,121
(b) Contribution to Provident, Gratuity and other funds	27,75,460	23,83,015
(c) Employee welfare expenses	<u>6,45,313</u>	<u>5,35,121</u>
TOTAL	<u>2,13,85,191</u>	<u>1,94,39,257</u>
23. FINANCE COST		
Interest Expense on		
Loan from Related party	53,52,338	56,14,575
Others	<u>13,121</u>	<u>10,304</u>
TOTAL	<u>53,65,459</u>	<u>56,24,879</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(In Rupees)

Particulars	Year Ended 31 st March 2017	Year Ended 31 st March 2016
24. OTHER EXPENSES		
(a) Power & Fuel	8,69,463	9,42,401
(b) Repairs and Maintenance		
Repairs - Plant and Machinery	10,782	2,213
Repairs - building & others	11,35,193	8,69,404
(c) Stores and Spares and Tools Consumed	1,950	1,667
(d) Packing Material Consumed	20,656	51,271
(e) Selling Expenses	2,86,986	2,95,910
(f) Freight outward (net)	4,74,361	2,72,141
(g) Advertisement Expenses	75,882	5,57,268
(h) Stationary, Printing, Postage and Telephone Expenses	17,73,240	13,75,924
(i) Insurance	2,31,616	2,13,920
(j) Rent	5,67,652	5,51,499
(k) Rates, Duties and taxes	12,20,000	2,77,947
(l) Bank charges	13,262	23,387
(m) Travelling Expenses & Conveyance	14,28,526	15,94,644
(n) Directors Sitting Fees	2,31,353	2,27,170
(o) Legal & Professional Charges	14,17,031	7,61,972
(p) Audit Fees (Refer Note below)	5,01,600	4,96,193
(q) Security Service Charges	9,03,772	7,88,701
(r) Factory Expenses	4,26,362	3,63,512
(s) Bad Debts Written off	18,098	-
(t) Loss on sale of Assets	11,63,386	-
(u) Miscellaneous Expenses	27,68,142	17,09,280
TOTAL	1,55,39,313	1,13,76,424
Note:		
Payments to the auditors comprises:		
Statutory audit fees	2,65,000	2,65,000
Tax audit fees	51,525	45,000
In other capacities	1,85,075	1,70,250
Reimbursement of Expenses	-	15,943
TOTAL	5,01,600	4,96,193

25. Contingent liabilities:

	As at 31.03.17	(Amount in Rs.) As at 31.03.16
Disputed Demand of Employees' State Insurance Corporation	1,02,838	1,02,838

A Bank guarantee is issued for the amount to ESIC on the security of FD for Rs.52,000/-

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

26. The company plans to meet its working capital requirement for the forthcoming year from future profits. The Management of the company is confident that there are adequate opportunities for growth and company would be able to sustain reasonably higher profit in future. Having regard to the above, the financial statements have been prepared by the Management of the company on a "Going concern" basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

27. Excise Duty shown as deduction from Revenue from Operations represents the amount of excise duty collected on sales. Excise duty under Note-17 (b), "Other Operating Income", represents the difference between excise duty element in amounts of closing stock and opening stock.
28. In view of unabsorbed losses/depreciation and in the absence of taxable income under the provisions of the Income Tax Act, 1961 the Company has not provided for tax in the current year. Further, in view of the brought forward loss/unabsorbed depreciation as per books of account, the Company also does not have any tax liability under section 115JB of the Income tax Act, 1961.
29. Disclosure on Specified Bank Notes [SBN]:
During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the said notification is given below:

Details of Specified Bank Notes

(Amount in Rs.)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1,29,000	31,391	1,60,391
(+) Permitted Receipts	-	4,51,436	4,51,436
(-) Permitted Payments*	-	3,30,982	3,30,982
(-) Amount deposited in Banks on 10.11.2016	1,13,000	-	1,13,000
(-) Amount deposited in Banks on 19.11.2016	16,000	-	16,000
Closing cash in hand as on 30.12.2016	-	1,51,845	1,51,845

*(includes Deposit into Bank)

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respects to 'Permitted Receipts', 'Permitted payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

30. Employee benefits:

Defined Benefits Plans:

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
a. Reconciliation of opening and closing balance of the present value of defined benefit obligation				
Obligation at the beginning of the year	53,51,511	45,12,012	27,15,789	21,55,895
Current Service Cost	2,39,937	2,03,801	1,52,914	1,23,650
Interest Cost	4,25,980	3,58,705	2,16,177	1,71,394
Actuarial (Gain) / Loss	4,96,157	2,76,993	1,61,975	2,85,741
Benefits Paid	(43,131)	-	(42,367)	(20,891)
Obligation at the end of the year	64,70,454	53,51,511	32,04,488	27,15,789
b. Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at the beginning of the year	36,97,477	24,86,030	NIL	NIL
1 Expected return on plan assets	2,94,319	1,97,639	NIL	NIL
2 Actuarial Gain / (Loss) on plan Assets	68,865	75,087	NIL	NIL
Contribution	6,52,613	9,38,721	NIL	NIL
Benefits Paid	(43,131)	-	NIL	NIL
Fair value of plan assets at the end of the year	46,70,143	36,97,477	NIL	NIL



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

c. Net Liability recognised in Balance Sheet				
Obligation at the end of the year	64,70,454	53,51,511	32,04,488	27,15,789
Less : Fair value of plan assets at the end of the year	46,70,143	36,97,477	NIL	NIL
Liability recognised in Balance Sheet as at year end	18,00,311	16,54,034	32,04,488	27,15,789
d. Components of employer's expense for the year				
Current service cost	2,39,937	2,03,801	1,52,914	1,23,650
Interest cost	4,25,980	3,58,705	2,16,177	1,71,394
Expected return on plan assets	(2,94,319)	(1,97,639)	NIL	NIL
Net Actuarial (gain) / loss	4,27,292	2,01,906	1,61,975	2,85,741
Total expense recognised in the statement of profit and loss	7,98,890	5,66,773	5,31,066	5,80,785

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
e. Actual Return on Plan assets				
Expected return on plan assets	2,94,319	1,97,639	NIL	NIL
Actuarial Gain / (Loss) on plan Assets	68,865	75,087	NIL	NIL
Total	3,63,184	2,72,726	NIL	NIL

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

Description	Percentage of Total Plan Assets	
	2016-17	2015-16
Qualifying insurance policy with Life Insurance Corporation of India	100%	100%
g. Assumptions	2016-17	2015-16
Discount Rate (p.a)	7.39%	7.96%
Expected rate of return on plan assets (p.a)	7.39%	7.96%
Expected rate of increase in compensation levels (p.a)	6.00%	6.00%
Mortality	Indian Assured Lives (2006-08)	
Retirement Age	60 years	
Actuarial Valuation Method	Projected Unit Credit Method	
The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.		
The discount rate is based on the prevailing market yields of Govt. of India securities as at the balance sheet date for the estimated term of the obligations.		
Closing expected rate of returns taken as described in proposed Ind AS 19 on Employee benefits.		

h. Experience adjustments:

(Amount in Rs.)

Gratuity	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of Defined benefit obligation	(64,70,454)	(53,51,511)	(45,12,012)	(48,50,452)	(33,02,195)
Fair value of plan assets	46,70,143	36,97,477	24,86,030	37,49,491	31,05,761
Funded status [Surplus / (Deficit)]	(18,00,311)	(16,54,034)	(20,25,982)	(11,00,961)	(1,96,434)
Experience gain / (loss) adjustments on plan liabilities	(4,96,157)	(2,76,993)	(9,26,624)	1,42,898	(2,37,116)
Experience gain / (loss) adjustments on plan assets	68,865	75,087	(72,739)	47,667	NIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

	2016-17	2015-16
i. Defined Contribution Plans		
Amount recognized as an expense and included in Note 22(b) of Statement of Profit and Loss		
Contribution to Provident Fund	8,88,733	7,58,380
Contribution to Pension Fund	3,77,624	3,73,005
Contribution to Superannuation Fund	7,12,431	5,42,471
Total	19,78,788	16,73,856

31. The balance due to Micro & Small Enterprises as defined under MSMED Act, 2006 as at 31st March 2017 and 2016 is NIL. No interest during the year and previous year has been paid under the terms of the MSMED Act, 2006. This has been determined to the extent Micro & Small Enterprises have been identified on the basis of information collected by the management, which has been relied upon by the auditors.

32. Assets taken on operating lease:

The Company has taken sales and marketing offices on operating lease basis. Amount of lease rentals recognized in the Statement of Profit and Loss for the year in respect of these cancellable operating leases is Rs. 5,67,652/-p.a. (Previous year Rs.5,51,499/-). The lease term is 9 years for Delhi office and 2 years for Bangalore office.

Future minimum lease payment, Liability in respect of which as on 31.03.2017 are as follows.:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Payable not later than a year	6,53,172	5,59,250
Payable later than a year but not later than 5 years	25,41,196	23,38,324
Payable later than 5 years	5,52,360	12,15,192

33. Segment Reporting

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

34. The Company has aggressively focused in Trading of goods. Due to change in technological advancements, commercial considerations and market preferences, the company has taken up exercise to identify inventories which has very slow turnover ratio. The company will pass necessary accounting treatment on final ascertainment of the same.

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

Particulars	As at 31.03.17	As at 31.03.16
Import Creditors	Rs. 63,97,999/- (US\$ 98,644.89 @ Rs.64.8589)	Rs. 87,43,294/- (US\$ 1,31,894.62 @ Rs.66.29)

There are no hedged exposures as at 31-03-2017 and 31-03-2016.

36. Earnings Per Share:

	2016-2017	2015-2016
Net Profit / loss after tax as per Statement of Profit and Loss (Rs.)	02,42,122	39,33,854
Weighted Average Number of Equity shares	85,50,000	85,50,000
Basic and diluted EPS (Rs.)	0.03	0.46
Nominal value of the equity share (Rs.)	10	10



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

37. Related Party Disclosures:

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

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

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

Particulars	Enterprise which is able to exercise significant influence		Enterprise over which management personnel and their relatives are able to exercise significant influence		Key Management Personnel		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Expenses Reimbursed to - Polychem Ltd. -Ginners & Pressers Ltd.	37,089 -	29,344 -	- 87,308	- 94,036	- -	- -	37,089 87,308	29,344 94,036
Reimbursement of Expenses by - Polychem Ltd.	-	-	-	-	-	-	-	-
Loan Received - Polychem Ltd.	-	-	-	-	-	-	-	-
Interest Expense - Polychem Ltd.	53,51,999	56,24,510	-	-	-	-	53,51,999	56,24,510
Managerial Remuneration - A. H. Mehta - H. H. Jani	- -	- -	- -	- -	23,56,640 14,98,886	19,69,526 14,47,343	23,56,640 14,98,886	19,69,526 14,47,343
Outstanding Payable Balances at the year end								
Polychem Ltd.	4,97,51,060	4,70,46,261	-	-	-	-	4,97,51,060	4,70,46,261

38. CIF Value of imports:

	2016-2017	2015-2016
Stock-in-Trade (Trading goods)	Rs. 7,14,04,961/-	Rs. 6,28,76,594/-

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

In term of our report attached.

For Mahendra N. Shah & Co.

Chartered Accountants
FRN105775W

Mahendra N Shah

Partner
(Membership No.3969)

Place: Ahmedabad

Date: 29th May, 2017

For and on behalf of the Board of Directors

T. R. Kilachand

Chairman
DIN 00006659

H. H. Jani

Chief Financial officer

A. H. Mehta

Managing Director
DIN 00005523

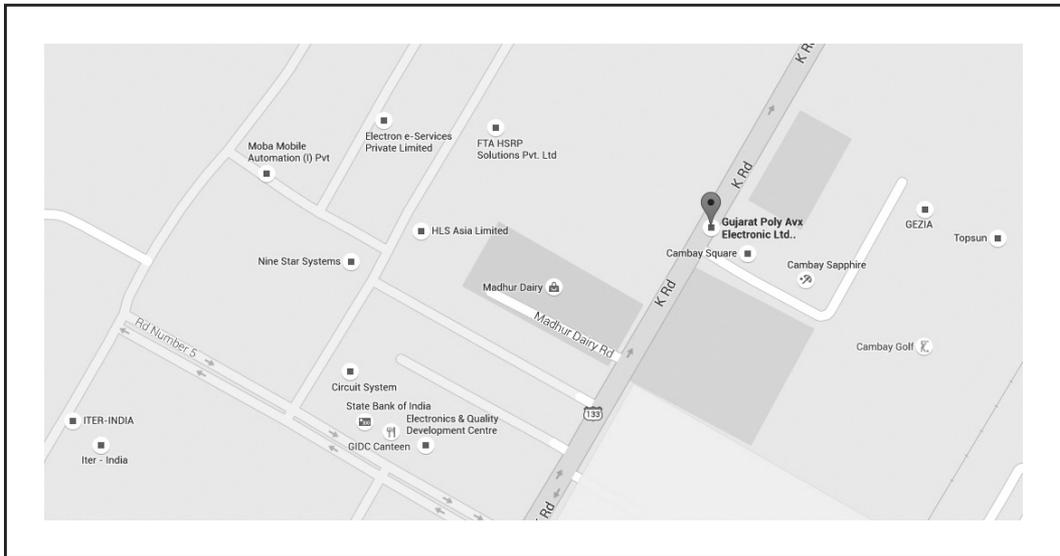
D. H. Upadhyaya

Company Secretary & Compliance officer
(ACS No.: 15068)

Place: Mumbai

Date: 29th May, 2017

**Route Map to the Venue of the 28th Annual General Meeting
to be held on Monday, August 21st, 2017**



B-17/18, Gandhinagar Electronic Estate, Sector – 25, Gandhinagar – 382 024, Gujarat



GUJARAT POLY ELECTRONICS LIMITED

(Formerly known as Gujarat Poly-AVX Electronics Limited)

Registered Office: B-17/18, Gandhinagar

Electronic Estate, Gandhinagar 382 024, Gujarat.

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

Website: www.gpelindia.com, **CIN:** L21308GJ1989PLC012743

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

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

I/We, _____ being the member(s) holding _____ shares of Gujarat Poly 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 EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Monday, 21st August, 2017 at 12.00 noon at B-17/18, Gandhinagar Electronic Estate, Gandhinagar 382 024, 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.	Ratification of Auditors' appointment		
Special Business			
4.	Re-appointment of Mr. A. H. Mehta as Managing Director.		

Signed this _____ day of _____ 2017.

Signature of the Member _____

Signature of Proxy _____

Affix 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 commencement of the meeting.

BOOK-POST



If not delivered, please return to:

GUJARAT POLY ELECTRONICS LIMITED

(FORMERLY KNOWN AS GUJARAT POLY-AVX ELECTRONICS LIMITED)

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