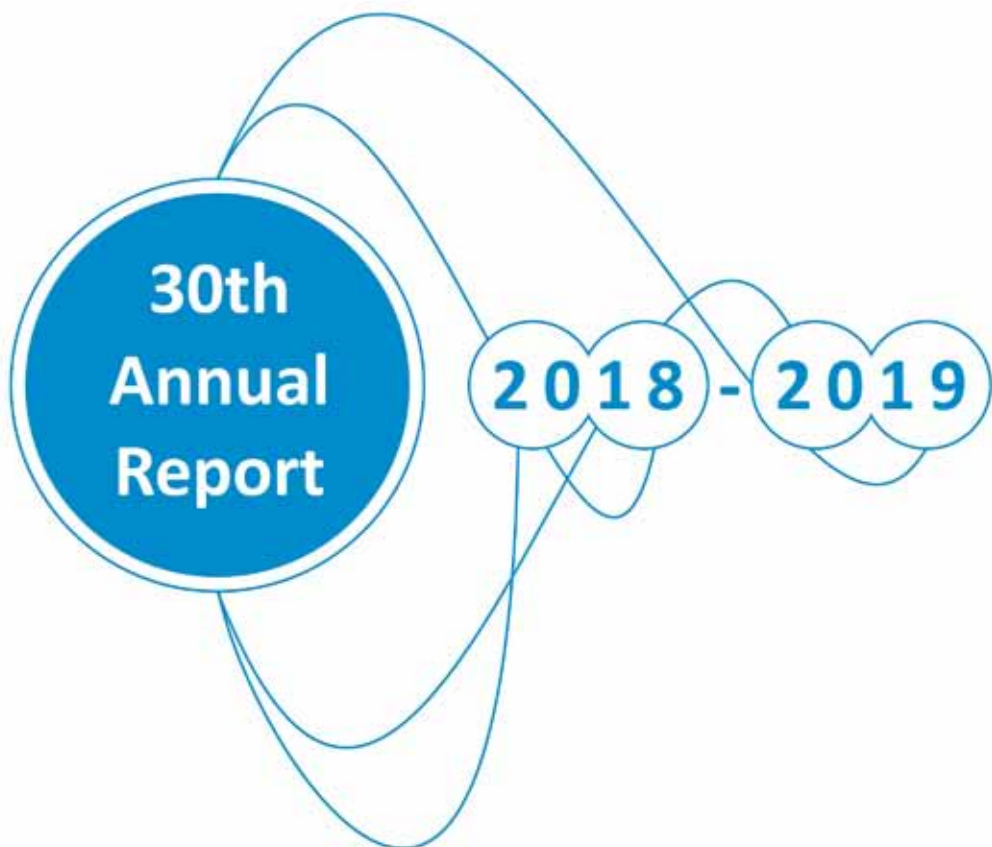




**GUJARAT POLY ELECTRONICS LIMITED**







# GUJARAT POLY ELECTRONICS LIMITED

CIN: L21308GJ1989PLC012743

## THIRTIETH ANNUAL REPORT 2018-2019

### ANNUAL GENERAL MEETING

On Tuesday, 30<sup>th</sup> July, 2019,

At B-18, Gandhinagar Electronic Estate,  
Gandhinagar, Gujarat at 12.00 noon.

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

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### BOARD OF DIRECTORS

Mr. T. R. Kilachand	(Executive Chairman)	(DIN 00006659)
Mr. P. T. Kilachand	(Non-Executive Director)	(DIN 00005516)
Mr. A. H. Mehta	(Managing Director)	(DIN 00005523)
Mr. C. K. Khushaldas	(Independent Director)	(DIN 00260818)
Ms. S. A. Jhaveri	(Independent Director)	(DIN 00029474)
Mr. J. A. Mehta	(Independent Director)	(DIN 02693293)
Mr. Y. K. Vyas	(GIIC Nominee Director till 10/5/2019)	(DIN 03420201)
Mr. R. P. Vahi	(Independent Director w.e.f. 24/01/2019)	(DIN 00033940)
Mr. P. J. Parikh	(GIIC Nominee Director w.e.f. 10/5/2019)	(DIN 08352876)

### 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, 1<sup>st</sup> Floor, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (W), Mumbai 400 083.

### REGISTERED OFFICE AND WORKS

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



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## NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of GUJARAT POLY ELECTRONICS LIMITED will be held at B-18, Gandhinagar Electronic Estate, Gandhinagar-382024, Gujarat, on Tuesday, 30<sup>th</sup> July, 2019 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 31<sup>st</sup> March, 2019, including the audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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. A. H. Mehta (DIN 00005523), who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount equal to actual expenses to be incurred by the Company, be levied as and by way of fees for sending the document to shareholders in the desired particular mode.”  
“**RESOLVED FURTHER THAT** the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.”  
“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Key Managerial Personnel be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”
4. To consider and if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr. R. P. Vahi (DIN 00033940), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24<sup>th</sup> January, 2019, whose term of office expires at the Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (‘Act’) and Article 89 of the Article of Association of the Company, but he is eligible for appointment and in respect of whom the company has received a notice in writing from a Member under Section 160(1) of the Act and who has submitted declaration that he meets criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years, commencing from 30<sup>th</sup> July, 2019, not liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 161(1) of the Companies Act, 2013 and Article 89 of the Article of Association of the Company, and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. P. J. Parikh (DIN 08352876), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 10<sup>th</sup> May, 2019 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom a notice has been received from member in writing, under section 160 & 161 of the Companies Act, 2013, the Companies (Appointment & Qualifications of Director) Rules 2014 and other applicable provisions of the Act, proposing his candidature for the office of director be and is hereby appointed as the Nominee Director of the Company, liable to retire by rotation.”
6. To consider and if thought fit, to pass with or without modification/s, the following resolution as Special Resolution:  
“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152, Schedule IV & other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment & Qualifications of Director) Rules 2014 read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) and Regulation 17(1A) of Listing Regulations, Mr. C. K. Khushaldas (DIN 00260818), Independent Non-Executive Director of the Company, who is above the age of 75 years and whose term will expire on 12<sup>th</sup> August, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, to hold office for a Second term of five (5) consecutive years commencing from 13<sup>th</sup> August, 2019, not liable to retire by rotation.”

Mumbai, 10<sup>th</sup> May, 2019

Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

**Registered Office:**

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

By Order of the Board of Directors

**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. 3,4,5 & 6 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. 5.
- (g) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 25<sup>th</sup> June, 2019 to Tuesday, 2<sup>nd</sup> July, 2019 (both days inclusive).
- (h) Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company or its Registrar & Share Transfer Agents – M/s. Link Intime India Pvt. Ltd.
- (i) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who

have registered their e-mail address, are entitled to receive such communication in physical form upon request.

- (j) The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.gpelindia.com](http://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/RTA.
- (n) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1<sup>st</sup> April, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form.
- (o) Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meeting (SS-2) of the ICSI, in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors seeking appointment/re-appointment.
- (p) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2019
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 2019-20 to the above Stock Exchange.

By Order of the Board of Directors

Mumbai, 10<sup>th</sup> May, 2019  
Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

**D. H. UPADHYAYA**  
(ACS No. 15068)  
Company Secretary & Compliance Officer

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

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 Directors who are propose to be appointed/re-appointment are furnished below:

<b>Name of Director</b>	Mr. A.H. Mehta	Mr. R. P. Vahi	Mr. P. J. Parikh	Mr. C. K. Khushaldas
<b>Director Identification Number</b>	00005523	00033940	08352876	00260818
<b>Age</b>	74 years	60 years	59 years	83 years
<b>Qualification</b>	B.Com, F.C.A., F.C.S.	MBA and B.A. (Accounting) from Case Western Reserve University, Cleveland, Ohio.	B.com.	M. Sc. (Pure Mathematics) Allahabad University M. Sc. (Fiscal Studies) University of Bath, United kingdom.
<b>Date of Appointment</b>	24.09.1989	24.01.2019	10.05.2019	25.07.2003
<b>Expertise</b>	Experience in Audit, Accountancy, Secretarial, Legal & Administration, Taxation etc. with Polychem Limited, Sandeep Holdings Limited and Tandon Singapore Pte. Ltd. He has been involved with the company since its incorporation and is familiar with all aspects of the company. He has been serving as Managing Director of the Company since 1 <sup>st</sup> June, 2014 and is responsible for Company's finance and legal functions and carries out duties as may be assigned from time to time by the Board of Directors.	Senior Vice President – Supply chain & Business Intelligence at Powerica Limited. His responsibilities extend from Managing Marketing team, competitor analysis, providing support for customer relationship, forecasting for raw material from Principal Cummins India Limited and scheduling manufacturing activities.	Chief Financial Officer at Gujarat Industrial Investment Corporation Limited(GIIC)	Retired Member of Central Board of Direct Taxes, wide experience in Taxation and Company Law.
<b>Other Directorship as on 31<sup>st</sup> March, 2019 (Excluding Private Companies)</b>	1. Polychem Limited 2. Sun Tan Trading Company Limited 3. Environmental Purifiers Limited	-	Gujarat Trans Receivers Limited	Gajra Differential Gears Limited.
<b>No. of Equity Shares held</b>	206	-	-	-
<b>Relationship with other Directors</b>	None of the Directors are related to Mr. A.H.Mehta	None of the Directors are related to Mr. R. P. Vahi	None of the Directors are related to Mr. P. J. Parikh	None of the Directors are related to Mr. C. K. Khushaldas

By Order of the Board of Directors

Mumbai, 10<sup>th</sup> May, 2019  
Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

**Registered Office:**

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

**D. H. UPADHYAYA**  
**ACS No. 15068**  
Company Secretary & Compliance Officer



## 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. 3,4,5 & 6 mentioned in the accompanying Notice dated 10<sup>th</sup> May, 2019.

### ITEM NO. 3

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly commend the Ordinary Resolution of the accompanying notice, for the approval of the members of the company.

None of the other Directors or Key Managerial Personnel of the Company are in any way, concerned or interested in the said resolution.

### ITEM NO. 4:

The Board of Directors appointed Mr. R. P. Vahi (DIN 00033940) as an Additional Director with effect from 24<sup>th</sup> January, 2019 under Section 161(1) of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office from 30<sup>th</sup> July, 2019, not liable to retire by rotation. His appointment is subject to the approval of the members. The Company has received a notice from a member proposing Mr. R. P. Vahi is a candidate for the office of Director of the Company.

Mr. R.P. Vahi is MBA from Case Western Reserve University, Cleveland, Ohio, B.A (Accounting) Case Western Reserve University, Cleveland, Ohio, currently occupying as Senior Vice President – Supply Chain and Business Intelligence at Powerica Ltd. He is also Director in Vahi Financial Services Pvt. Ltd.

Mr. R. P. Vahi does not hold himself or for any other person on a beneficial basis, any shares in the Company.

Mr. R. P. Vahi has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies

Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Requisite Notice under section 160 of the Act, proposing the appointment of Mr. R. P. Vahi has been received by the Company. In the opinion of the Board, Mr. R. P. Vahi fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of Draft letter for appointment of Mr. R. P. Vahi as an Independent Non-Executive Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 11.00 am to 1.00 pm on any working day, excluding Saturday.

Except Mr. R.P. Vahi, being an appointee, none of the Directors or Key Managerial Personnel of the Company, and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item 4 of the accompanying Notice of the AGM. Mr. R. P. Vahi is not related to any Director of the Company.

### ITEM NO. 5:

Mr. P. J. Parikh (Nominee of GIIC) (DIN 08352876) who has been appointed by the Board of Directors on the recommendation of the Nomination & Remuneration Committee ('the Committee') as an Additional Non-Executive Director of the Company at the meeting held on 10<sup>th</sup> May, 2019 under Section 161 of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company, to hold office up to the date of this Annual General Meeting and he is eligible for re-appointment, liable to retire by rotation.

Mr. P. J. Parikh is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Requisite Notice under Section 160 of the Act, proposing the appointment of Mr. P. J. Parikh has been received by the Company.

Mr. P. J. Parikh, is B.com, currently occupying as Chief Financial Officer in Gujarat Industrial Investment Corporation Limited(GIIC). He is also Director in Gujarat Trans Receivers Limited.

Except Mr. P. J. Parikh, none of the Directors or Key Managerial Personnel of the Company, and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item 5 of the accompanying Notice of the Annual General Meeting.

The Board recommends this Resolution for your approval.



**ITEM NO. 6:**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements, entered with the Bombay Stock Exchange, appointed Mr. C. K. Khushaldas (DIN 00260818) as Independent Director at various times, in compliance with the requirements of the clause.

Mr. C. K. Khushaldas (DIN 00260818) is Chairman of Nomination and Remuneration Committee and Audit Committee.

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, he was re-appointed as an Independent Non-Executive Director by the members to hold office for a consecutive term of five(5) years, commencing from 13<sup>th</sup> August, 2014 in 25<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> August, 2014. Every listed public company is required to have at least one third of the total number of directors as independent directors, who are not liable to retire by rotation.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the company for another term of upto five consecutive years on the Board of the Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Act, and the Listing Regulations, Mr. C. K. Khushaldas, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Non-Executive Director for a second term of five consecutive years from 13<sup>th</sup> August, 2019.

Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) which came into effect from 1<sup>st</sup> April, 2019, Every Non-Executive Director who has attained the age of 75 years requires Special Resolution to continue its directorship. Though the above regulation does not apply to our company under regulation 15(2) of Listing Regulations, the company voluntarily proposes this resolution since Mr. C. K. Khushaldas is more than 75 years of age.

Mr. C. K. Khushaldas holds M.Sc (Pure Mathematics) from Allahabad University, M.Sc. (Fiscal Studies), University of Bath, United Kingdom.

Mr. C. K. Khushaldas, Retired Member of Central Board of Direct Taxes having wide experience and in-depth knowledge in taxation and Company Law. Mr. C. K. Khushaldas is the Chairman of the Audit Committee, Nomination & Remuneration Committee of the Board of the Company. He is also a member of the Board of Director of one reputed Company.

His advice and depth knowledge on Taxation and Company Law have always been beneficial to the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the service of Mr. C. K. Khushaldas as an Independent Director.

The company has received the notice in writing under the provision of Section 160 of the Act from Member proposing his re-appointment as Independent Non-Executive Director.

Mr. C. K. Khushaldas has given a declaration to the Board that he meets the criteria of independence as provided in section 149(6) of the Act. In opinion of the Board, he fulfils the conditions specified in the Act and Rules framed thereunder for the re-appointment as an Independent Director.

The appointment of Mr. C. K. Khushaldas as an Independent Non-Executive Director is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company between 11.00 am to 1.00 pm on any working day, excluding Saturday.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. C. K. Khushaldas for his appointment, is concerned or interested, financially or otherwise, in this resolution.

By Order of the Board of Directors

Mumbai, 10<sup>th</sup> May, 2019  
Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

**D. H. UPADHYAYA**  
**ACS No. 15068**  
Company Secretary &  
Compliance Officer

**Registered Office:**

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



## E-VOTING INSTRUCTIONS

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
6. 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 48 hours 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.
7. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.gpelindia.com](http://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.

**Shareholders needs to know:**

1. The remote e-voting period commences on Friday, 26th July, 2019 (9:00 am) and ends on Monday, 29<sup>th</sup> July, 2019 (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 Tuesday, 23<sup>rd</sup> July, 2019, 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.
2. 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 23<sup>rd</sup> July, 2019.
3. Any person, who acquires shares of the Company and become member of the Company after 1st July, 2019 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> July, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [evoting.investors@linkintime.co.in](mailto:evoting.investors@linkintime.co.in).
4. 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.
5. 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.

**General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mail@csraginichokshi.com](mailto:mail@csraginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
8. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
9. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



## DIRECTORS' REPORT

To  
The Members of  
**Gujarat Poly Electronics Limited**

Your Directors' present the Thirtieth Annual Report and Statement of Accounts for the year ended 31<sup>st</sup> March, 2019.

	<b>01-04-18 to 31-03-19 (Rs. in Lakhs)</b>	01-04-17 to 31-03-18 (Rs. in Lakhs)
<b>FINANCIAL RESULTS</b>		
Sales	<b>2,255.28</b>	1,441.21
Profit/(Loss) before Depreciation & tax	<b>556.56</b>	76.54
Depreciation	<b>14.13</b>	10.01
Profit & (Loss) before tax	<b>542.43</b>	66.53
Current tax	--	--
Deferred tax	--	--
Profit/(loss) after tax	<b>542.43</b>	66.53
Other Comprehensive Income	<b>(2.01)</b>	2.09
Total Comprehensive Income for the year	<b>540.42</b>	68.62

### 1. STATE OF COMPANY'S AFFAIRS:

The Sales during the year was Rs.2,255.28 lakhs compared to previous year Sales of Rs.1,441.21 lakhs. During the year ended 31<sup>st</sup> March, 2019 the Company has earned a Profit of Rs. 542.43 lakhs (Previous year Profit of Rs.66.53 lakhs).

The Company manufactures as well as outsourced the full range of our products viz. Ceramic Capacitors both Multi layer 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 2018-2019.

### 2. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:

During the financial year 2018 – 19, Five Board Meetings were held on the following dates:

- (a) 29<sup>th</sup> May, 2018                      (b) 9<sup>th</sup> August, 2018                      (c) 17<sup>th</sup> September, 2018  
(d) 30<sup>th</sup> October, 2018                      (e) 24<sup>th</sup> January, 2019.

### 3. AUDIT COMMITTEE:

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

### 4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of 4 members. More details on the committee are given in Corporate Governance Report.

### 5. 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 are 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](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. 2018-19.

**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 31<sup>st</sup> March, 2019 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2019;
- 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 31<sup>st</sup> March, 2016.

**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. A. H. Mehta, Director retires from Office by rotation, but being eligible, offers himself for re-appointment.

The Board has appointed Mr. R. P. Vahi as an Additional Director of the company with effect from 24<sup>th</sup> January, 2019, in terms of provisions of the Companies Act, 2013. Your approval is sought for his appointment as detailed in the Notice convening the meeting. It is also propose to appoint him as Independent Director.

Gujarat Industrial Investment Corporation Ltd (GIIC) has withdrawn nomination of Mr. Y. K. Vyas. Board noted active participation & contribution of Mr. Y. K. Vyas during his tenure as a Director.

Gujarat Industrial Investment Corporation Limited (GIIC) has proposed to appoint Mr. P. J. Parikh as its nominee on the Board of the Company. The Board has appointed Mr. P. J. Parikh, Nominee of GIIC as an Additional Director of the Company with effect from 10<sup>th</sup> May, 2019, in terms of provisions of the Companies Act, 2013. Your approval is sought for his appointment as Nominee Director of GIIC as detailed in the Notice convening the meeting.

Mr. C. K. Khushaldas, Independent Director of the Company who was appointed for a period of five (5) years by members in 25<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> August, 2014 and whose term of office expires on 12<sup>th</sup> August, 2019 is re-appointed as an Independent Director in Board Meeting held on 10<sup>th</sup> May, 2019 for the second term of five (5) years commencing from 13<sup>th</sup> August, 2019.

The above appointments/re-appointments are placed before the Members for their approval in ensuing Annual General Meeting.

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

The Company has received the declaration from each Independent Director 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.

**13. DISCLOSURE OF REMUNERATION RECEIVED BY MANAGING DIRECTOR OF THE COMPANY FROM ITS SUBSIDIARY/ HOLDING COMPANY UNDER SECTION 197(14):**

During the year 2018-19, Mr. A. H. Mehta, Managing Director of the Company has received Rs. 22,35,928/- excluding provident fund and superannuation fund from Polychem Limited, Holding company in capacity of Dy. Managing Director.

**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](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 from Polychem Limited at the rate of interest of 10.50% p.a. Outstanding balance as on 31<sup>st</sup> March, 2019 is Rs.80,00,000/-

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](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 Secretarial Auditor in their report.
- (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 Return is provided in sub-section 3 of section 92, which is given 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%20Harassement%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 CORPORATE SOCIAL RESPONSIBILITY:

The provision of Corporate Social Responsibility (CSR) is applicable to Company w.e.f. 1st April, 2019. The company has formed the Committee for implementing the CSR. For CSR committee details please refer to CG Report. The company has also adopted CSR Policy, which is available on website of Company.

#### 20. 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 9.61:1.
- ii. Increase in remuneration of Mr. A. H. Mehta, Managing Director is 7.38% and in Mr. H. H. Jani, Chief Financial officer is 11.43%
- iii. There is an increase of 11.46% in the median remuneration of employees in the financial year.
- iv. There are 40 permanent employees in the company.
- v. There is an increase of 56.49% in Company's Performance for the year considering the revenue from the operations and the average increase in the remuneration of the Company is 17.67% for the year. The increase in the remuneration was on account of the annual increment to the employee.
- vi. During the financial year 2018-19, remuneration to Key Managerial Personnel is Rs. 61,76,120/- as against the Company's performance is Rs. 22,55,27,686/- remuneration to performance ratio comes to 0.03%.

- vii. Earnings per equity share (EPS) for the year is 6.34 where as in previous year Earnings per equity share (EPS) was 0.78 There is an increase in Market Capitalisation of the Company, Market capitalisation for current year is Rs. 19,87,87,500/- and for Previous year it was Rs. 11,92,72,500/-.
- viii. Average increase in the salaries of employees other than the managerial personnel was 13.04%.
- 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	27,67,333	22,55,27,686	1.23
T. R. Kilachand	8,34,800	22,55,27,686	0.37
H. H. Jani	21,69,192	22,55,27,686	0.96
D. H. Upadhyaya	4,04,795	22,55,27,686	0.18

- 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 remunerations paid is as per the remuneration policy of the company.
- Average increase in remuneration in point no. (v) relates to all the employees including managerial remuneration. Whereas increase in remuneration in point no. (viii) relates to the employees excluding managerial remuneration.

**21. CORPORATE GOVERNANCE:**

Pursuant to Regulation 34(3), 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.

**22. STATUTORY AUDITORS:**

M/s. Mahendra N. Shah & Co., Ahmedabad bearing registration number 105775W, Chartered Accountants were appointed as statutory auditor of the Company at the 26<sup>th</sup> Annual General Meeting (AGM) held on 12<sup>th</sup> August, 2015 to hold office upto the conclusion of 31<sup>st</sup> AGM of the Company.

As per the MCA notification dated 7<sup>th</sup> May, 2018 under Companies Amendment Act, 2017, ratification of Appointment of Auditors by member at every annual general meeting is now not required. Hence, no separate item for ratification of Auditors is proposed in notice for member's approval.

**23. SECRETARIAL AUDITOR:**

Complying with the provisions of Section 204 of the Companies Act, 2013 the Audit Committee has recommended and the Board of Directors have appointed 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 2020 on fees as may be mutually agreed.

The Secretarial Audit Report for F.Y. 2018-19 is enclosed and marked as **Annexure III**.

**24. 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.

Mumbai, 10<sup>th</sup> May, 2019.  
Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

By Order of the Board of Directors  
**T. R. KILACHAND**  
Executive Chairman

**Registered Office:**

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



## ANNEXURE I

### A. CONSERVATION OF ENERGY

#### FORM - A

a) Energy conservation steps taken: NIL		
b) Additional Investments & Proposals being implemented: NIL		
c) Impact of measures at (a) & (b) above: Not Applicable		
d) Power & Fuel Consumption :	<b>2018-19</b>	2017-18
Units (Kwh)	<b>82,103</b>	74,277
Total Amount (Rs.)	<b>10,48,136</b>	8,99,916

#### FORM - B

### B. TECHNOLOGY ABSORPTION

1. **SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY: NIL**
2. **BENEFITS DERIVED AS A RESULT OF ABOVE R & D - Not Applicable**
3. **FUTURE PLAN OF ACTION: NIL**
4. **EXPENDITURE OF R & D**  
Negligible

#### **TECHNOLOGY – ABSORPTION, ADAPTATION & INNOVATION**

- (1) (a) Technology Absorption  
Technology Absorption is complete in the areas commissioned.
- (b) Adaptation  
Not Applicable
- (c) Innovation  
Not Applicable
- (2) **BENEFITS**  
Not Applicable
- (3) **IMPORTED TECHNOLOGY**  
No additional import of Technology in the Financial Year 2018-19.

### C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- i) Total Foreign Exchange used: Rs. 7,55,43,494/-
- ii) Total Foreign Exchange earned: Rs. NIL



**ANNEXURE II**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**  
**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:**

1.	CIN	L21308GJ1989PLC012743
2.	Registration Date	14.09.1989
3.	Name of the Company	Gujarat Poly Electronics Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	Plot No. B – 18, Gandhinagar Electronic Estate, Gandhinagar – 382 024, GUJARAT Tel: 079 23287162/63. Fax: 079 23287161
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Link Intime India Pvt. Ltd., C – 101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400 083. <b>Tel. No.:</b> +91 022 4918 6000 <b>Fax No.:</b> +91 022 4918 6060 <b>Email Id:</b> rnt.helpdesk@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)

Sr. 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**

Sr. 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-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	46,16,152	-	46,16,152	53.99	46,16,152	-	46,16,152	53.99	-
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	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>51,13,255</b>	<b>-</b>	<b>51,13,255</b>	<b>59.80</b>	<b>51,13,255</b>	<b>-</b>	<b>51,13,255</b>	<b>59.80</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	325,799	1,460	327,259	3.83	65,364	1,460	66,824	0.78	-3.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Trust	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	<b>325,799</b>	<b>1,460</b>	<b>327,259</b>	<b>3.83</b>	<b>65,364</b>	<b>1,460</b>	<b>66,824</b>	<b>0.78</b>	<b>-3.05</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	30,328	-	30,328	0.35	21,778	-	21,778	0.25	-0.10
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,90,263	14,84,518	22,74,781	26.61	9,97,404	14,65,451	24,62,855	28.81	2.20
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,17,496	-	6,17,496	7.22	6,92,101	-	6,92,101	8.09	0.87
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	3,425	10,768	14,193	0.17	3,915	10,586	14,501	0.17	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
HUF	38,312	-	38,312	0.45	34,166	-	34,166	0.40	-0.05
Clearing Members	8,521	-	8,521	0.10	18,665	-	18,665	0.22	0.12
Trusts	60	-	60	-	60	-	60	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	<b>16,14,200</b>	<b>14,95,286</b>	<b>31,09,486</b>	<b>36.37</b>	<b>18,93,884</b>	<b>14,76,037</b>	<b>33,69,921</b>	<b>39.41</b>	<b>3.04</b>
Total Public Shareholding (B)=(B)(1)+ (B) (2)	<b>19,39,999</b>	<b>14,96,746</b>	<b>34,36,745</b>	<b>40.20</b>	<b>19,59,248</b>	<b>14,77,497</b>	<b>34,36,745</b>	<b>40.20</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>70,53,254</b>	<b>14,96,746</b>	<b>85,50,000</b>	<b>100</b>	<b>70,72,503</b>	<b>14,77,497</b>	<b>85,50,000</b>	<b>100</b>	-



**B) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year. (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% 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	46,16,152	53.99	-	46,16,152	53.99	-	-
2	Gujarat Industrial Investment Corporation Ltd	4,97,103	5.81	-	4,97,103	5.81	-	-
	<b>Total</b>	<b>51,13,255</b>	<b>59.80</b>	<b>-</b>	<b>51,13,255</b>	<b>59.80</b>	<b>-</b>	<b>-</b>

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

Sr. No.	Promoters	No. of Shares at the beginning (01-04-18)/ end of the year (31-03-19)	% of total shares of the company	Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
							No. of shares	% of total shares of the company
No change during the year								

**D) Shareholding Pattern of top ten Shareholders as on 31<sup>st</sup> March, 2019 (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Top 10 Shareholders	No. of Shares at the beginning (01-04-18)/ end of the year (31-03-19)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-18) to (31-03-19)	
							No. of shares	% of total shares of the company
1.	Harsha Hitesh Javeri	2,66,705	3.12	01.04.2018				
				06.04.2018	3,145	Bought	2,69,850	3.16
				25.05.2018	150	Bought	2,70,000	3.16
				<b>31.03.2019</b>				
2.	Hitesh Ramji Javeri	1,83,991	2.15	01.04.2018				
				06.04.2018	6,009	Bought	1,90,000	2.22
				<b>31.03.2019</b>	-	-	-	-
3.	Bank of Baroda	86,788	1.01	01.04.2018				
				14.12.2018	-14,500	Sold	72,288	0.85
				21.12.2018	-3,018	Sold	69,270	0.81
				28.12.2018	-1,545	Sold	67,725	0.79
				31.12.2018	-1,474	Sold	66,251	0.77
				04.01.2019	-887	Sold	65,364	0.76
				<b>31.03.2019</b>				
4.	Nandish T. Kilachand	45,832	0.53	01.04.2018				
				<b>31.03.2019</b>				
No change during the year								

Sr. No.	For Top 10 Shareholders	No. of Shares at the beginning (01-04-18)/ end of the year (31-03-19)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-18) to (31-03-19)	
							No. of shares	% of total shares of the company
5.	Nitin Gajanan Desai	0	0	01.04.2018				
				26.10.2018	1,722	Bought	1,722	0.02
				30.11.2018	4,001	Bought	5,723	0.07
				07.12.2018	5,771	Bought	11,494	0.13
				14.12.2018	57	Bought	11,551	0.14
				11.01.2019	10,760	Bought	22,311	0.26
				18.01.2019	14,196	Bought	36,507	0.43
				25.01.2019	8,575	Bought	45,082	0.53
		<b>45,082</b>	<b>0.53</b>	<b>31.03.2019</b>				
6.	Tanvi Jignesh Mehta	0	0	01.04.2018				
				12.10.2018	997	Bought	997	0.01
				19.10.2018	42,186	Bought	43,183	0.50
				26.10.2018	-730	Sold	42,453	0.49
				02.11.2018	-1,100	Sold	41,353	0.48
				21.12.2018	-2,062	Sold	39,291	0.46
				28.12.2018	-450	Sold	38,841	0.45
				04.01.2019	-750	Sold	38,091	0.45
		<b>38,091</b>	<b>0.45</b>	<b>31.03.2019</b>				
7.	Jainam Uday Shah	0	0	01.04.2018				
				18.05.2018	4,500	Bought	4,500	0.05
				31.08.2018	30,500	Bought	35,000	0.41
				07.09.2018	10,000	Bought	45,000	0.53
				26.10.2018	-100	Sold	44,900	0.52
				09.11.2018	-2,510	Sold	42,390	0.49
				30.11.2018	-6,390	Sold	36,000	0.42
		<b>36,000</b>	<b>0.42</b>	<b>31.03.2019</b>				
8.	Sonal Pinakin Patel	0	0	01.04.2018	5,555	Bought	5,555	0.06
				21.09.2018	14,446	Bought	20,001	0.23
				11.01.2019	6,502	Bought	26,503	0.31
		<b>26,503</b>	<b>0.31</b>	<b>31.03.2019</b>				
9.	Saurav Gupta	25,170	0.30	01.04.2018				
				09.11.2018	-300	Sold	24,870	0.29
				14.12.2018	-1,200	Sold	23,670	0.28
		<b>23,670</b>	<b>0.28</b>	<b>31.03.2019</b>				
10.	Parul Piyush Desai	14,750	0.17	01.04.2018				
		<b>14,750</b>	<b>0.17</b>	<b>31.03.2019</b>	No change during the year			



**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Promoters	No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the company	Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-18) to (31-03-19)	
							No. of shares	% of total shares of the company
	<b>Directors</b>							
1	Tanil R. Kilachand	49,602	0.58	01.04.2018	0	No change during the year		
		<b>49,602</b>	<b>0.58</b>	<b>31.03.2019</b>	0			
2.	Parthiv T. Kilachand	17,682	0.20	01.04.2018	0	No change during the year		
		<b>17,682</b>	<b>0.20</b>	<b>31.03.2019</b>	0			
3	Atul H. Mehta	206	0.01	01.04.2018	0	No change during the year		
		<b>206</b>	<b>0.01</b>	<b>31.03.2019</b>	0			
4	Chandrakant K. Khushaldas	Do not hold any shares in the Company						
5	Yogesh K. Vyas (Nominee of GIIC)	120	0.01	01.04.2018	0	No change during the year		
		<b>120</b>	<b>0.01</b>	<b>31.03.2019</b>	0			
6	Saloni Jhaveri	Do not hold any shares in the Company						
7	Jigen A. Mehta	Do not hold any shares in the Company						
8	Rajan P. Vahi	Do not hold any shares in the Company						
	<b>KMPs</b>							
9	D. H. Upadhyaya	60	0.01	01.04.2018	0	No change during the year		
		<b>60</b>	<b>0.01</b>	<b>31.03.2019</b>	0			
10	Harshad H. Jani	190	0.01	01.04.2018	0	No change during the year		
		<b>190</b>	<b>0.01</b>	<b>31.03.2019</b>	0			

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	44,244,320	-	44,244,320
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	44,244,320	-	44,244,320
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	3,090,938	-	3,090,938
* Reduction	-	39,335,258	-	39,335,258
<b>Net Change</b>	-	(36,244,320)	-	(36,244,320)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	8,000,000	-	8,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	8,000,000	-	8,000,000

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(In Rupees)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		A. H. Mehta - MD	T. R. Kilachand-EC	
1	Gross salary	2,575,752*	1,131,343*	3,707,095
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,362,252*	771,500*	3,133,752
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	213,500	359,843	573,343
	(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 (A)	2,575,752	1,131,343	3,707,095
	Ceiling as per the Act	6,000,000	6,000,000	12,000,000

\*Excluding Provident Fund.

## 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	Y. K. Vyas	
		Independent Directors			Non-Executive Directors			
1	<b>Independent Directors</b>							
	Fees for attending Board and Audit Committee Meetings	64,000	64,000	32,000	-	-	-	1,60,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>64,000</b>	<b>64,000</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,60,000</b>
2	<b>Other Non-Executive Directors</b>							
	Fees for attending Board and Audit Committee Meetings	-	-	-	8,000	28,000	16,000	52,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>28,000</b>	<b>16,000</b>	<b>52,000</b>
	Total (B)=(1+2)	<b>64,000</b>	<b>64,000</b>	<b>32,000</b>	<b>8,000</b>	<b>28,000</b>	<b>16,000</b>	<b>2,12,000</b>
	Total Managerial Remuneration	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

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

\*Mr. T. R. Kilachand Non-Executive Director till 31<sup>st</sup> May, 2018.



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

(In Rupees)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		D. H. Upadhyaya	H. H. Jani	Total
		CS	CFO	
1	Gross salary	368,086*	2,025,240*	2,393,326
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	313,854*	1,689,396*	2,003,250
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	54,232	335,844	390,076
	(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	368,086	2,025,240	2,393,326

\*Excluding Provident Fund

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No such Penalties or Punishment or Compounding of offence was there during the Financial Year 2018-19 under Companies Act, 2013.

## ANNEXURE III

## FORM NO. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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-18, Gandhinagar Electronic Estate  
Gandhinagar – 382 024

We 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, 2019 (**"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.



We 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.

We 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.

**We 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.

**We 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.

**We 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.

**For D. J. Vyas & Associates**

Company Secretaries

**Devang J. Vyas**

Proprietor

Place: Mumbai

**Date:** 6<sup>th</sup> May, 2019

FCS 2874 / COP 1775



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OVERVIEW

GUJARAT POLY ELECTRONICS LTD., has been set up to manufacture Multi layer Ceramic Capacitors in the Pollution free Electronic Estate in Gandhinagar, Gujarat. Subsequently, other products like Single Layer (Disc) Ceramic Capacitors – both low & high Voltage, MOV's etc. were added to our Product line. The Company, has over the years outsourced these parts through Imports & have started marketing other types of Capacitors & Semi Conductor Devices as a Dealer.

Our Products are well received in the Market place.

### INDUSTRIAL STRUCTURE & DEVELOPMENT.

Gujarat Poly Electronics Ltd, caters to the ever changing requirements of the Electronic Industry, which is amongst the fastest growing Industry in India. The Company, deals with Electronic Components, which are the building blocks of any Electronic Industry.

Electronic Components are classified primarily into 2 Types Active & Passive Components. Ceramic Capacitors are the most commonly used & popular Electronic Passive Component & find wide ranging applications in any Electronic Circuit. These include, Timing & Tuning Circuits, Coupling & decoupling Circuits, Filtering, and Power Factor Compensation etc.

The Market for our Components can be segmented as per the following usage:

1. Computers & Computer Peripherals
2. Instrumentation & Industrial Electronics
3. Consumer Electronics
4. Strategic Electronics
5. Telecommunications
6. Electronic Manufacturing Services (EMS) or Sub Contractors.
7. Dealers/ Distributors

The Company caters to all the above segments & services the requirements to Original Equipment Manufacturers (OEM's), directly or through our All India Dealer network.

### OPPORTUNITIES & THREATS.

Ceramic Capacitors are characterized by

- Miniature Size
- Low Cost
- Superior Electrical Characteristics
- Wide Range of Products

Due to the above they are the most versatile & popular Capacitors catering to the varied needs of the Electronic Industry.

The following are the Threats facing the Component Industry

1. The Component Industry is fiercely competitive.
2. The OEM's can Import all Electronic Capacitors very easily with zero Custom Duty,
3. Delivery & Prices are the key factors which influence a purchase decision.
4. All OEM's have free access to worldwide Markets.
5. Most of the large OEM's, particularly from the EMS segment, work on Annual Contracts, which are directly affected by Foreign Exchange volatility & impact on the bottom lines.

### RISK & CONCERNS

1. All OEM's insist on deliveries all together in KIT form.
2. The range of Ceramic Capacitors values is very huge & obsolence is a constant threat.
3. A Sale can only be made if the ordered parts are available ex-stock., Therefore, Stocking levels is a prime requirement.
4. Fluctuating Prices are a consistent concern for the Component Industry as a whole, which directly impacts Margins.
5. Annual Contracts can, therefore, sometimes impact on the bottom lines.

### PERFORMANCE BY SECTOR

The overall Market scenario during the FY 2018-19 was very bullish, there was an upsurge in prices caused primarily due to worldwide shortage of parts & deliveries shooting up to as high as 24 weeks. The Company had to resort to limiting our base to servicing requirements of our regular customers, first. Due to the above reasons, ASP's shot up & all OEM's across all segments, who resorted to panic buying & stocked items to avoid stoppage of production. Therefore, Sales in all Segments across the board increased substantially, despite reductions in offtakes. This phenomenon was experienced in our SMD & Radial products. However, other parts were not affected.

The overall Sales achieved during the FY 2018-19 was Rs 2,255.28 Lakhs against Rs 1,441.21 Lakhs in the previous year, an increase of 56.49 %.

## **OUTLOOK**

The Directors are hopeful of increasing the sales turnover of 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 Ltd 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.

The 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 retained earnings (loss) are (Rs. 1039.27 Lakhs) compared to retained earnings (loss) of (Rs. 1579.69 lakhs) in the previous year.

### **Fixed Assets (Net Block)**

The Net Block as on 31.03.2019 is Rs.177.74 lakhs compared to Rs.169.14 lakhs for previous year.

## **Investments**

The Company has not made any investments during the year.

## **Net Current Assets / Liabilities**

The net current liabilities of the Company is Rs.375.72 lakhs as compared to net current liabilities of Rs.879.86 lakhs in the previous year.

## **Results of operations**

The revenue during the year has increased from Rs.1,441.21 lakhs to Rs.2,255.28 lakhs. Company has earned a profit of Rs.542.43 lakhs as compared to previous year profit of Rs.66.53 lakhs. Interest and financial charges are Rs.30.92 lakhs compared to Rs.51.04 lakhs during the previous year.

Payment to and provision for employee's amounts to 11.86 % of sales compared to 16.05 % in the previous year. Depreciation amounts to 0.63 % of sales during the year compared to 0.69 % in the previous year.

The Company cannot recommend dividend due to accumulated losses.

## **Material Development in Human resources**

The 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 Executive Chairman, 1 Managing Director and 6 Non- Executive Directors out of which 1 is Non-Executive Director, 4 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 Thirtieth 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 31.03.2019

#### 1. Financial Year April 18 to March 19

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 24.08.18	Board Meeting Sitting Fees paid Rs.	Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T. R. Kilachand	Executive Chairman ED	5	5	Yes	4,000/-	2	2
Mr. P. T. Kilachand	NED	5	4	No	28,000/-	4	3
Mr. A. H. Mehta	MD	5	5	Yes	-	3	-
Mr. C. K. Khushaldas	NED(I)	5	5	Yes	36,000/-	1	-
Mr. Y. K. Vyas (Nominee of GIC)	NED	5	2	Yes	16,000/-	5	-
Mr. J. A. Mehta	NED(I)	5	5	Yes	36,000/-	2	-
Ms. S. A. Jhaveri	NED(I)	5	2	No	16,000/-	-	-
Mr. R. P. Vahi W.e.f.24.01.2019	NED(I)	5	-	-	-	1	-

#### Notes:

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

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

During the financial year 2018 – 19, Five Board Meetings were held on the following dates:

- (a) 29<sup>th</sup> May, 2018                      (b) 9<sup>th</sup> August, 2018                      (c) 17<sup>th</sup> September, 2018  
 (d) 30<sup>th</sup> October, 2018                      (e) 24<sup>th</sup> January, 2019.

**3. Disclosure of Relationships between directors inter-se:**

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

**4. Separate Meeting of Independent Directors:**

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 24<sup>th</sup> January, 2019 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	1

**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 have been given under directors’ report.

**6. Familiarization Programme:**

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 Directors appointed and re-appointed during the year:**

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

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

Except Mr. P. T. Kilachand who hold 17,682 Equity shares of Rs. 10/- each of the Company, 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, 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 31.03.2019.

For Gujarat Poly Electronics Limited  
**A. H. Mehta**  
 Managing Director



### III. Audit Committee:

#### A. 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.

#### B Composition of Audit Committee and Meeting held during the year:

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.

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) 29<sup>th</sup> May, 2018                      (b) 9<sup>th</sup> August, 2018                      (c) 30<sup>th</sup> October, 2018                      (d) 24<sup>th</sup> January, 2019.

Name of the Director	Category	No. of Meetings		Sitting fees paid. (Rs.)
		held	attended	
Mr. C. K. Khushaldas	Chairman	4	4	28,000/-
Mr. T. R. Kilachand	Member	4	4	4,000/-
Mr. J. A. Mehta	Member	4	4	28,000/-
Ms. S. A. Jhaveri	Member	4	2	16,000/-

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.

#### C 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 internal auditor shall be subject to review by the Audit Committee.

### IV CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE:

The Committee is constituted in line with the provisions of Section 135 of the Act.

It formulates and recommends to the Board, a CSR Policy indicating the activities to be undertaken by the Company. Also recommend the amount of expenditure to be incurred on the activities mentioned in the CSR policy. It will also monitor the CSR policy.

**V. Nomination & Remuneration Committee:**

It comprises of Four Directors, three of them are Non-Executive Independent Directors and one member is Executive Director.

**(A) Terms of Reference of Nomination and Remuneration Committee:**

**The Committee is empowered:-**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. The Terms of Reference of Nomination & Remuneration Committee include recommending to the Board of Directors specific remuneration packages for Managing Director and management.

**(B) Composition of Nomination & Remuneration Committee and Meeting held during the year:**

During the year 2018-19, one meeting of the Nomination and Remuneration Committee was held on 29<sup>th</sup> May, 2018.

The Composition of the Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2019 was as under.

Name of the Director	Category	No. of Meeting/s	
		Held	Attended
Mr. C. K. Khushaldas	Chairman	1	1
Mr. T. R. Kilachand	Member	1	1
Mr. J. A. Mehta	Member	1	1
Ms. S. A. Jhaveri	Member	1	-

**(C) Remuneration Policy and details of Remuneration:**

The company has adopted the 'Policy on Appointment and evaluation of Board of Directors, KMP, and Senior Management personnel' which sets out the criteria for remuneration to be paid, has been placed on the website of the Company [http://www.gpelindia.com/gpelindia/Download/Criteria%20For%20Appointment%20Evaluation%20of%20Board%20of%20Directors,%20KMP%20and%20Senior%20Management%20Personnel\\_14.pdf](http://www.gpelindia.com/gpelindia/Download/Criteria%20For%20Appointment%20Evaluation%20of%20Board%20of%20Directors,%20KMP%20and%20Senior%20Management%20Personnel_14.pdf)

None of the Non-Executive Director receives salary, benefits, bonuses, stock options, pension etc. except sitting fees the details of which is given above in table – Board of Directors and Audit committee.

The Company pays Fees to all Directors excluding the Managing Director and Executive Chairman of the Company for attendance during the meeting. The Managing Director is paid remuneration of Rs. 27,67,333/- and the Executive Chairman is paid remuneration of Rs. 8,34,800/- during the year.

Further, Board has approved the payment of Sitting fees to NED /Independent Directors of the Company in pursuant to section 197 (5) of the Companies Act, 2013. The Company has not paid any severance fee to its Directors.

**VI. Stakeholders Relationship Committee**

The constitution of Stakeholders Relationship Committee is as per requirement of Section 178(5) of the Companies Act, 2013. The Committee has been delegated the power of attending to share transfers.

The following Directors are the members of the 'Stakeholders Relationship Committee':-

Name of the Director	Category	No. of Meeting(s)	
		Held	Attended
Mr. P. T. Kilachand	Chairman	7	6
Mr. T. R. Kilachand	Member	7	7
Mr. A. H. Mehta	Member	7	7



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.

Sixteen complaints were received during the year ended on 31<sup>st</sup> March, 2019 and 4 complaints were pending as on 31<sup>st</sup> March, 2019.

**VII. General Body Meetings:**

**Annual General Meeting (AGM)**

The particulars of Annual General Meetings and Extra Ordinary General Meetings of the Company held during the last 3 years are as under.

Financial Year	AGM	Location	Date	Time	No. of Special Resolutions passed
2015 - 16	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	05.08.2016	12.00 noon	1
2015 - 16	EGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	11.08.2016	11.00 a.m.	1
2016 - 17	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	21.08.2017	12.00 noon	1
2017 - 18	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	24.08.2018	12.00 noon	1

No Resolutions have been passed through postal ballot during the last three years.

**VIII. Disclosure**

Mr. T. R. Kilachand, Executive Chairman, 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. 4.12 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 established a vigil mechanism under Regulation 22 of SEBI (LODR) Regulations 2015, the details of mechanism and policy have been disclosed on the website.

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

**4. Details of Compliance with Mandatory Requirements:**

The Company has complied with all the mandatory requirements as mentioned in SEBI (LODR) Regulations, 2015.

**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](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. Certificate of Non-Disqualification of Directors:**

The Certificate as required under 10(i) of Part C of Schedule V of the SEBI (LODR) Regulations, 2015 issued by D. J. Vyas & Associates, Practicing Company Secretaries is enclosed and marked as **Annexure A**.

7. 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.

**IX. 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 31<sup>st</sup> March, 2019 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 reporting's 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 are changes in accounting policies during the year on account of Ind AS adoption and the same have been disclosed in the notes to the financial statements; and
  - (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.

**X. 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 31<sup>st</sup> March, 2019 does not contain any qualification.
  - (b) Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2019 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.

**XI. 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, Ahmedabad. Results of 4<sup>th</sup> quarter i.e. Quarter ended 31<sup>st</sup> March, 2019 have been uploaded on the Company's website: [www.gpelindia.com](http://www.gpelindia.com).



**XII. General Shareholder Information**

AGM: Date	30 <sup>th</sup> July, 2019
Time	12.00 noon
Venue	At: B -18, Gandhinagar Electronic Estate, Gandhinagar 382 024, Gujarat.
Financial Year	April 2018 to March 2019
e-voting period	From 9 a.m. Friday 26 <sup>th</sup> July, 2019 to Monday 5 pm, 29 <sup>th</sup> July, 2019
Cut-off date for e-voting	22 <sup>nd</sup> July, 2019
Dates of Book Closure	Tuesday, 25 <sup>th</sup> June, 2019 to Tuesday, 2 <sup>nd</sup> July, 2019
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 2018-2019.	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 <b>Email:</b> <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
Share Transfer System	Share Transfers are registered and returned within a period of 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-18, Gandhinagar Electronic Estate, Gandhinagar-382024 (Gujarat) Telephone : 079-23287162 / 63 Fax: 079-23287161 Email: <a href="mailto:gpel@kilachand.com">gpel@kilachand.com</a> Web-site: <a href="http://www.gpelindia.com">www.gpelindia.com</a> (CIN): L21308GJ1989PLC012743

Listing Fees and custodial fees applicable have been paid.

**Table 1 – Market Price Data**

High, Low of market price of the Company’s shares traded on The Bombay Stock Exchange Ltd., Mumbai, during the financial year 2018-2019.

Month	Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Total Number of Shares traded
April - 2018	17.10	14.25	34,851
May - 2018	18.75	14.60	27,890
June - 2018	17.60	13.80	16,060
July - 2018	17.40	14.00	12,231
August - 2018	27.79	14.10	3,41,856
September - 2018	24.65	22.30	92,967
October - 2018	27.50	20.45	1,15,361
November - 2018	41.45	25.75	1,92,682
December - 2018	47.65	32.70	1,43,208
January - 2019	43.75	28.60	2,53,918
February - 2019	31.40	24.30	57,993
March - 2019	29.85	22.25	58,709

**Table 2**  
**Distribution of Shareholding as on 31.03.2019.**

No. of Equity Shares.	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 500	17,37,471	20.32	22,211	97.50
501 to 1000	2,42,586	2.84	326	1.43
1001 to 2000	1,85,987	2.17	124	0.54
2001 to 3000	1,04,358	1.22	40	0.18
3001 to 4000	82,939	0.97	24	0.10
4001 to 5000	59,929	0.70	13	0.06
5001 to 10000	1,51,809	1.78	22	0.10
10001 and above	59,84,921	70.00	20	0.09
<b>Total</b>	<b>85,50,000</b>	<b>100.00</b>	<b>22,780</b>	<b>100.00</b>

**Table 3**  
**Category-wise distribution of shareholding as on 31.03.2019**

Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	2	51,13,255	59.80
2.	Institutions:			
a.	Mutual Funds	-	-	-
b.	Banks & FI	3	66,824	0.78
c.	Insurance Companies	-	-	-
d.	Others	-	-	-
3.	Non – Institutions:			
a.	Bodies Corporate	42	21,778	0.25
b.	NRI	31	14,501	0.17
c.	HUF	68	34,166	0.40
d.	Clearing Members	17	18,665	0.22
e.	Trusts	1	60	-
4.	Directors other than Promoters and their Relatives	6	1,25,795	1.47
5.	Resident Individuals	22,610	31,54,956	36.91
	<b>Total</b>	<b>22,780</b>	<b>85,50,000</b>	<b>100</b>

**Table 4**  
**Break-up of shares in physical & electronic mode as on 31.03.2019.**

Mode	No. of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	18,731	82.23	14,77,497	17.28
Electronic	4,049	17.77	70,72,503	82.72
Total	22,780	100.00	85,50,000	100.00



## ANNEXURE A

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Gujarat Poly Electronics Limited  
B-18, Gandhinagar Electronic Estate,  
Gandhinagar,  
Gujarat - 382024

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gujarat Poly Electronics Limited having CIN L21308GJ1989PLC012743 and having Registered Office situated at B-18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat - 382024 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

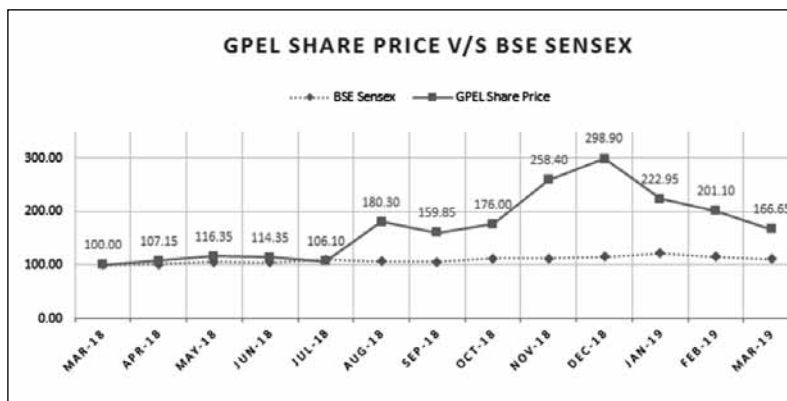
Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Tanil Ramdas Kilachand	00006659	11/03/1992
2.	Mr. Parthiv Tanil Kilachand	00005516	11/03/1992
3.	Mr. Atul Haridas Mehta	00005523	14/09/1989
4.	Mr. Chandrakant Khushaldas	00260818	14/03/2007
5.	Ms. Saloni Jhaveri	00029474	30/03/2015
6.	Mr. Jigen Anilkumar Mehta	02693293	30/03/2015
7.	Mr. Yogesh Kishorchandra Vyas (Nominee)	03420201	13/02/2015
8.	Mr. Rajan Pyarelall Vahi	00033940	24/01/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D. J. Vyas & Associates**  
Company Secretaries

Place: Mumbai  
Date: 9th May, 2019

**Devang J. Vyas**  
Proprietor

**PERFORMANCE IN COMPARISON TO BSE SENSEX:**

Closing value of Gujarat Poly Electronics Limited (GPEL) share price v/s BSE sensex on the last trading day of the month Base is considered to be 100 as on 31<sup>st</sup> March 2018

**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 31st March, 2019 stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and para C and D of schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions 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 complied with the conditions of Corporate Governance as stipulated in SEBI Listing regulations.

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

For **D. J. Vyas & Associates**  
Company Secretaries

**Devang J. Vyas**  
Proprietor  
FCS No. 2874, COP No. 1775

Place: Mumbai  
Date: 10<sup>th</sup> May, 2019



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

### Report on the Audit of the Standalone Financial Statements

#### Opinion:-

We have audited the standalone financial statements of **Gujarat Poly Electronics Limited** (the ‘Company’) which comprise the Balance Sheet as at March 31, 2019, and the statement of Profit and Loss (including other comprehensive income) Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Sec. 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS), other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, total comprehensive income, changes in equity and its cash flows for the year then ended on that date.

#### Basis for Opinion:-

We concluded our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
<p><b>Reasonableness of carrying amount of assets held for sale.</b></p> <p>Assets held for sale carried at lower of book value and net realisable value which has been estimated using significant unobservable inputs including non-binding offers from and negotiations held with prospective buyers as a result of which fair value is sensitive to changes in input assumptions.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures consisted of challenging management’s assumptions relating to business projections and expectation of outcome of negotiations with prospective buyers.</p> <p><b>Conclusion</b></p> <p>The assumptions and inputs have been appropriately considered in estimating the fair value.</p>

#### Information other than Financial Statements & Auditors Report thereon.

The Company’s Board of Directors is responsible for the Other

Information. The Other Information inter alia comprises of Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information (but does not include the standalone financial statements and our auditor’s report thereon), which we obtained prior to the date of this report and the rest of the Annual Report is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the Other Information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

#### Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. The 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 judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring 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.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

#### Auditor’s Responsibilities for the Audit of the Financial Statements:-

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:*

- Identify and assess the risks of material misstatement of the

standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable .

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 are 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 including other comprehensive income and the Cash Flow Statement, Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone 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 the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to or separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditors Report in accordance with requirements of Sec. 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its Directors during the year is in accordance with the provisions of Sec. 197.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements – Refer [Note 4.02](#) to the financial statements;
  - 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.

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

**CA. Chirag M. Shah**  
Partner  
Membership No.: 045706

Ahmedabad  
10<sup>th</sup> May, 2019



## “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, 2019:

### 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 at 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
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, GST, Duty of Customs, 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, 2019 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, GST and duty of customs 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 **Mahendra N. Shah & Co.**  
Chartered Accountants  
Firm Registration No.: 105775W

**CA. Chirag M. Shah**

Partner

Membership No.: 045706

Ahmedabad  
10<sup>th</sup> May, 2019



## ANNEXURE 'B'

### 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, 2019 in conjunction with our audit of the 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, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2019, 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 **Mahendra N. Shah & Co.**  
Chartered Accountants  
Firm Registration No.: 105775W

**CA. Chirag M. Shah**

Partner

Membership No.: 045706

Ahmedabad  
10<sup>th</sup> May, 2019



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

All amounts are in '000 unless otherwise stated

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.01	16,845	16,770
Other Intangible assets	2.02	930	144
Financial assets			
Other financial assets	2.03	485	485
Deferred tax assets (Net)	2.04	-	-
Other non current assets	2.05	16	18
<b>Total non-current assets</b>		<b>18,276</b>	<b>17,417</b>
<b>Current Assets</b>			
Inventories	2.06	24,648	28,313
Financial Assets			
Trade receivables	2.07	48,498	40,339
Cash and cash equivalents	2.08	2,371	2,850
Bank balances other than 2.08 above	2.09	52	52
Loans	2.10	487	398
Other financial assets	2.03	13	17
Other current assets	2.05	403	296
<b>Total current assets</b>		<b>76,472</b>	<b>72,265</b>
<b>Assets Held for Sale</b>	2.05 A	<b>3,138</b>	-
<b>Total assets</b>		<b>97,886</b>	<b>89,682</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	2.11	85,500	85,500
Other Equity	2.12	(103,927)	(157,969)
<b>Total equity</b>		<b>(18,427)</b>	<b>(72,469)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	2.13	2,268	1,900
<b>Total non-current liabilities</b>		<b>2,268</b>	<b>1,900</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	2.14	8,000	44,244
Trade payables	2.15	1,008	9,473
Other financial liabilities	2.16	98,150	98,150
Other current liabilities	2.17	4,875	6,904
Provisions	2.13	2,012	1,480
<b>Total current liabilities</b>		<b>114,045</b>	<b>160,251</b>
<b>Total equity and liabilities</b>		<b>97,886</b>	<b>89,682</b>

Summary of Significant accounting Policies

Refer accompanying notes. These notes are an integral part of the financial statements.

**As per our report of even date.**

**For Mahendra N. Shah & Co.**

Chartered Accountants

Firm Registration No.: 105775W

**Chirag M Shah**

Partner

(Membership No. 045706)

**Place:** Ahmedabad

**Date:** May 10, 2019

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:** May 10, 2019

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

Particulars	Note No.	Year Ended March 31,2019	Year Ended March 31,2018
<b>Income</b>			
Revenue from operations	3.01	225,528	144,121
Other income	3.02	789	842
<b>Total Income</b>		<b>226,317</b>	<b>144,963</b>
<b>Expenses</b>			
Cost of materials consumed	3.03	508	717
Purchase of stock-in-trade	3.04	120,942	86,612
Changes in inventories of stock-in-trade	3.05	1,720	1,348
Operational expenses	3.06	17,658	20,393
Employee benefits expense	3.07	26,741	23,135
Finance costs	3.08	3,092	5,104
Depreciation and amortization expense	3.09	1,413	1,001
<b>Total Expenses</b>		<b>172,074</b>	<b>138,310</b>
<b>Profit / (loss) before tax</b>		54,243	6,653
Tax expenses			
Current tax		-	-
<b>Profit/ (loss) for the period</b>		<b>54,243</b>	<b>6,653</b>
<b>Other comprehensive Income / (Loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		(201)	209
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive Income / (Loss)</b>		<b>(201)</b>	<b>209</b>
<b>Total comprehensive Income for the year</b>		<b>54,042</b>	<b>6,862</b>
Earnings per equity share :			
Basic (in Rs.)		6.34	0.78
Diluted (in Rs.)		6.34	0.78

1

Significant accounting Policies

Refer accompanying notes. These notes are an integral part of the financial statements.

**As per our report of even date.****For Mahendra N. Shah & Co.**

Chartered Accountants

Firm Registration No.: 105775W

**Chirag M Shah**

Partner

(Membership No. 045706)

**Place:** Ahmedabad**Date:** May 10, 2019

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 &amp; Compliance Officer

(ACS No.: 15068)

**Place:** Mumbai**Date:** May 10, 2019



## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

Equity share capital	Note No.	Amount.
<b>Balance as at April 1, 2017</b>		85,500
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2018</b>		<b>85,500</b>
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2019</b>		<b>85,500</b>
<b>Other Equity</b>		
Particulars		Total Other equity
<b>Balance at April 1, 2017</b>		<b>(164,831)</b>
Profit for the year		6,653
Other comprehensive income		209
<b>Total comprehensive income for the year</b>		<b>6,862</b>
<b>Balance at March 31, 2018</b>		<b>(157,969)</b>
Profit for the year		54,243
Other comprehensive income		(201)
<b>Total comprehensive income for the year</b>		<b>54,042</b>
<b>Balance at March 31, 2019</b>		<b>(103,927)</b>

Significant accounting Policies

1

Refer accompanying notes. These notes are an integral part of the financial statements.

**As per our report of even date.**

**For Mahendra N. Shah & Co.**

Chartered Accountants

Firm Registration No.: 105775W

**Chirag M Shah**

Partner

(Membership No. 045706)

**Place:** Ahmedabad

**Date:** May 10, 2019

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:** May 10, 2019

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>(A) Cash flow From Operating Activities</b>		
Profit before income tax	54,243	6,653
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	1,413	1,001
Amount no longer payable written back	(16)	(49)
Allowance for bad & doubtful Debts (Net)	(117)	1,230
Write off of stores and spares	-	4,521
Sundry advances written off	23	21
Unrealised foreign exchange loss / (gain)	(751)	(773)
Gain/Loss on disposal of property, plant and equipment	1,619	-
Income from Interest	(18)	(20)
Other Income	-	-
Interest and finance charges	3,092	5,104
	<u>59,488</u>	<u>17,688</u>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	(8,065)	(11,589)
Decrease/(increase) in inventories	3,665	(379)
Increase/(decrease) in trade payables	(7,697)	2,157
Decrease/(Increase) in other financial assets	4	2
Decrease/(increase) in other non-current assets	2	-
Decrease/(increase) in other current assets	(107)	2,844
Increase/(decrease) in provisions	900	(99)
Increase/(decrease) in Loans	(89)	(235)
Increase/(decrease) in other current liabilities	(2,231)	955
<b>Cash generated from operations</b>	<u>45,870</u>	<u>11,344</u>
<b>Net cash flow from/(used in) operating activities (A)</b>	<u>45,870</u>	<u>11,344</u>
<b>(B) Cashflow From Investing Activities</b>		
Payments for acquisition of property, plant and equipment	(7,161)	(132)
Proceeds from sale of property, plant and equipment	131	-
Interest Income	18	20
<b>Net Cash flow from/(used in) Investing Activities (B)</b>	<u>(7,012)</u>	<u>(112)</u>
<b>(C) Cashflow From Financing Activities</b>		
Interest and finance charges	(39,337)	(10,611)
<b>Net Cash flow from/(used in) Financing Activities (C)</b>	<u>(39,337)</u>	<u>(10,611)</u>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents (A+B+C)</b>	<u>(479)</u>	<u>621</u>
Cash and Cash Equivalents at the beginning of the year	2,902	2,281
<b>Cash and Cash Equivalents at the end of the year</b>	<u>2,423</u>	<u>2,902</u>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents		
Balance with bank:		
On current accounts	2,371	2,850
Others (specify nature)		
a. security deposit with HDFC	52	52
<b>Balance as per the cash flow statement</b>	<u>2,423</u>	<u>2,902</u>

Note:  
Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of cash flows

As per our report of even date.

**For Mahendra N. Shah & Co.**

Chartered Accountants

Firm Registration No.: 105775W

**Chirag M Shah**

Partner

(Membership No. 045706)

Place: Ahmedabad

Date: May 10, 2019

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: May 10, 2019



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Background

Gujarat Poly Electronics Limited is engaged in the manufacturing and trading of Ceramic Capacitors both Multi layer and Single layer. The company is public limited company and is listed on the Bombay Stock Exchange (BSE).

### Authorization of standalone financial statements

The financial statements were authorized for issue in accordance with a resolution of the directors on 10th May, 2019.

#### 1.00 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the presentation of these financial statements.

#### 1.01 BASIS OF PREPARATION

##### (i) **Compliance with Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") and relevant rules issued thereunder. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

##### (ii) **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value; and
- defined benefit plans – plan assets measured at fair value.

#### 1.02 ROUNDING OF AMOUNTS

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands, except where otherwise indicated.

#### 1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents its assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current if it is:

- a) Expected to be realised or intended to sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of operations, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

#### **Key sources of estimation uncertainty**

- a) Financial instruments; (Refer note 4.08 )
- b) Useful lives of property, plant and equipment and intangible assets; (Refer note 1.06 & 1.07 )
- c) Valuation of inventories; (Refer note 1.10 )
- d) Assets and obligations relating to employee benefits; (Refer note 4.05 )
- e) Evaluation of recoverability of deferred tax assets; (Refer note 2.04 ) and
- f) Contingencies. (Refer note 4.02 )

### 1.05 FOREIGN CURRENCY TRANSACTIONS

#### **(i) Functional and presentation currency**

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

#### **(ii) Transactions and balances**

##### **Monetary items**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

##### **Non – Monetary items**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 1.06 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

### **Depreciation on Property, plant and equipment**

Depreciation on Property, Plant & Equipment is provided on straight line method except Furniture and Fixtures. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II. Furniture and Fixtures are depreciated on written down value basis.

Depreciation on additions/deletions during the year are provided on pro rata basis. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

All assets costing up to Rs. 5,000/- are fully depreciated in the year of capitalisation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### **1.07 INTANGIBLE ASSETS**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Business application software intended for long term use are recorded at their acquisition cost and the cost of assets at their carrying value.

#### **Amortisation of intangible assets**

Computer software is amortized over the estimated useful life of the assets.

### **1.08 IMPAIRMENT OF ASSETS**

Carrying amount of tangible assets and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 1.09 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### **As a Lessee**

##### **Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 1.10 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.

### 1.11 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.12 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

#### **Initial Recognition and Measurement – Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### **Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### **Amortised Cost:**

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### **FVTOCI:**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **FVTPL:**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For Trade Receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **Classification and Subsequent measurement: Financial Liabilities**

The Company's financial liabilities include trade payables and other financial liabilities.

### **Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

### **Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of Financial Assets and Financial Liabilities:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **1.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

### **Contingent liabilities are disclosed in the case of:**

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

### **1.14 REVENUE RECOGNITION**

Revenue (Income) is recognized when no significant uncertainty as to determination or realization exists. Sales are recognized ex-works and are inclusive of excise duty and net of sales tax / GST.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the Statement of Profit and Loss.

### **1.15 TAXES ON INCOME**

#### **Current Tax:**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax:**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 1.16 GOVERNMENT GRANT

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it shall be recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The above criteria is also used for recognition of incentives under various scheme notified by the Government.

### 1.17 GRATUITY AND OTHER POST - EMPLOYEE BENEFITS

#### a) **Short-term obligations**

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

#### b) **Post-employment obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

#### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

#### **Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### c) **Other long-term employee benefit obligations**

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 1.18 EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

### 1.19 IMPACT OF IMPLEMENTATION OF GOODS AND SERVICES TAX (GST) ON THE FINANCIAL STATEMENTS

Introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT / Central Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly, the same is not recognised as part of sales in terms of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, figures for the year ended and as on March 31, 2018 such as sales, expenses, elements of working capital (Inventories, other current assets / current liabilities) and ratios in percentage of sales, are not comparable with the figures of the previous year.

### 1.20 IND AS 115- REVENUE FROM CONTRACT WITH CUSTOMERS:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the the cumulative catch-up transition method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.01 Property, plant and equipment: All amounts are in '000 unless otherwise stated

Particulars	Gross Carrying Amount			Depreciation / Impairment		Net Block					
	As at April 1, 2018	Addition	Disposal	Reclassification as held for sale	As at March 31, 2019	For the Year as held for sale	Reclassification as held for sale	As at March 31, 2019	As at March 31, 2018		
<b>Own Assets:</b>											
Land (Lease Hold)	2,473	2,341	-	3,186	1,628	68	47	48	67	1,561	2,405
Building - Factory	4,813	1,003	-	-	5,816	1,074	670	-	1,744	4,072	3,739
Plant & Machinery	9,298	-	1,735	-	7,563	42	7	-	49	7,514	9,256
Electrical Installation	311	1	-	-	312	4	2	-	6	306	307
Furniture & Fixtures	103	-	-	-	103	21	8	-	29	74	82
Office Equipment	728	92	-	-	820	232	195	-	427	393	496
Vehicles	377	2,700	13	-	3,064	140	293	-	433	2,631	237
Computer & Peripherals	528	196	2	-	722	280	148	-	428	294	248
<b>Total</b>	<b>18,631</b>	<b>6,333</b>	<b>1,750</b>	<b>3,186</b>	<b>20,028</b>	<b>1,861</b>	<b>1,370</b>	<b>48</b>	<b>3,184</b>	<b>16,845</b>	<b>16,770</b>
	<b>Gross Carrying Amount</b>			<b>Depreciation / Impairment</b>		<b>Net Block</b>					
<b>Particulars</b>	<b>Deemed cost as at April 1, 2017</b>	<b>Addition</b>	<b>Disposal</b>	<b>Reclassification as held for sale</b>	<b>As at March 31, 2018</b>	<b>As at April 1, 2017</b>	<b>For the Year</b>	<b>Elimination on disposal</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>Own Assets:</b>											
Land (Lease Hold)	2,473	-	-	-	2,473	34	34	-	68	2,405	2,439
Building - Factory	4,813	-	-	-	4,813	537	537	-	1,074	3,739	4,276
Plant & Machinery	9,298	-	-	-	9,298	36	6	-	42	9,256	9,262
Electrical Installation	311	-	-	-	311	2	2	-	4	307	309
Furniture & Fixtures	103	-	-	-	103	10	11	-	21	82	93
Office Equipment	713	15	-	-	728	100	132	-	232	496	613
Vehicles	377	-	-	-	377	70	70	-	140	237	307
Computer & Peripherals	459	69	-	-	528	152	128	-	280	248	307
<b>Total</b>	<b>18,547</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>18,631</b>	<b>941</b>	<b>920</b>	<b>-</b>	<b>1,861</b>	<b>16,770</b>	<b>17,606</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.02 Other Intangible Assets : All amounts are in '000 unless otherwise stated

Particulars	Gross Carrying Amount			Amortisation / Impairment			Net Block		
	As at April 1, 2018	Addition	Disposal	Reclassification as held for sale	As at March 31, 2019	As at April 1, 2018	Year as held for sale	As at March 31, 2019	As at March 31, 2018
Software	474	-	-	-	474	329	43	372	102
<b>Total</b>	<b>474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>474</b>	<b>329</b>	<b>43</b>	<b>372</b>	<b>102</b>
Intangible Assets under development									
Particulars	Gross Carrying Amount			Amortisation / Impairment			Net Block		
	As at April 1, 2018	Addition	Disposal	Reclassification as held for sale	As at March 31, 2019	As at April 1, 2018	Year as held for sale	As at March 31, 2019	As at March 31, 2018
Software-	-	828	-	-	828	-	-	-	828
SAP	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>828</b>	<b>-</b>	<b>-</b>	<b>828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>828</b>
Particulars	Gross Carrying Amount			Amortisation / Impairment			Net Block		
	'Deemed cost as at April 1, 2017	Addition	Disposal	Reclassification as held for sale	As at March 31, 2018	As at April 1, 2017	Year as held for sale	As at March 31, 2018	As at March 31, 2017
Software	425	48	-	-	474	249	81	329	144
<b>Total</b>	<b>425</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>474</b>	<b>249</b>	<b>81</b>	<b>329</b>	<b>144</b>

Range of remaining period of amortisation of Intangible Assets is as below:

Software	Within 1 Year		Exceeding 5 Years		Total WDV
	1 Year	5 Years	1 Year	5 Years	
	44	58	-	-	102
	<b>44</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>102</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

2.03 Other financial assets	Non-Current		Current	
	As at March 31,		As at March 31,	
	2019	2018	2019	2018
Security deposits	485	485	-	-
Interest Receivable	-	-	13	17
	<u>485</u>	<u>485</u>	<u>13</u>	<u>17</u>

2.04 Deferred tax assets (net)	As at March 31,	
	2019	2018
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between book balance and tax balance of fixed assets	3,916	4,010
	<u>3,916</u>	<u>4,010</u>
<b>Tax effect of items constituting deferred tax assets ( Refer note below)</b>		
Disallowances u/s 43(B) of Income Tax Act,1961	1,646	1,928
Brought forward business losses (restricted to the extent of net deferred tax liability on depreciation on account of virtual certainty.)	2,270	2,082
	<u>3,916</u>	<u>4,010</u>
<b>Net deferred tax asset/ (liabilities)</b>	<u>-</u>	<u>-</u>

The Company has substantial unused tax losses and unused tax credits. The deferred tax assets relating to such deductible temporary differences, carry forward unused tax losses and carry forward unused tax credits is significantly higher than deferred tax liabilities. On conservative approach, the Company has recognized deferred tax assets on unabsorbed depreciation only to the extent of its deferred tax liabilities.

### Unrecognised deductible temporary differences, unused tax losses and unused tax credits on which deferred tax assets has not being recognised

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	Indefinite	Total
<b>Tax Losses :</b>							
Unabsorbed depreciation	-	-	-	-	-	104,670	<b>104,670</b>
Business losses	-	-	-	11,661	14,508	-	<b>26,169</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,661</b>	<b>14,508</b>	<b>104,670</b>	<b>130,839</b>

2.05 Other assets	Non-Current		Current	
	As at March 31,		As at March 31,	
	2019	2018	2019	2018
<u>Advances other than Capital Advances</u>				
Unsecured, considered good unless stated otherwise				
Prepaid expenses	-	-	225	216
Balances with Statutory Authorities:	-	-	119	53
Sundry Advances	-	-	59	27
<u>Other Receivables</u>				
Employee Super Annuation Scheme A/c HDFC-841	6	6	-	-
GPPL Employees GGCA Trust A/C	10	-	-	-
The Trustee-GPAEL GGA Scheme A/C BOB - 131	-	12	-	-
	<u>16</u>	<u>18</u>	<u>403</u>	<u>296</u>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

<b>2.05A Assets held for sale:</b>		
<b>Particulars</b>	<b>Balance as at March 31,</b>	
	<b>2019</b>	<b>2018</b>
Plot of Land at cost	3,186	-
Less: Amortisation	48	-
Net Cost	<u>3,138</u>	<u>-</u>
<p>The company is occupying two plots of lease Land of which one Plot of Land was not in active use since long and has initiated action for disposal of this land and accordingly this asset is disclosed in "Asset Held for Sale " and is valued at lower of amortised cost or fair market value and amortisation for the year thereof is charged to statement of profit and loss.</p>		
<b>2.06 Inventories</b>	<b>As at March 31,</b>	
	<b>2019</b>	<b>2018</b>
Raw Materials	2,762	2,845
Work in progress	126	156
Finished Goods	955	3,970
Stock-in-Trade	20,727	19,404
Stores and spares	46	46
Packing Materials	32	10
Goods in transit	-	1,882
	<u>24,648</u>	<u>28,313</u>
<b>2.07 Trade Receivables</b>	<b>Current</b>	
	<b>As at March 31,</b>	
	<b>2019</b>	<b>2018</b>
Unsecured, considered good	48,498	40,339
Unsecured, considered doubtful	4,458	4,575
	<u>52,956</u>	<u>44,914</u>
Allowance for doubtful debts (expected credit loss)	4,458	4,575
	<u>48,498</u>	<u>40,339</u>
<b>2.08 Cash and Cash Equivalent</b>	<b>As at March 31,</b>	
	<b>2019</b>	<b>2018</b>
Balances with banks:		
On current accounts	2,371	2,850
	<u>2,371</u>	<u>2,850</u>
<b>2.09 Bank balances other than cash and cash equivalents</b>	<b>As at March 31,</b>	
	<b>2019</b>	<b>2018</b>
Deposits with HDFC (original maturity for more than 3 months but less than 12 months)	52	52
	<u>52</u>	<u>52</u>
<b>2.10 Loans</b>	<b>Current</b>	
	<b>As at March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Loans to employees</b>		
Unsecured, considered good unless stated otherwise	487	398
	<u>487</u>	<u>398</u>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

2.11 Equity Share capital	As at March 31,	
	2019	2018
<b>Authorised share capital :</b>		
1,20,00,000 (March 31, 2019: 1,20,00,000; April 1, 2018: 1,20,00,000) equity shares of Rs.10/- each	120,000	120,000
	<b>120,000</b>	<b>120,000</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>		
85,50,000 (March 31, 2019: 85,50,000; April 1, 2018: 85,50,000) equity shares of Rs. 10/- each (fully paid up)	85,500	85,500
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>85,500</b>	<b>85,500</b>

### a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:

Equity shares	As at March 31,			
	2019		2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>At the beginning of the period</b>	8,550,000	85,500	8,550,000	85,500
Shares Issued during the year under ESOP	-	-	-	-
Shares Issued during the year as Bonus shares	-	-	-	-
Shares Bought back/ Other movements during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>8,550,000</b>	<b>85,500</b>	<b>8,550,000</b>	<b>85,500</b>

### b. Rights, preference and restrictions attached to shares:

#### Equity Shares

The Company has issued only one class of equity shares having face value of Rs. 10 (March 31, 2019 : Rs. 10; April 1, 2018 Rs.10) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

### c. Details of share holders holding more than 5% shares in the company

Equity shares of Rs. 10 each fully paid Name of the Shareholder	As at March 31,			
	2019		2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Polychem Limited	4,616,152	54%	4,616,152	54%
Gujarat Industrial Investment Corporation Ltd	497,103	6%	497,103	6%
AVX Corporation, USA	-	-	-	-

2.12 Other equity	As at March 31,	
	2019	2018
General reserve	(103,927)	(157,969)
Retained Earnings		

#### Description of the nature and purpose of each reserve within equity is as follows:

##### Retained Earnings:

Retained earnings are the profits that the company has earned till date and is net of amount transferred to other reserves such as general reserves etc. and adjustments on account of transition to Ind. As.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

2.13 Provisions	Non-Current		Current	
	As at March 31,		As at March 31,	
	2019	2018	2019	2018
Leave Encashment	2,268	1,900	1,702	1,208
Bonus Payable	-	-	310	272
	<u>2,268</u>	<u>1,900</u>	<u>2,012</u>	<u>1,480</u>

2.14 Borrowings	Current	
	As at March 31,	
	2019	2018
<b>Unsecured</b>		
Loan from Holding Company	8,000	44,244
	<u>8,000</u>	<u>44,244</u>

**Note:**

1. The loan from holding company carries interest at 10.5% p.a. Terms of repayment in respect of the same have not been stipulated.

2.15 Trade payables	Current	
	As at March 31,	
	2019	2018
Total outstanding dues of Micro Enterprises & Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	1,008	9,473
	<u>1,008</u>	<u>9,473</u>

2.16 Other financial liabilities	Current	
	As at March 31,	
	2019	2018
Interest Accrued and due	-	-
Preference Share Capital	98,150	98,150
	<u>98,150</u>	<u>98,150</u>

**Note:**

1 Rights of ½% Non-cumulative Redeemable Preference shareholders

9,81,500 ½% Non-cumulative Preference shares of Rs.100 each fully paid-up have been allotted on October 31, 2002 to term lenders, viz. ICICI, IDBI, IFCI & BOB, as per AAFIR Order dated March 31, 2002 without payment being received in cash. IDBI, IFCI & BOB have sold their preference shares numbering 6,68,280 to Polychem Limited, Holding Company of GPEL for Rs.10,80,000/-.

The balance 3,13,220 preference shares were sold by ICICI to 3A Capital Services Ltd. for Rs. 63,000/-.

2.17 Other liabilities	Current	
	As at March 31,	
	2019	2018
Gratuity payable (Funded)	1,638	2,860
Statutory Payables	1,326	1,976
Dues to Customer	85	85
Provision for Expense	1,058	961
LTA Payable	768	1,022
	<u>4,875</u>	<u>6,904</u>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

<b>3.01 Revenue from operations</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
<b>Revenue from operations</b>		
Sale of products (Net)	225,312	142,841
<b>Add:</b>		
Excise Duty	-	99
<b>Other operating revenue</b>		
Sale of scrap	-	-
Others	216	1,181
	<u>225,528</u>	<u>144,121</u>
<b>3.02 Other Income</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Interest Income	18	20
<b>Other non - operating income</b>		
Amount not payable written back	16	49
Excess Provision Write Back	-	-
Misc.Income	4	-
Foreign Exchange Gain	751	773
Other non - operating income	-	-
	<u>789</u>	<u>842</u>
<b>3.03 Cost of materials consumed</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Opening Stock	2,845	2,841
Purchases	425	721
Less: Closing stock	(2,762)	(2,845)
	<u>508</u>	<u>717</u>
<b>3.04 Purchases of Stock-in-trade</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
i) Trading Goods	120,856	86,501
ii) Packing Material	86	111
	<u>120,942</u>	<u>86,612</u>
<b>3.05 Changes in inventories</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
<b>Finished Goods</b>		
Closing Stock	955	3,970
Less: Opening Stock	(3,970)	(5,591)
	<u>(3,015)</u>	<u>(1,621)</u>
<b>Work in process</b>		
Closing Stock	126	156
Less: Opening Stock	(156)	(161)
	<u>(30)</u>	<u>(5)</u>
<b>Trading Goods</b>		
Closing Stock	20,728	19,403
Less: Opening Stock	(19,403)	(19,125)
	<u>1,325</u>	<u>278</u>
Net (Increase)/Decrease	<u>1,720</u>	<u>1,348</u>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

<b>3.06 Operational expenses</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Advertisement expenses	117	48
Bank Charges	10	13
Bad Debts	200	-
Conveyance & travelling expenses	1,652	1,335
Director sitting fees	266	236
ECL (Other) Expense	-117	1,230
Electric Power, oil fuel and water charges	1,048	900
Excise Duty Expense	-	99
Factory Expense	443	423
Freight Outward(net)	373	354
General charges	200	90
Insurance charges	371	288
Labour Charges	232	8
Legal and professional fees	2,680	1,563
Loss on sale of Asset	1,619	-
Land Non Use Charges	781	-
Membership & subscription	37	53
Miscellaneous expenses	2,365	1,660
Motor car expenses	450	298
Property Tax	363	2,451
Postage & courier expenses	370	369
Printing & Stationery expenses	660	639
<b>Auditor's Remuneration</b>		
Audit fees	300	265
Limited review fees	75	75
Tax audit fees	45	45
Other matters	120	263
Rates & taxes	106	177
Rent	654	653
<b>Repair &amp; Maintenance</b>		
Machinery	20	14
Others	704	872
Selling & distributions expenses	362	263
Security Service Charges	904	884
Stores and Spares Write off	-	4,521
Stores and spares and Tools consumed	5	2
<b>Packing Material</b>		
Opening Stock	10	
Add : Purchase during the year	3	
Less : Closing Stock	<u>(10)</u>	2
Telephone expenses	240	299
	<b><u>17,658</u></b>	<b><u>20,393</u></b>
<b>3.07 Employee Benefits Expense</b>		
Salaries, wages & incentives	22,569	18,505
Contribution to provident and other fund	3,025	3,908
Staff welfare expenses	1,147	722
	<b><u>26,741</u></b>	<b><u>23,135</u></b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

3.08 Finance Costs	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Interest and Finance charges on financial liabilities not a FVTPL</b>		
Interest on Loan	3,091	5,104
Other interest expenses	1	-
	<u>3,092</u>	<u>5,104</u>
3.09 Depreciation and amortization expense	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation of property, plant and equipment	1,370	920
Amortization of Intangible assets	43	81
	<u>1,413</u>	<u>1,001</u>
4.01 Earnings Per Share (EPS)	As at March 31, 2019	As at March 31, 2018
<b><u>Basic earnings per share :</u></b>		
Attributable to equity holders of the Company	6.34	0.78
<b><u>Diluted earnings per share :</u></b>		
Attributable to equity holders of the Company	6.34	0.78
<b><u>Reconciliation of earnings used in calculating earnings per share :</u></b>		
<b>Basic earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating basic earnings per share :	54,243	6,653
<b>Diluted earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	54,243	6,653
<b>Weighted average number of Equity shares used as the denominator in calculating basic &amp; diluted earnings per share</b>	8,550	8,550
4.02 Contingent Liabilities	As at March 31, 2019	As at March 31, 2018
Disputed Demand of Employees' State Insurance Corporation *	<u>103</u>	<u>103</u>
*Bank Guarantee is issued to ESIC as security for Rs. 52,000/- only		

**4.03** 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. The holding company has committed to provide financial support to the Company as may be required to carry on as a going concern.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

### 4.04 Asset 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. 6,54,012/-p.a. (Previous year : Rs.6,53,172/-). The lease term is 9 years for Delhi office and 2 years for Bangalore office.

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

Particulars	2018-19	2017-18
Payable not later than a year	682	645
Payable later than a year but not later than 5 years	1,980	2,449
Payable later than 5 years	-	-

### 4.05 Employee benefits

2018-19

2017-18

#### a) Defined Contribution Plans:

Amount recognized as an expense and included in Note 3.07 of Statement of Profit and Loss

1 Contribution to Provident Fund	1,242	999
2 Contribution to Pension Fund	390	374
3 Contribution to Superannuation Fund	877	808
	<b>2,509</b>	<b>2,180</b>

#### b) Defined Benefit Plans:

The Company sponsors funded defined benefit plans for qualifying employee. The defined benefit plans are administered by separate fund that are leagally separate fund from the entity. The board of the fund is responsible for the investment policy with regard to assets of the fund.

These plans typically expose the Company to Actuarial risks such as : investment risk, interest rate risk, longetivity risk and salary risk. No other post-retirement benefit are provided to the employees.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has investment with LIC of India
Interest Risk	A decrease in the interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Discount rate	7.76%	7.78%
Expected rate of salary increase	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

### 4. (a) Amounts recognised in Statement of Profit and Loss in respect of defined benefit plans

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Service cost:		
Current service cost	293	288
Net Interest Cost	222	133
Past Service Cost	-	1,306
<b>Components of defined benefits cost recognised in Statement of Profit and Loss</b>	<b>515</b>	<b>1,728</b>

### 4. (b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Remeasurement of net defined benefit liability		
Return on plan assets(excluding amount included in net interest expense )	(134)	(48)
Net Actuarial (Gain)/ Loss	335	(161)
<b>Components of defined benefits cost recognised in Other Comprehensive Income</b>	<b>201</b>	<b>(209)</b>

### 4. (c) Amounts recognised in Balance Sheet in respect of defined benefit plans

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Present Value of the Defined Benefit Obligations	(9,544)	(8,287)
Fair Value of Plan Assets	7,906	5,427
<b>Liability Recognised in the Balance Sheet</b>	<b>(1,638)</b>	<b>(2,860)</b>

### 5. (a) Movements in present value of defined benefit obligation

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Opening defined benefit obligations	8,287	6,470
Current service cost	293	288
Interest cost	645	478
Past Service Cost	-	1,306
Benefit paid form the fund	(16)	(95)
Remeasurement (Gains) / losses		
Actuarial (gains) / losses on Defined Benefit Obligation - Due to change in financial obligation	7	(135)
Actuarial (gains) / losses on Defined Benefit Obligation - Due to experience	328	(26)
<b>Closing defined benefit obligation</b>	<b>9,544</b>	<b>8,287</b>

### 5. (b) Reconciliation

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Opening Net Liability	2,860	1,800
Add: Employer Expenses (Expenses recognised in the statement of P/L account)	516	1,728
Add: Trasfer to OCI	201	(209)
Less: Benefit Paid	-	-
Less: Employers contribution	(1,938)	(459)
<b>Closing Net Liability</b>	<b>1,639</b>	<b>2,860</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

### 6. The category of plan assets as a percentage of total plan are as follows:

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Deposits with LIC of India	100%	100%

### 7. Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Key assumptions for determination of Defined Benefit Obligation are Discount Rate (i.e. Interest Rate) Salary Growth Rate and Employee Turnover Rate

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
Delta Effect of +1% Change in Rate of Discounting	(341)	(320)
Delta Effect of -1% Change in Rate of Discounting	380	359
Delta Effect of +1% Change in Rate of Salary Increase	303	361
Delta Effect of -1% Change in Rate of Salary Increase	(277)	(328)
Delta Effect of +1% Change in Rate of Employee Turnover	60	37
Delta Effect of -1% Change in Rate of Employee Turnover	(65)	(41)

### 4.06 Dues to Micro and Small Enterprises

There is no outstanding amount at the year end to the creditors qualify as supplier under the Micro, Small and Medium Enterprise Development Act, 2006 and there is no delay in payment to such creditors during the year therefore no liability u/s 16 of the said Act has arose. Accordingly, no disclosure is required to be made u/s. 22 of the Act.

### 4.07 Capital Management

#### Risk management

For the purpose of the Company's capital management, capital includes issues capital and all other equity reserves. The Company manages its capital structure to ensure that it will be able to continue as going concern while maximizing the return to the stakeholders.

The details of outstanding capital and payables to holding company on account of loan is as under

Particular	As at	
	March 31, 2019	March 31, 2018
Equity	(18,427)	(72,469)
Loan from Holding Company	8,000	44,244
Less: Cash and Cash Equivalents	(2,423)	(2,902)
	<u>5,577</u>	<u>41,342</u>

The Company is not exposed to any externally imposed capital requirements.

### 4.08 Financial Instruments :

#### (i) Methods & assumption used to estimates the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption is used to estimate the fair values:

- (a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, loans to employees, borrowings, trade payables, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

### (ii) Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: inputs which are not based on observable market data

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Trade receivables	48,498	48,498	40,339	40,339
Loans	487	487	398	398
Cash and Bank balances	2,423	2,423	2,902	2,902
Other financial assets	498	498	502	502
<b>Total (A)</b>	<b>51,906</b>	<b>51,906</b>	<b>44,141</b>	<b>44,141</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings	8,000	8,000	44,244	44,244
Trade payables	1,008	1,008	9,473	9,473
Other financial liabilities	98,150	98,150	98,150	98,150
<b>Total Financial liabilities</b>	<b>107,158</b>	<b>107,158</b>	<b>151,867</b>	<b>151,867</b>

### 4.09 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. The details of different types of risk and management policy to address these risks are listed below:

The Company's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management.

#### (i) Credit risk

Credit risk arises from the possibility that counter party will cause financial loss to the company by failing to discharge its obligation as agreed.

The Company has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors. The Company uses the allowance matrix to measure the expected credit loss of trade receivables from customers.

Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 18 months past due.

#### Table showing age of gross trade receivables and movement in expected credit loss allowance:

Age of Receivables	As at	
	March 31, 2019	March 31, 2018
Within the credit period	40,754	33,639
1-90 days past due	7,522	6,600
91-180 days past due	766	157
181-270 days past due	4	965
271-360 days past due	230	476
More than 360 days past due	3,681	3,076
<b>Total</b>	<b>52,957</b>	<b>44,914</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

March 31, 2018

<b>Movement in the expected credit allowance</b>	
<b>As at March 31, 2017</b>	3345
Provided during the year	1230
<b>As at March 31, 2018</b>	<b>4575</b>
Provided during the year	(117)
<b>As at March 31, 2019</b>	<b>4458</b>

### (ii) Liquidity Risk

Liquidity risk is risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities as at the reporting date:

<b>As at March 31, 2019</b>	<b>less than 1 year</b>	<b>1 to 5 year</b>	<b>Total</b>
Borrowings	-	8,000	8,000
Trade payables	1,008	-	1,008
Other Financial Liabilities	-	98,150	98,150
<b>As at March 31, 2018</b>	<b>less than 1 year</b>	<b>1 to 5 year</b>	<b>Total</b>
Borrowings	-	44,244	44,244
Trade payables	9,473	-	9,473
Other Financial Liabilities	-	98,150	98,150

### (iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rate and interest rate.

#### Market Risk – Foreign Exchange

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in one currency and therefore the Company is exposed to foreign exchange risk through its overseas sales in one foreign currency. The Company hedges the receivables by forming view after discussion with Forex Consultant and as per policies set by Management.

The carrying amount of the Company's foreign currency denominated monetary liabilities as at the end of the reporting period is as follows:

<b>Currencies</b>	<b>Liabilities</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
USD	-	60,669
<b>Foreign currency exposure as at March 31, 2019</b>	<b>USD</b>	<b>Total</b>
<b>Liabilities</b>		
Trade Payables	-	-
<b>Foreign currency exposure as at March 31, 2018</b>	<b>USD</b>	<b>Total</b>
<b>Liabilities</b>		
Trade Payables	60,669	60,669



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

### Details of Unhedged Foreign Currency Exposure is as under:-

Currency	Nature	March 31, 2019		March 31, 2018	
		Amount in Foreign Currency	Amount in INR (in '000)	Amount in Foreign Currency	Amount in INR (in '000)
USD	Liability-Import Payable	-	-	60,669	3,952

### Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on loss before tax and on other components of equity

Particulars	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	1 % Increase (In '000)	1 % Increase (In '000)	1 % Decrease (In '000)	1 % Decrease (In '000)
USD	0	40	0	(40)

#### 4.10 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 Ind AS 18 "Operating Segment".

- 4.11 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.

#### 4.12 Related Party Transactions

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

Nature of Relationship	Name of Related Parties
i Key managerial personnel	T. R. Kilachand - Executive Director , Chairman P. T. Kilachand - Non Executive Director A. H. Mehta - Managing Director C. K. Khushaldas - Independent Non Executive Director J. A. Mehta - Independent Non Executive Director S. A. Jhaveri - Independent Non Executive Director Y. K. Vyas (Nominee of GIIC)- Non Executive Director R. P. Vahi - Independent Non Executive Director H. H. Jani - Chief Financial Officer D. H. Upadhyaya - Company Secretary and Compliance Officer
ii Entities where the key managerial personnel have significant influence/control	Ginners & Pressers Limited
iii Holding	Polychem Limited

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in '000 unless otherwise stated

## (b) Details of Transactions:

	Key Managerial personnel		Entities where the key managerial personnel have significant influence / control		Holding		Total Amount	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Expenses</b>								
<u>Electricity charges</u>								
GINNERS & PRESSERS LIMITED	-	-	71	72	-	-	71	72
<u>Remuneration</u>								
A. H. Mehta	2,767	2,577	-	-	-	-	2,767	2,577
T. R. Kilachand	835	-	-	-	-	-	835	-
H. H. Jani	2,169	1,659	-	-	-	-	2,169	1,659
D. H. Upadhyaya	405	314	-	-	-	-	405	314
<u>Directors sitting fees (including Audit committee Fees)</u>								
T. R. Kilachand	8	36	-	-	-	-	8	36
P. T. Kilachand	28	16	-	-	-	-	28	16
C. K. Khushaldas	64	36	-	-	-	-	64	36
S. A. Jhaveri	32	20	-	-	-	-	32	20
J. A. Mehta	64	36	-	-	-	-	64	36
Y. K. Vyas	16	8	-	-	-	-	16	8
<b>Total expenses payable</b>	<b>6,388</b>	<b>4,702</b>	<b>71</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>6,459</b>	<b>4,774</b>
<b>Reimbursement/(Recovery) of expenses</b>								
Polychem limited	-	-	-	-	48	36	48	36
<b>Total reimbursement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>36</b>	<b>48</b>	<b>36</b>
<u>Interest on Inter Corporate Deposit</u>								
Polychem limited	-	-	-	-	3,091	5,104	3,091	5,104
<u>Balance outstanding as at year end</u>								
Polychem limited	-	-	-	-	8,000	44,244	8,000	44,244

As per our report of even date.

For Mahendra N. Shah &amp; Co.

Chartered Accountants

Firm Registration No.: 105775W

Chirag M Shah

Partner

(Membership No. 045706)

Place: Ahmedabad

Date: May 10, 2019

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

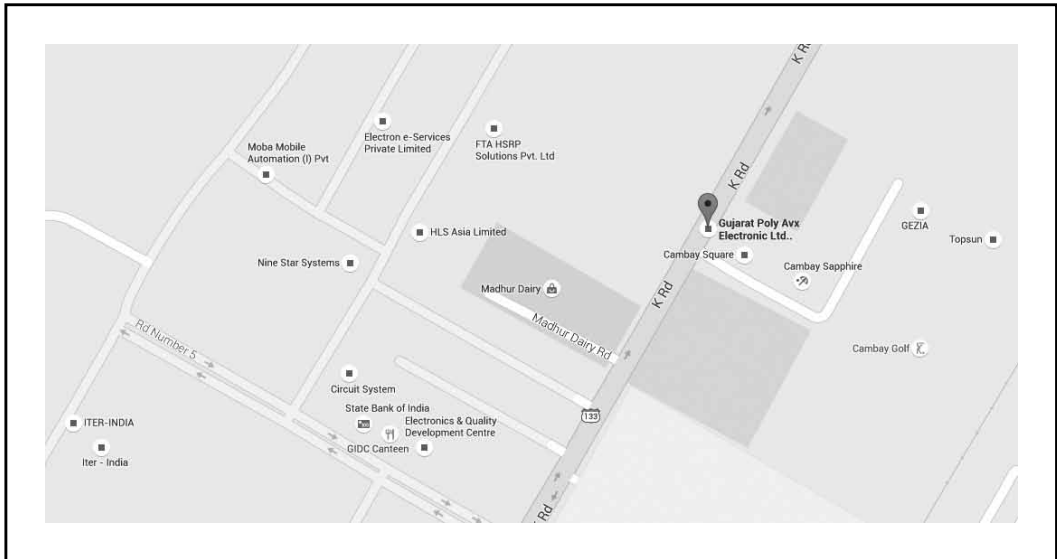
Company Secretary &amp; Compliance Officer

(ACS No.: 15068)

Place: Mumbai

Date: May 10, 2019

**Route Map to the Venue of the 30<sup>th</sup> Annual General Meeting  
to be held on Tuesday, 30<sup>th</sup> July, 2019**



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

**GUJARAT POLY ELECTRONICS LIMITED****Registered Office:** B 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 THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 30<sup>th</sup> July, 2019 at 12.00 noon at B-18, Gandhinagar Electronic Estate, Gandhinagar 382 024, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below.

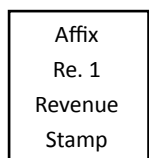
Resolution No.	Resolutions	Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Accounts		
2.	Re-appointment of Mr. A.H.Mehta, who retires by rotation.		
<b>Special Business</b>			
3.	Determination of fees for delivery of any document through a particular mode of delivery to members of the Company.		
4.	Appointment of Mr. R. P. Vahi as an Independent Non-Executive Director.		
5.	Appointment of Mr. P. J. Parikh as Nominee Director.		
6.	Re-Appointment of Mr. C. K. Khushaldas as an Independent Director for Second Term.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of the Member \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

**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.





If not delivered, please return to:

**GUJARAT POLY ELECTRONICS LIMITED**

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