



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

# 29th ANNUAL REPORT

**2017  
2018**



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

**TWENTY NINTH ANNUAL REPORT 2017-2018**

ANNUAL GENERAL MEETING  
ON Friday, 24<sup>th</sup> August, 2018,  
At B-17/18, Gandhinagar Electronic Estate,  
Gandhinagar - 382 024, Gujarat, at 12.00 noon.

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

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**BOARD OF DIRECTORS**

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

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



## **NOTICE**

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of GUJARAT POLY ELECTRONICS LIMITED (formerly known as "Gujarat Poly-AVX Electronics Limited") will be held at B-17/18, Gandhinagar Electronic Estate, Gandhinagar-382024, Gujarat, on Friday, 24<sup>th</sup> August, 2018 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, 2018, including the audited Balance Sheet as at 31st March, 2018, 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. T. R. Kilachand (DIN 00006659), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Y. K. Vyas (DIN 03420201), who retires by rotation, and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification/s the following resolution as a Special Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, approval of the members of the Company be and is hereby accorded to the appointment of Mr. T. R. Kilachand, (DIN 00006659), as Chairman and whole-time Director to be designated as 'Executive Chairman' of the Company, for a period of 3 years with effect from 1<sup>st</sup> June, 2018, upon the terms and conditions, including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. T. R. Kilachand, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof from time to time."

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

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

### **Registered Office:**

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

**Date:** May 29, 2018.

**D. H. UPADHYAYA**  
**(ACS No. 15068)**

Company Secretary & Compliance Officer

**NOTES:**

- (a) An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business under Item No. 4 to be transacted at the meeting, is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
- (c) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (d) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (e) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. up to the date of the Meeting.
- (f) Brief resume of Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under as required in terms of regulation 36(3)(a) of Securities and Exchange Board of India, (Listings Obligations and Disclosures Requirements) Regulations 2015 are provided in page No.4.
- (g) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 11<sup>th</sup> July, 2018 to Wednesday, 18<sup>th</sup> July, 2018 (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.
- (n) Members holding shares in physical form are requested to get them dematerialized, as the shares of the Company are under compulsory demat system.
- (o) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2018
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 2018-19 to the above Stock Exchange.

By Order of the Board of Directors

**D. H. UPADHYAYA**  
(ACS No. 15068)

Corporate Identification Number  
(CIN): L21308GJ1989PLC012743      Company Secretary & Compliance Officer

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

**Date:** May 29, 2018.



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

<b>Name of Director</b>	Mr. Tanil R. Kilachand	Mr. Yogesh K. Vyas
<b>Director Identification Number</b>	00006659	03420201
<b>Age</b>	81 years	59 years
<b>Qualification</b>	B.A. from Cambridge University in History & Law M.B.A. in Business Administration from Harvard Business School.	Bachelor of Science and Engineering (Chemical), From Regional Engineering College, Rourkela (Now NIT Rourkela) in the year 1982.
<b>Date of Appointment</b>	11.03.1992	13.02.2015
<b>Expertise</b>	He has 54 years of experience in Industry, Management, Implementation of projects etc. He has been associated with various chambers of commerce, charitable trusts and was the President of Indian Merchants' Chambers. He is Director/ Chairman of several companies.	He is working with State Financial Institution for last 35 years. He has been shouldered responsibilities in various department/ sections individually and collectively mainly in the field of Project Appraisal.
<b>Other Directorship as on 31<sup>st</sup> March, 2018 (Excluding Private Companies)</b>	1. Polychem Limited 2. Ginnors & Pressers Limited.	1. Gujarat Lease Financing Ltd 2. Gujarat Sidhee Cement Limited 3. Gujarat Industrial and Technical Consultancy Organisation Ltd 4. Gujarat State Machine Tools Corporation Ltd 5. Gujarat Trans Receivers Ltd
<b>No. of Equity Shares held</b>	49,602	120
<b>Relationship with other Directors</b>	Mr. Parthiv T. Kilachand, Director of the Company is son of Mr. Tanil R. Kilachand.	---

By Order of the Board of Directors

**D. H. UPADHYAYA**

**ACS No. 15068**

Company Secretary & Compliance Officer

Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

**Registered Office:**

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

**Date:** May 29, 2018.

## ANNEXURE TO THE NOTICE

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

The following Explanatory Statement, as required by Section 102(1) of the Companies Act, 2013 sets out the material facts relating to business under Item No. 4, mentioned in the accompanying Notice dated 29<sup>th</sup> May, 2018.

### ITEM NO. 4

The main terms of appointment of Mr. T. R. Kilachand as Chairman and whole-time Director to be designated as 'Executive Chairman' is placed before the meeting, are as follows:

#### I. SALARY:

Rs.50,000/- per month which may be increased by such amounts as the Board may determine from time to time subject to a maximum of Rs.5,00,000/- per month.

#### II. COMMISSION:

Commission of one percent of the net profit of the Company, subject to a ceiling of 50% of the salary or Rs.50,000/- per annum, whichever is less.

#### III. PERQUISITES:

##### A. 1. HOUSING:

- (a) In case of unfurnished accommodation, hired by the Company, such expenditure not exceeding 60% of the salary over and above 10% payable by the Executive Chairman.
- (b) In case the accommodation is owned by the Company, 10% of the salary of the Executive Chairman shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company, the Executive Chairman shall be entitled to House Rent Allowance, subject to the ceiling laid down in (a) above.

2. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962.
3. Reimbursement of medical expenses incurred for the Executive Chairman and his family, namely his wife, dependent children, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
4. Leave Travel Concession for the Executive Chairman and his family namely, his wife, dependent children once in a year incurred in accordance with the Rules specified by the Company.
5. Fees of two clubs, which will not include admission and Life Membership Fees.
6. Personal Accident Insurance of premium not exceeding Rs. 40,000/- per annum.
7. The Company's contribution to Provident Fund, Superannuation Fund and /or Annuity Fund. The same will not be included in the computation of the ceiling limit to the extent of the same either singly or

- put together are not taxable under Income Tax Act.
8. Gratuity as per the rules of the Company.
9. Free use of Companies car with driver for the business of the Company and telephone at his residence will not be considered as perquisites.
10. Mr. T. R. Kilachand will also be entitled to privilege leave on full pay and allowances, as per rules of the company.
11. Other Perquisites: Subject to overall ceiling on remuneration mentioned herein, the Executive Chairman may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time.

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

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

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

The remuneration is approved by the Remuneration Committee of the Directors at its meeting held on 29<sup>th</sup> May, 2018.

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

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

None of the other Directors or Key Managerial Personnel of the Company, except Mr. T. R. Kilachand and Mr. P. T. Kilachand are in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

**D. H. UPADHYAYA**

**ACS No. 15068**

Corporate Identification Number  
(CIN): L21308GJ1989PLC012743

Company Secretary & Compliance  
Officer

#### Registered Office:

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

**Date:** May 29, 2018.



## ANNEXURE A

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

**I. General Information:**

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

Sr. No	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
1.	Sales Turnover	1,441.21	1,225.44	1,153.02
2.	Profit before Interest, Depreciation and Tax	127.58	61.13	108.67
3.	Provisions for Tax	-	-	-
4.	Profit after Tax	66.53	(4.43)	39.34
5.	Other Comprehensive Income	2.09	(4.27)	-
6	Total Comprehensive Income	68.62	(8.70)	-

- (5) Foreign Investments or Collaborations, if any: None.

**II. Information about the appointee:**

**(1) Background details :**

Mr. T. R. Kilachand (DIN 00006659)

Mr. T. R. Kilachand holds a B. A. from Cambridge University in History and Law.

M.B.A. in Business Administration from Harvard Business School.

He has 54 years of experience in Industry, Management, Implementation of projects etc. He has been associated with various chambers of commerce, Charitable Trusts and was the President of Indian Merchants' Chambers. He is Director / Chairman of several companies.

**(2) Past Remuneration:** None

**(3) Recognition or awards:** None

**(4) Job profile and suitability:**

He has been involved with the Company since its incorporation and is familiar with all aspects of the Company. He had been serving as a Chairman of the Company from 11<sup>th</sup> March, 1992. Mr. T. R. Kilachand has been actively involved with GP&L right from the inception and is familiar with all aspects of the Company.

**(5) Remuneration Proposed:**

As stated in the Resolution proposed in the notice at item No. 4

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The Remuneration is proposed for Mr. T. R. Kilachand is similar to that drawn by the peers in the similar capacity in the similar industry.

**(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Mr. T. R. Kilachand holds 49,602 Equity shares of Rs.10/- each of the Company and remuneration to be paid to Mr. T. R. Kilachand, Other than these there is no pecuniary relationship of Mr. T. R. Kilachand, directly or indirectly with company or with its managerial personnel.

**III. Other Information:**

**(1) Reasons of loss or inadequacy profits :**

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

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

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

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

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

**IV. Disclosures:**

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





## E-VOTING INSTRUCTIONS

### Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, the Regulation 44 of SEBI (LODR) Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, 21<sup>st</sup> August, 2018 (9:00 am) and ends on Thursday, 23<sup>rd</sup> August, 2018 (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 Friday, 17<sup>th</sup> August, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open PDF file viz; "GPPEL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using "Forget User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - [Login](#)
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Gujarat Poly Electronics Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [mail@csraginichokshi.com](mailto:mail@csraginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
  - (i) Initial password is provided as below at the bottom of the Attendance Slip for the AGM:

**EVEN (Remote E-Voting Event Number)**  
**USER ID PASSWORD/PIN**
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17<sup>th</sup> August, 2018.
- X. Any person, who acquires shares of the Company and become member of the Company after 10<sup>th</sup> July, 2018 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 17<sup>th</sup> August, 2018, 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)
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Ms. Ragini Chokshi of Ragini Chokshi & Co., Practicing Company Secretary (CP 1436) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.gpelindia.com](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.

## DIRECTORS' REPORT

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

Your Directors' present the Twenty Ninth Annual Report and Statement of Accounts for the year ended 31<sup>st</sup> March, 2018.

	<b>01-04-17 to 31-03-18</b>	01-04-16 to 31-03-17
	<b>(Rs. in Lakhs)</b>	(Rs. in Lakhs)
<b>FINANCIAL RESULTS</b>		
Sales	<b>1,441.21</b>	1,225.44
Profit/(Loss) before Depreciation & tax	<b>76.54</b>	7.48
Depreciation	<b>10.01</b>	11.91
Profit & (Loss) before tax	<b>66.53</b>	(4.43)
Current tax	--	--
Deferred tax	--	--
Profit/(loss) after tax	<b>66.53</b>	(4.43)
Other Comprehensive Income	<b>2.09</b>	(4.27)
Total Comprehensive Income for the year	<b>68.62</b>	(8.70)

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

The Sales during the year was Rs.1,441.21 lakhs compared to previous year Sales of Rs.1,225.44 lakhs. During the year ended 31<sup>st</sup> March, 2018 the Company has earned a Profit of Rs.66.53 lakhs [(Previous year (Loss) of Rs.(4.43 lakhs)].

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

In view of the accumulated loss, your Directors have not been able to recommend any Dividend for the year 2017-2018.

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

During the financial year 2017 – 18, Five Board Meetings were held on the following dates:

- |                                    |                                     |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|
| (a) 29 <sup>th</sup> May, 2017     | (b) 21 <sup>st</sup> August, 2017   | (c) 13 <sup>th</sup> November, 2017 |
| (d) 5 <sup>th</sup> December, 2017 | (e) 30 <sup>th</sup> January, 2018. |                                     |

### 3. AUDIT COMMITTEE:

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

### 4. 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 is placed on the website of the company. The Board has also formulated the whistle blower policy, same has been uploaded on the website of the company. [http://www.gpelindia.com/gpelindia/Download/Whistle%20Blower%20Policy\\_14.pdf](http://www.gpelindia.com/gpelindia/Download/Whistle%20Blower%20Policy_14.pdf).

There was no reporting made by any employee for violations of applicable laws and regulations and the Code of Conduct for the F.Y. 2017-18.



**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, 2018 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2018;
- 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, 2015.

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

Mr.Y. K. Vyas, Director (GIIC Nominee) retires from Office by rotation, but being eligible, offers himself for re-appointment.

The Board at its meeting held on 29<sup>th</sup> May, 2018, appointed Mr. T. R. Kilachand, as Chairman and whole-time Director to be designated as 'Executive Chairman' for a period of 3 years from 1<sup>st</sup> June, 2018 upon the terms and conditions as set out in the explanatory statement annexed to the Notice.

The above re-appointments are placed before the Members for their approval at the 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 Directors that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013, under regulation 16(b) of SEBI (LODR) Regulations, 2015.

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

During the year 2017-18, Mr. A. H. Mehta, Managing Director of the Company has received Rs 2,098,796 /- 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, 2018 is Rs.4,42,44,320/-

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 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 Report is provided in sub-section 3 of section 92, are available on Company's website [www.gpelindia.com](http://www.gpelindia.com) as per the Companies (Amendment) Act, 2017.

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

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

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

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

**19. MANAGERIAL REMUNERATION:**

- i. The ratio of remuneration of Mr. A. H. Mehta, Managing Director with the median remuneration of the employees of the company is 8.88:1.
- ii. Increase in remuneration of Mr. A. H. Mehta, Managing Director is 9.36% and in Mr. H. H. Jani , Chief Financial officer is 10.70%
- iii. There is an increase of 8.03% in the median remuneration of employees in the financial year.
- iv. There are 38 permanent employees in the company.
- v. There is an increase of 17.61% in Company's Performance for the year considering the revenue from the operations and the average increase in the remuneration of the Company is 10.62% for the year. The increase in the remuneration was on account of the annual increment to the employee.
- vi. During the financial year 2017-18, remuneration to Key Managerial Personnel is Rs. 45,50,008/- as against the Company's performance is Rs. 14,41,21,073/- remuneration to performance ratio comes to 3.16%.
- vii. The price earning ratio for the year is 0.78 where as in previous year price earning ratio was (0.05). There is an increase in Market Capitalisation of the Company, Market capitalisation for current year is Rs. 11,92,72,500/- and for Previous year it was Rs. 7,70,35,500/-.
- viii. Average increase in the salaries of employees other than the managerial personnel was 08.07%.



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	25,77,166/-	14,41,21,073/-	1.79
H. H. Jani	16,59,315/-	14,41,21,073/-	1.15
D. H. Upadhyaya	3,13,527/-	14,41,21,073/-	0.22

- 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 0.89:1.
- 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.

**20. CORPORATE GOVERNANCE:**

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

**21. STATUTORY AUDITORS:**

M/s. Mahendra N. Shah & Co., Ahmedabad, bearing registration number 105775W, Chartered Accountants was appointed as statutory auditor of the Company at the 26th Annual General Meeting (AGM) held on 12<sup>th</sup> August, 2015 to hold office for a term of 5 years upto the conclusion of 31<sup>st</sup> AGM of the Company.

**22. 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 2019 on fees as may be mutually agreed.

The Secretarial Audit Report for F.Y. 2017-18 is enclosed and marked as **Annexure III**.

**23. ACKNOWLEDGEMENT:**

The Directors extend their sincere thanks to the State and Central Government Authorities and Members for their co-operation and continued support during the difficult times being experienced by the Company. Sincere thanks are also due to the management team and the staff for their valuable contribution despite adverse circumstances being faced by the Company.

By Order of the Board of Directors

**T. R. KILACHAND**  
 Chairman

Corporate Identification Number  
 (CIN): L21308GJ1989PLC012743

**Registered Office:**

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

**Date:** May 29, 2018.

## ANNEXURE I

### A. CONSERVATION OF ENERGY

#### FORM - A

- a) Energy conservation steps taken :
- i) Replacement of old control Instruments with efficient, automated and accurate instruments leading to increase in the performance of the machines & improve productivity.
  - ii) This has lead to low consumption of energy and improved performance of the equipment.
  - iii) Control usage of Utility equipment (chiller, compressor etc.).
  - iv) Replacing Tube Lights & CFL with LED lighting in street lighting and few points on shop floor resulting in energy conservation.
- b) Additional Investments & Proposals being implemented:
- i) Cut down in the utilization of all the installed equipment, thereby reducing the energy consumption.
  - ii) By Scheduling of preventive maintenance and monitoring of the Production machinery thereby improving down time.
- c) Impact of measures at (a) & (b) above:  
The above implementation has resulted in achieving better productivity and reduce energy cost by reduced break down time.
- d) Power & Fuel Consumption :
- |                    | 2017-18  | 2016-17  |
|--------------------|----------|----------|
| Units (Kwh)        | 74,277   | 73,683   |
| Total Amount (Rs.) | 8,84,160 | 8,69,463 |

#### FORM - B

### B. TECHNOLOGY ABSORPTION

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

- i) Import substitution of imported spares from local vendors at a low cost.
- ii) Improve Material Handling methods leading to higher productivity.
- iii) Better control in the Manufacturing Process by Employing Statistical Process Control Charts at the strategic stages.
- iv) Regular Quality Control checks of the critical parameters in process to control quality at all stages.

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

- i) Increase in Productivity.
- ii) Reduce the procurement of imported spares.
- iii) Better Yields & Consistent manufacturing process.

#### 3. FUTURE PLAN OF ACTION

- i) Develop new Products for Market Development.
- ii) To support Customers with full range of products similar to our present range of products & offer wide range of product basket to existing and new customers.

#### 4. EXPENDITURE OF R & D

Negligible

### TECHNOLOGY – ABSORPTION, ADAPTATION & INNOVATION

#### (1) (a) Technology Absorption

Technology Absorption is complete in the areas commissioned

#### (b) Adaptation

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

#### (c) Innovation

Systems adopted have led to new product developments.



**(2) BENEFITS**

- i) Increase in product range.
- ii) Reduction in down time and improve energy consumption.

**(3) IMPORTED TECHNOLOGY**

No additional import of Technology in the Financial Year 2017-18.

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO**

- i) Total Foreign Exchange used: Rs. 6,68,69,409/-
- ii) Total Foreign Exchange earned: Rs. NIL

**ANNEXURE II**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2018**  
**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 (Formerly known as Gujarat Poly-AVX 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 – 17/18, 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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% 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.	28,66,154	17,49,998	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>33,63,257</b>	<b>17,49,998</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>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	325,799	1,460	327,259	3.83	3,25,799	1,460	3,27,259	3.83	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Trust	60	-	60	0.00	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	<b>325,859</b>	<b>1,460</b>	<b>327,319</b>	<b>3.83</b>	<b>325,799</b>	<b>1,460</b>	<b>327,259</b>	<b>3.83</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	27,072	-	27,072	0.32	30,328	-	30,328	0.35	0.03
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-





i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,32,576	14,91,057	25,23,633	29.52	7,90,263	14,84,518	22,74,781	26.61	-2.91
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,19,880	-	4,19,880	4.91	6,17,496	-	6,17,496	7.22	2.31
c) Others (specify)									
Directors other than Promoters	1,25,795	-	1,25,795	1.47	1,25,795	-	1,25,795	1.47	-
Non Resident Indians	2,035	11,011	13,046	0.15	3,425	10,768	14,193	0.17	0.02
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	38,312	-	38,312	0.45	0.45
Clearing Members	-	-	-	-	8,521	-	8,521	0.10	0.10
Trusts	-	-	-	-	60	-	60	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	<b>16,07,358</b>	<b>15,02,068</b>	<b>31,09,426</b>	<b>36.37</b>	<b>16,14,200</b>	<b>14,95,286</b>	<b>31,09,486</b>	<b>36.37</b>	<b>-</b>
Total Public Shareholding (B)=(B)(1)+ (B) (2)	<b>19,33,217</b>	<b>15,03,528</b>	<b>34,36,745</b>	<b>40.20</b>	<b>19,39,999</b>	<b>14,96,746</b>	<b>34,36,745</b>	<b>40.20</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>52,96,474</b>	<b>32,53,526</b>	<b>85,50,000</b>	<b>100</b>	<b>70,53,254</b>	<b>14,96,746</b>	<b>85,50,000</b>	<b>100</b>	<b>-</b>

**B) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year. (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% 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 (01-04-17) / end of the year (31-03-18)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
							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, 2018 (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Top 10 Shareholders	No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
							No. of shares	% of total shares of the company
1	ICICI Bank Ltd	2,39,011	2.80	01.04.2017	No change during the year			
		<b>2,39,011</b>	<b>2.80</b>	<b>31.03.2018</b>				
2.	Harsha Hitesh Javeri	2,40,000	2.81	01.04.2017				
				02.02.2018	10,210	Bought	2,50,210	2.93
				09.02.2018	15,170	Bought	2,65,380	3.10
				16.02.2018	1,325	Bought	2,66,705	3.12
		<b>2,66,705</b>	<b>3.12</b>	<b>31.03.2018</b>				
3.	Hitesh Ramji Javeri	1,79,880	2.10	01.04.2017				
				12.01.2018	4,111	Bought	1,83,991	2.15
		<b>1,83,991</b>	<b>2.15</b>	<b>31.03.2018</b>	-	-	-	-
4.	Bank of Baroda	86,788	1.01	01.04.2017	No change during the year			
		<b>86,788</b>	<b>1.01</b>	<b>31.03.2018</b>				
5.	Nandish T. Kilachand	45,832	0.53	01.04.2017	No change during the year			
		<b>45,832</b>	<b>0.53</b>	<b>31.03.2018</b>				
6.	Neka Shah	90,000	1.05	01.04.2017				
				12.05.2017	2,064	Bought	92,064	1.08
		<b>92,064</b>	<b>1.08</b>	<b>31.03.2018</b>				



Sr. No.	For Top 10 Shareholders	No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total shares of the company	Date	Increase / Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
							No. of shares	% of total shares of the company
7.	Saurav Gupta	25,170	0.30	01.04.2017				
		<b>25,170</b>	<b>0.30</b>	<b>31.03.2018</b>				No change during the year
8	Sunil Vishandas Tinani	0	0	01.04.2017				
				16.02.2018	4,650	Bought	4,650	0.05
				23.02.2018	3,350	Bought	8,000	0.09
				02.03.2018	12,000	Bought	20,000	0.23
		<b>20,000</b>	<b>0.23</b>	<b>31.03.2018</b>				
9.	Parul Piyush Desai	14,750	0.17	01.04.2017				
		<b>14,750</b>	<b>0.17</b>	<b>31.03.2018</b>				No change during the year
10.	Nilima T. Kilachand	12,353	0.14	01.04.2017				
		<b>12,353</b>	<b>0.14</b>	<b>31.03.2018</b>				No change during the year
11.	Vinodini Pratap Shah	20,073	0.30	01.04.2017				
				26.01.2018	-5,000	Sold	15,073	0.18
				16.02.2018	-2,073	Sold	13,000	0.15
				23.02.2018	-3,572	Sold	9,428	0.11
				02.03.2018	-1,428	Sold	8,000	0.09
		<b>8,000</b>	<b>0.09</b>	<b>31.03.2018</b>				
12.	Kalawanti Lalwani	14,396	0.17	01.04.2017				
				02.03.2018	14,396	Sold	0	0
		<b>0</b>	<b>0</b>	<b>31.03.2018</b>				

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

Sr. No.	Promoters	No. of Shares at the beginning (01-04-17) / end of the year (31-03-18)	% of total shares of the company	Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
							No. of shares	% of total shares of the company
	<b>Directors</b>							
1	Tanil R. Kilachand	49,602	0.58	01.04.2017	0			
		<b>49,602</b>	<b>0.58</b>	<b>31.03.2018</b>	0			No change during the year
2.	Parthiv T. Kilachand	17,682	0.20	01.04.2017	0			
		<b>17,682</b>	<b>0.20</b>	<b>31.03.2018</b>	0			No change during the year
3	Atul H. Mehta	206	0.01	01.04.2017	0			
		<b>206</b>	<b>0.01</b>	<b>31.03.2018</b>	0			No change during the year
4	Chandrakant K. Khushaldas							Do not hold any shares in the Company
5	Yogesh K. Vyas (Nominee of GIIC)	120	0.01	01.04.2017	0			
		<b>120</b>	<b>0.01</b>	<b>31.03.2018</b>	0			No change during the year

Sr. No.	Promoters	No. of Shares at the beginning (01-04-17) / end of the year (31-03-18)	% of total shares of the company	Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
							No. of shares	% of total shares of the company
6	Saloni Jhaveri					Do not hold any shares in the Company		
7	Jigen A. Mehta					Do not hold any shares in the Company		
	<b>KMPs</b>							
8	D. H. Upadhyaya	60	0.01	01.04.2017	0	No change during the year		
		<b>60</b>	<b>0.01</b>	<b>31.03.2018</b>	0			
9	Harshad H. Jani	190	0.01	01.04.2017	0	No change during the year		
		<b>190</b>	<b>0.01</b>	<b>31.03.2018</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	-	44,600,000	-	44,600,000
ii) Interest due but not paid	-	5,151,060	-	5,151,060
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	49,751,060	-	49,751,060
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	4,593,260	-	4,593,260
* Reduction	-	10,100,000	-	10,100,000
<b>Net Change</b>	-	(5,506,740)	-	(5,506,740)
<b>Indebtedness at the end 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



**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	
		A. H. Mehta - MD	
1	Gross salary	2,172,205*	2,172,205
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,159,505	2,159,505
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12,700	12,700
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>2,172,205</b>	<b>2,172,205</b>
	Ceiling as per the Act	6,000,000	6,000,000

\*Excluding retiral benefits.

**B. Remuneration to other directors**

(In Rupees)

	Particulars of Remuneration	Name of Directors						Total Amount
		C. K. Khushaldas	J. A. Mehta	S. A. Jhaveri	T. R. Kilachand	P. T. Kilachand	Y. K. Vyas	
		Independent Directors			Non-Executive Directors			
1	<b>Independent Directors</b>							
	Fee for attending board committee meetings	32,400	32,400	18,000	-	-	-	82,800
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>32,400</b>	<b>32,400</b>	<b>18,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,800</b>
2	<b>Other Non-Executive Directors</b>							
	Fee for attending board committee meetings	-	-	-	32,400	14,400	7,200	54,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,400</b>	<b>14,400</b>	<b>7,200</b>	<b>54,000</b>
	<b>Total (B)=(1+2)</b>	<b>32,400</b>	<b>32,400</b>	<b>18,000</b>	<b>32,400</b>	<b>14,400</b>	<b>7,200</b>	<b>1,36,800</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.

**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	2,80,780*	14,08,579**	16,89,359
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,72,880*	14,00,679**	16,73,559
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,900	7,900	15,800
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	2,80,780	14,08,579	16,89,359

\*Excluding Provident Fund

\*\*Excluding Provident Fund and Superannuation Fund

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

No such Penalties or Punishment or Compounding of offence was there during the Financial Year 2017-18 under Companies Act, 2013.



## **ANNEXURE III**

### **FORM NO. MR - 3**

#### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2018

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2018 ("**Audit Period**") complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

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

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

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

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

**I further report that:**

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

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

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

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

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

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

Company Secretaries

**Devang J. Vyas**

Proprietor

FCS 2874 / COP 1775

Place: Mumbai

**Date:** 29<sup>th</sup> May, 2018





## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OVERVIEW

The facility to manufacture Multilayer Ceramic Capacitors was set up in the Pollution Free Electronics Estate in Gandhinagar, Gujarat. Other similar products like Single Layer Ceramic Capacitors, both High & Low voltage, & MOV's were added to the Product range. The Company now has outsourced the parts through imports & sell as well as manufacture these products. In addition to the above, we are also Dealers for Other types of Capacitors & Diodes.

GP&L Products are a bench mark in the market place and are well received by the Indian Electronic Industry.

### INDUSTRIAL STRUCTURE & DEVELOPMENT.

Electronic Components are the building Blocks of any Electronic Industry, which is one of the fastest growing Industry in India & can be classified into 2 types – Active & Passive Components. Ceramic Capacitors are Passive Components, characterized by their miniature size & Wide range. They find applications in Tuning Circuits, Timing Circuits, Coupling & Decoupling, Filtering, Power Factor compensation etc. & are the most widely used components encompassing all Segments of the Electronic Industry.

The Electronic Industry can be segmented into the following major Areas:

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

Our Components are required by practically all the above Segments by the Original Equipment Manufacturers (OEM's). We supply parts directly to the OEM's or through our Dealer network.

### OPPORTUNITIES & THREATS.

Ceramic Capacitors are perhaps the most popular Components for the Electronic Industry and are typically characterized by

- Low Cost
- Miniature size
- Exhibit Superior Electrical characteristics in comparison to other types of Capacitors.
- Can be molded into any shape.

The Threats include

- Electronic Passive Components are very easy to Import with NIL Import Duty.
- Major Customers in the Electronic Industry employ new Technologies & Import parts in Kit Form.
- Similarly, the EMS Segment, which constitutes over 30% of the Electronic Market has access to Global Sourcing, due to high volume business & Import parts in large quantities.
- Due to the influence of Chinese Suppliers, the prices are fiercely competitive.
- The volatility in Foreign Exchange is likely to impact on the bottom lines.

### RISK & CONCERNS

1. Due to emerging Technologies in the Electronic Industry, Obsolescence is a major concern for the Electronic Component Industry.
2. A local Purchase decision can be influenced only if sufficient stocks are maintained as the customers expect prompt deliveries.
3. Deliveries & Competitive Prices are the prime movers that control the market.
4. Competition with Chinese sources are likely to impact the bottom lines in view of the competitive nature of the Indian Market.

### PERFORMANCE BY SECTOR

The overall Market Scenario was upbeat particularly in the later half of the FY. Deliveries were particularly sluggish and there was an acute shortage of items, driving the prices upwards. The EMS Segment was the worst hit while the Industrial & Instrumentation Electronics Segment did reasonably well. The Automotive Industry too, recorded a growth while the Dealers preferred to play safe by procuring parts on back to back orders only.

Product wise the Market for SMD's dominated the sales & could have been better but for the shortages. The Radial Business too was upbeat, However, the Single Layer Ceramic Capacitors recorded a decline. Tancaps & Other Traded Products also recorded an increase in Sales over Previous year.

Due to the above reasons, the sales increased to Rs.1441.21 Lakhs in comparison to Rs.1225.44 Lakhs previous year an increase of 17 %.

## **OUTLOOK**

The Directors are hopeful of increasing the sales turnover of components by adding other products to our line of products & there by 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.

Your Company has nominated Internal Auditors who evaluate all financial and operating system control of the company. The Internal Auditors also review the internal controls to ensure Accounts of the Company are maintained and transactions are in accordance with the prevailing laws and regulations.

Internal Audit findings and recommendations are reviewed by the top management and the Audit Committee of the Board. The Committee reviews the quarterly, half yearly and annual financial statements before these are submitted to the Board and ensures compliance of internal control system.

## **FINANCIAL PERFORMANCE**

### **Reserves & Surplus**

During the year under review retained earnings (loss) are (Rs.1,579.69 lakhs) compared to retained earnings (loss) of (Rs.1,648.31 lakhs) in the previous year.

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

The Net Block as on 31.03.2018 is Rs.169.14 lakhs compared to Rs.177.82 lakhs for previous year. The net block gone down due to depreciation / adjustment for the 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.879.86 lakhs as compared to net current liabilities of Rs.957.66 lakhs in the previous year.

## **Results of operations**

The revenue during the year has increased from Rs.1,225.44 lakhs to Rs.1,441.21 lakhs. Company has earned a profit of Rs.66.53 lakhs as compared to previous year loss of Rs.4.43 lakhs. Provisions for the interest and financial charges are Rs.51.04 lakhs compared to Rs.53.65 lakhs during the previous year.

Payment to and provision for employee's amounts to 16.05 % of sales compared to 17.48 % in the previous year. Depreciation amounts to 0.69 % of sales during the year compared to 0.97 % in the previous year.

The Company cannot recommend dividend due to accumulated losses.

## **Material Development in Human resources**

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



## CORPORATE GOVERNANCE REPORT

### I. Company's Philosophy on Corporate Governance:

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

### II. Board of Directors

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

The details of Directors being appointed and re-appointed in the ensuing Annual General Meeting have been given in the Notice calling the Twenty Ninth 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 31.03.2018

#### 1. Financial Year April 17 to March 18

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 21.08.17	Board Meeting Sitting Fees paid Rs.	Other Directorship in Public Limited Companies	Committee Membership/ Chairmanship
Mr. T. R. Kilachand	Chairman NED	5	5	Yes	20,000/-	2	2
Mr. P. T. Kilachand	NED	5	4	No	16,000/-	4	2
Mr. A. H. Mehta	MD	5	5	Yes	-	3	-
Mr. C. K. Khushaldas	NED(I)	5	5	Yes	20,000/-	1	-
Mr. Y. K. Vyas (Nominee of GIIC)	NED	5	2	Yes	8,000/-	5	-
Mr. J. A. Mehta	NED(I)	5	5	Yes	20,000/-	2	-
Ms. S. A. Jhaveri	NED(I)	5	3	No	12,000/-	-	-

#### Notes:

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

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

During the financial year 2017 – 18, Five Board Meetings were held on the following dates:

- (a) 29<sup>th</sup> May, 2017                      (b) 21<sup>st</sup> August, 2017                      (c) 13<sup>th</sup> November, 2017  
(d) 5<sup>th</sup> December, 2017                      (e) 30<sup>th</sup> January, 2018.

**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 30<sup>th</sup> January, 2018 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 time liness of the flow of information between the Company's management and the Board and its committees.

<b>Name of the Director</b>	<b>Category</b>	<b>Meeting Attended</b>
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 programme has been disclosed on the company's website. <http://www.gpelindia.com/Download/gpelindia-%20Familiarisation%20Programme.pdf>

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

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

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

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

**9. Code of Conduct**

The Company has framed and adopted a Code of Conduct, which is applicable to all the directors and members of the senior management in terms of Regulation 17(5)(a) of SEBI (LODR) Regulations, 2015. The said code, 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 31.03.2018.

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

**A. H. Mehta**  
Managing Director

**III. Audit Committee:**

I. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and



Regulation 18 of SEBI (LODR) Regulations, 2015.

Terms of reference of the Audit Committee are:

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

ii. Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

iii. Composition and Attendance

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

- (a) 29<sup>th</sup> May, 2017                      (b) 21<sup>st</sup> August, 2017                      (c) 5<sup>th</sup> December, 2017                      (d) 30<sup>th</sup> January, 2018.

Name of the Director	Category	No. of Meetings attended	Sitting fees paid. (Rs.)
Mr. C. K. Khushaldas	Chairman	4	16,000/-
Mr. T. R. Kilachand	Member	4	16,000/-
Mr. J. A. Mehta	Member	4	16,000/-
Ms. S. A. Jhaveri	Member	2	8,000/-

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

The Company Secretary acts as the Secretary to the Committee.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

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

#### **IV. Nomination & Remuneration Committee:**

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

##### **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.

During the year 2017-18, two meetings of the Nomination and Remuneration Committee were held as follows:

- (a) 29<sup>th</sup> May, 2017                      (b) 30<sup>th</sup> January, 2018

The Composition of the Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2018 was as under:

Name of the Director	Category	No. of Meeting/s	
		Held	Attended
Mr. C. K. Khushaldas	Chairman	2	2
Mr. T. R. Kilachand	Member	2	2
Mr. J. A. Mehta	Member	2	2
Ms. S. A. Jhaveri	Member	2	1

All the above directors are Non-Executive and the Chairman is an Independent Director. 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 of the Company for attendance during the meeting. The Managing Director is paid remuneration of Rs.25,77,166/- 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.

**V. Stakeholders Relationship Committee**

The Shareholders'/Investors' Grievance Committee has been constituted as '**Stakeholders Relationship Committee**' with effect from 13<sup>th</sup> February, 2015 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. T. R. Kilachand	Chairman	9	9
Mr. P. T. Kilachand	Member	9	9
Mr. A. H. Mehta	Member	9	9

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

Share Transfer formalities are attended to once a week.

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

Three complaints were received during the year ended on 31<sup>st</sup> March, 2018 and no complaints were pending as on 31<sup>st</sup> March, 2018.



## VI. General Body Meetings:

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

Financial Year	AGM	Location	Date	Time	No. of Special Resolutions passed
2014 - 15	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	12.08.2015	12.00 noon	3
2015 - 16	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	05.08.2016	12.00 noon	1
2015 - 16	EGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	11.08.2016	11.00 am	1
2016 - 17	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	21.08.2017	12.00 noon	1

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

## VII. Disclosure

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

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

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

The details of transactions of the company with the related parties have been disclosed as Note No.4. 13 of the Notes on Accounts.

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

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

### 3. Whistle Blower Mechanism

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

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

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

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

### 5. Web Link of Policies :

- The Company has no subsidiary and hence there is no need to frame any policy for determining "material" subsidiary.
- 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)
- The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

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

## VIII. CEO/CFO Certification

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

- 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, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reportings and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee those deficiencies of which they are aware, in the design or operation of such internal control and that they have taken the required steps to rectify these deficiencies.
- (d) They further certify that they have indicated to the auditors and Audit Committee-
- (i) there have been no significant changes in internal control over financial reporting during the year.
  - (ii) there 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.

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

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

1. Audit Qualifications:
  - (a) The Company's financial statements for the year ended 31<sup>st</sup> March, 2018 do not contain any qualification.
  - (b) Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2018 does not contain any qualification.
2. Separate posts of Chairman and CEO: The Chairman of the Board's position is separate from that of Managing Director.
3. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**X. Means of Communications**

The quarterly results are communicated to Bombay Stock Exchange Ltd., Mumbai. These results are also published in one English Newspaper i.e. The Indian Express, Ahmedabad and one Regional language Newspaper i.e. Financial Express times, Ahmedabad. Results of 4<sup>th</sup> quarter i.e. Quarter ended 31<sup>st</sup> March, 2018 has been uploaded on the Company's website: [www.gpelindia.com](http://www.gpelindia.com).

**XI. General Shareholder Information**

AGM: Date	24 <sup>th</sup> August, 2018
Time	12.00 noon
Venue	B-17/18, Gandhinagar Electronic Estate, Gandhinagar - 382 024, Gujarat.
Financial Year	April 2017 to March 2018
e-voting period	From 9a.m.Tuesday, 21 <sup>st</sup> August, 2018 to 5p.m. Thursday, 23 <sup>rd</sup> August, 2018
Cut-off date for e-voting	17 <sup>th</sup> August, 2018
Dates of Book Closure	Wednesday, 11 <sup>th</sup> July, 2018 to Wednesday, 18 <sup>th</sup> July, 2018
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 2017-2018.	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	The Shares are traded compulsorily in the Demat form effective 6.12.2002. Shares sent for transfer are registered and returned within 15 days from the date of receipt, if the documents are clear in all respects.
Distribution of shareholding & Category-wise distribution	See Table No. 2 & 3
Dematerialisation of shares	See Table No. 4.
Plant Location	B-17/18, Gandhinagar Electronic Estate, Gandhinagar-382024 (Gujarat) Telephone : 079-23287162 / 63 Fax: 079-23287161 Email: <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 (based on closing prices) and number of shares traded during each month in the last financial year on The Bombay Stock Exchange Ltd., are summarized as herein below

Month	Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Total Number of Shares traded
April - 2017	13.52	9.01	9,186
May - 2017	16.10	10.54	5,949
June - 2017	-	-	-
July - 2017	-	-	-
August - 2017	-	-	-
September - 2017	-	-	-
October - 2017	15.30	12.55	645
November - 2017	11.95	10.69	393
December - 2017	10.69	8.13	5,850
January - 2018	14.65	9.00	28,623
February - 2018	17.09	12.16	90,277
March - 2018	16.70	12.70	43,078

**Table 2**  
**Distribution of Shareholding as on 31.03.2018.**

No. of Equity Shares.	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 500	17,18,776	20.11	22,135	97.77
501 to 1000	2,38,091	2.78	316	1.39
1001 to 2000	1,62,537	1.90	109	0.48
2001 to 3000	75,411	0.88	30	0.13
3001 to 4000	45,615	0.53	13	0.06
4001 to 5000	51,036	0.60	11	0.05
5001 to 10000	77,783	0.91	11	0.05
10001 and above	61,80,751	72.29	16	0.07
<b>Total</b>	<b>85,50,000</b>	<b>100.00</b>	<b>22,641</b>	<b>100.00</b>

**Table 3**  
**Category-wise distribution of shareholding as on 31.03.2018**

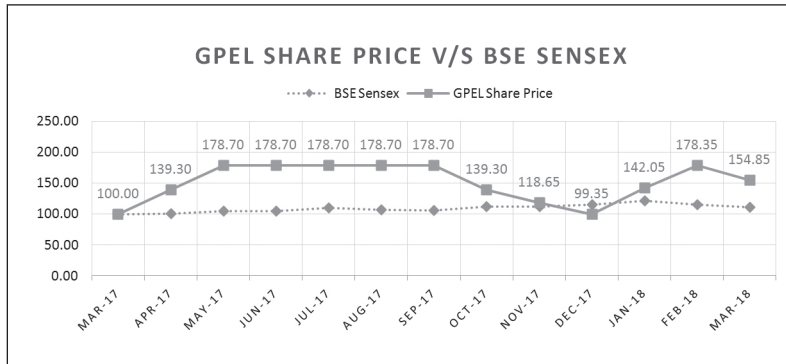
Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	2	51,13,255	59.80
2.	Institutions:			
a.	Mutual Funds	-	-	-
b.	Banks & FI	4	3,27,259	3.83
c.	Insurance Companies	-	-	-
d.	Others	-	-	-
3.	Non – Institutions:			
a.	Bodies Corporate	42	30,328	0.35
b.	NRI	26	14,193	0.17
c.	HUF	71	38,312	0.45
d.	Clearing Members	9	8,521	0.10
e.	Trusts	1	60	-
4.	Directors other than Promoters and their Relatives	6	1,25,795	1.47
5.	Resident Individuals	22,480	28,92,277	33.83
	<b>Total</b>	<b>22,641</b>	<b>85,50,000</b>	<b>100</b>

**Table 4**  
**Break-up of shares in physical & electronic mode as on 31.03.2018.**

Mode	No. of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	18,915	83.54	14,96,746	17.51
Electronic	3,726	16.46	70,53,254	82.49
Total	22,641	100.00	85,50,000	100.00



**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 31st March 2017

**AUDITOR’S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**The Members of  
Gujarat Poly Electronics Limited**

We have examined the compliance of conditions of Corporate Governance by Gujarat Poly Electronics Limited for the year ended March 31, 2018 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

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

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

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

Ahmedabad  
29<sup>th</sup> May, 2018

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

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GUJARAT POLY ELECTRONICS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors report) Order, 2016 ("The Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the **Annexure "A"** statement on the matter specified in paragraphs 3 & 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
  - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in **Annexure "B"**.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
    - (i) The Company has disclosed the impact of pending litigation on its financial position in its standalone Ind AS financial statements. Refer to Note 4.02 to the standalone Ind AS 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.

Ahmedabad  
29<sup>th</sup> May, 2018

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

**CA. Chirag M. Shah**  
Partner  
Membership No.: 45706



## **“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, 2018:

1. In respect of Fixed Assets :

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

2. In respect of Inventories:

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

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

authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

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

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

**CA. Chirag M. Shah**  
Partner  
Membership No.: 45706

Ahmedabad  
29<sup>th</sup> May, 2018

## 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, 2018 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, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting was operating effectively as on March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

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

**CA. Chirag M. Shah**  
 Partner  
 Membership No.: 45706

Ahmedabad  
 29<sup>th</sup> May, 2018



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

All amounts are in '000 unless otherwise stated

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2.01	16,770	17,606	19,547
Other Intangible assets	2.02	144	177	418
Financial assets				
Other financial assets	2.03	485	485	454
Deferred tax assets (Net)	2.04	-	-	-
Other non current assets	2.05	18	18	11
<b>Total non-current assets</b>		<b>17,417</b>	<b>18,286</b>	<b>20,430</b>
<b>Current Assets</b>				
Inventories	2.06	28,313	32,454	29,429
Financial Assets				
Trade receivables	2.07	40,339	30,001	30,773
Cash and cash equivalents	2.08	2,850	2,229	3,513
Bank balances other than 2.08 above	2.09	52	52	52
Loans	2.10	398	163	207
Other financial assets	2.03	17	19	19
Other current assets	2.05	296	3,139	2,585
<b>Total current assets</b>		<b>72,265</b>	<b>68,057</b>	<b>66,578</b>
<b>Total assets</b>		<b>89,682</b>	<b>86,343</b>	<b>87,008</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	2.11	85,500	85,500	85,500
Other Equity	2.12	(157,969)	(164,831)	(163,961)
<b>Total equity</b>		<b>(72,469)</b>	<b>(79,331)</b>	<b>(78,461)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provisions	2.13	1,900	1,851	2,027
<b>Total non-current liabilities</b>		<b>1,900</b>	<b>1,851</b>	<b>2,027</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	2.14	44,244	44,600	44,600
Trade payables	2.15	9,473	8,136	12,145
Other financial liabilities	2.16	98,150	103,301	100,596
Other current liabilities	2.17	6,904	6,158	5,070
Provisions	2.13	1,480	1,628	1,031
<b>Total current liabilities</b>		<b>160,251</b>	<b>163,823</b>	<b>163,442</b>
<b>Total equity and liabilities</b>		<b>89,682</b>	<b>86,343</b>	<b>87,008</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 29, 2018

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 29, 2018



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in '000 unless otherwise stated

Particulars	Note No.	Year Ended March 31,2018	Year Ended March 31,2017
<b>Income</b>			
Revenue from operations	3.01	144,121	122,544
Other income	3.02	842	1,075
<b>Total Income</b>		<b>144,963</b>	<b>123,619</b>
<b>Expenses</b>			
Cost of materials consumed	3.03	717	816
Purchase of stock-in-trade	3.04	86,612	81,838
Changes in inventories of stock-in-trade	3.05	1,348	(2,937)
Operational expenses	3.06	20,393	16,832
Employee benefits expense	3.07	23,135	20,957
Finance costs	3.08	5,104	5,365
Depreciation and amortization expense	3.09	1,001	1,191
<b>Total Expenses</b>		<b>138,310</b>	<b>124,062</b>
<b>Profit / (loss) before tax</b>		6,653	(443)
Tax expenses			
Current tax		-	-
<b>Profit/ (loss) for the period</b>		<b>6,653</b>	<b>(443)</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		209	(427)
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive Income / (Loss)</b>		209	(427)
<b>Total comprehensive Income for the year</b>		<b>6,862</b>	<b>(870)</b>
Earnings per equity share :			
Basic (in Rs.)		0.78	(0.05)
Diluted (in Rs.)		0.78	(0.05)

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 29, 2018

For and on behalf of the Board of Directors

**T. R. Kilachand**  
Chairman  
DIN 00006659

**H. H. Jani**  
Chief Financial officer

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Managing Director  
DIN 00005523

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

**Place:** Mumbai  
**Date:** May 29, 2018





## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in '000 unless otherwise stated

Equity share capital	Note No.	Amount.
Balance as at April 1, 2016		85,500
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2017</b>		<b>85,500</b>
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2018</b>		<b>85,500</b>
<b>Other Equity</b>		
Particulars		Total Other equity
Balance at April 1, 2016		(163,961)
Profit for the year		(443)
Other comprehensive income		(427)
<b>Total comprehensive income for the year</b>		<b>(870)</b>
<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>

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 29, 2018

For and on behalf of the Board of Directors

**T. R. Kilachand**  
Chairman  
DIN 00006659

**H. H. Jani**  
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Managing Director  
DIN 00005523

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

**Place:** Mumbai  
**Date:** May 29, 2018

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in '000 unless otherwise stated

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>(A) Cash flow From Operating Activities</b>		
Profit before income tax	6,653	(443)
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	1,001	1,191
Amount no longer payable written back	(49)	(158)
Allowance for bad & doubtful Debts (Net)	1,230	1,112
Write off of stores and spares	4,521	-
Sundry advances written off	21	192
Excess Provision written back	-	(2)
Unrealised foreign exchange loss / (gain)	(773)	(882)
Gain/Loss on disposal of property, plant and equipment	-	1,163
Income from Interest	(20)	(23)
Other Income	-	(10)
Interest and finance charges	5,104	5,365
	<u>17,688</u>	<u>7,505</u>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	(11,589)	(532)
Decrease/(increase) in inventories	(379)	(3,026)
Increase/(decrease) in trade payables	2,157	(2,966)
Decrease/(Increase) in other financial assets	2	(30)
Decrease/(increase) in other non-current assets	-	(7)
Decrease/(increase) in other current assets	2,844	(554)
Increase/(decrease) in provisions	(99)	422
Increase/(decrease) in Loans	(235)	44
Increase/(decrease) in other current liabilities	955	659
<b>Cash generated from operations</b>	<u>11,344</u>	<u>1,515</u>
<b>Net cash flow from/(used in) operating activities (A)</b>	<u>11,344</u>	<u>1,515</u>
<b>(B) Cashflow From Investing Activities</b>		
Payments for acquisition of property, plant and equipment	(132)	(753)
Proceeds from sale of property, plant and equipment	-	583
Interest Income	20	32
<b>Net Cash flow from/(used in) Investing Activities (B)</b>	<u>(112)</u>	<u>(138)</u>
<b>(C) Cashflow From Financing Activities</b>		
Interest and finance charges	(10,611)	(2,661)
<b>Net Cash flow from/(used in) Financing Activities (C)</b>	<u>(10,611)</u>	<u>(2,661)</u>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents (A+B+C)</b>	<u>621</u>	<u>(1,284)</u>
Cash and Cash Equivalents at the beginning of the year	2,281	3,565
<b>Cash and Cash Equivalents at the end of the year</b>	<u>2,902</u>	<u>2,281</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	2,850	2,229
Others (specify nature)		
a. security deposit with HDFC	52	52
<b>Balance as per the cash flow statement</b>	<u>2,902</u>	<u>2,281</u>
<b>Note:</b>		
<b>Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of cash flows</b>		

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 29, 2018

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 29, 2018



## 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 Multilayer 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 May 29, 2018.

### 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.

The standalone financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These standalone financial statements are the first standalone financial statements of the Company under Ind AS. Refer note 4.14 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

##### (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

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

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.

### 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.



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

### 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.

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.

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

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.

### 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.



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

### **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.

### **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.

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

### 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.

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.

## 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

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the year ended March 31, 2017 and for the period April 1, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT) / Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the 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.

### 1.21 FIRST TIME ADOPTION - MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS

#### (i) Overall principle

- The Company has prepared the opening standalone balance sheet as per Ind AS as of the transition date by
- recognising all assets and liabilities whose recognition is required by Ind AS,
  - not recognising items of assets or liabilities which are not permitted by Ind AS,
  - by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
  - applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### (ii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

#### (iii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	(In Rupees)									
	Gross Carrying Amount		Depreciation / Impairment				Net Block			
	As at April 1, 2017	As at March 31, 2018	As at April 1, 2017	For the Year on disposal	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
<b>2.01 Property, plant and equipment:</b>										
<b>Own Assets:</b>										
Land (Lease Hold)	2,473	-	2,473	34	-	68	2,405	2,439		
Building - Factory	4,813	-	4,813	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>18,631</b>	<b>941</b>	<b>920</b>	<b>1,861</b>	<b>16,770</b>	<b>17,606</b>		
<b>Particulars</b>	<b>Gross Carrying Amount</b>		<b>Depreciation / Impairment</b>				<b>Net Block</b>			
	<b>Deemed cost as at April 1, 2016</b>	<b>Disposal</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>	<b>For the Year on disposal</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>	
<b>Own Assets:</b>										
Land (Lease Hold)	2,473	-	2,473	-	34	-	34	2,439	2,473	
Building - Factory	4,813	-	4,813	-	537	-	537	4,276	4,813	
Plant & Machinery	10,749	1,451	9,298	-	36	-	36	9,262	10,749	
Electrical Installation	303	8	311	-	2	-	2	309	303	
Furniture & Fixtures	82	21	103	-	10	-	10	93	82	
Office Equipment	120	593	713	-	100	-	100	613	120	
Vehicles	377	-	377	-	70	-	70	307	377	
Computer & Peripherals	334	125	459	-	152	-	152	307	334	
Air Conditioning Plant	296	-	296	-	-	-	-	-	296	
<b>Total</b>	<b>19,547</b>	<b>746</b>	<b>18,547</b>	<b>-</b>	<b>941</b>	<b>-</b>	<b>941</b>	<b>17,606</b>	<b>19,547</b>	

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

2.02 Other Intangible Assets : (In Rupees )											
Particulars	Gross Carrying Amount		Amortisation / Impairment				Net Block				
	As at April 1, 2017	Addition	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year on disposal	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017		
Software	425	48	-	474	249	81	-	329	144	177	
<b>Total</b>	<b>425</b>	<b>48</b>	<b>-</b>	<b>474</b>	<b>249</b>	<b>81</b>	<b>-</b>	<b>329</b>	<b>144</b>	<b>177</b>	
Particulars	Gross Carrying Amount		Amortisation / Impairment				Net Block				
	Deemed cost as at April 1, 2016	Addition	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year on disposal	As at March 31, 2017	As at March 31, 2017	As at March 1, 2016		
Software	418	7	-	425	-	249	-	249	177	418	
<b>Total</b>	<b>418</b>	<b>7</b>	<b>-</b>	<b>425</b>	<b>-</b>	<b>249</b>	<b>-</b>	<b>249</b>	<b>177</b>	<b>418</b>	

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

Software	Within 1 Year		2 to 5 Years		Exceeding 5 Years		Total WDV
	94	50	50	-	144	144	
	<b>94</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>144</b>	<b>144</b>	



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

2.03 Other financial assets	Non-Current			Current		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2018	2017	2016	2018	2017	2016
Security deposits	485	485	454	-	-	-
Interest Receivable	-	-	-	17	19	19
	<u>485</u>	<u>485</u>	<u>454</u>	<u>17</u>	<u>19</u>	<u>19</u>

2.04 Deferred tax assets (net)	As at March 31,		As at April 1,
	2018	2017	2016
<b>Tax effect of items constituting deferred tax liabilities</b>			
Difference between book balance and tax balance of fixed assets	4,010	4,130	4,687
	<u>4,010</u>	<u>4,130</u>	<u>4,687</u>
<b>Tax effect of items constituting deferred tax assets ( Refer note below)</b>			
Disallowances u/s 43(B) of Income Tax Act,1961	1,928	1,631	1,456
Brought forward business losses (restricted to the extent of net deferred tax liability on depreciation on account of virtual certainty.)	2,082	2,499	3,231
	<u>4,010</u>	<u>4,130</u>	<u>4,687</u>
<b>Net deferred tax asset/ (liabilities)</b>	<u>-</u>	<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	104,670
Business losses	-	13,106	14,513	-	-	-	27,619
<b>Total</b>	<b>-</b>	<b>13,106</b>	<b>14,513</b>	<b>-</b>	<b>-</b>	<b>104,670</b>	<b>132,289</b>

2.05 Other assets	Non-Current			Current		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2018	2017	2016	2018	2017	2016
<u>Advances other than Capital Advances</u>						
Unsecured, considered good unless stated otherwise						
Advance for Expense	-	-	-	-	-	50
Prepaid expenses	-	-	-	216	228	195
Balances with Statutory Authorities:						
Sundry Advances	-	-	-	27	6	114
<u>Other Receivables</u>						
Employee Super Annuation Scheme A/c HDFC-841	6	6	-	-	-	-
The Trustee-GPEL GGA Scheme	12	12	11	-	-	-
	<u>18</u>	<u>18</u>	<u>11</u>	<u>296</u>	<u>3,139</u>	<u>2,585</u>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

2.06 Inventories	As at March 31,		As at April 1,
	2018	2017	2016
Raw Materials	2,845	2,841	2,851
Work in progress	156	161	193
Finished Goods	3,970	5,591	6,728
Stock-in-Trade	19,404	19,124	15,019
Stores and spares	46	4,567	4,567
Packing Materials	10	12	32
Goods in transit	1,882	158	39
	<b>28,313</b>	<b>32,454</b>	<b>29,429</b>

2.07 Trade Receivables	Current		
	As at March 31,		As at April 1,
	2018	2017	2016
Unsecured, considered good	40,339	30,001	30,773
Unsecured, considered doubtful	4,575	3,345	2,233
	<b>44,914</b>	<b>33,346</b>	<b>33,006</b>
Allowance for doubtful debts (expected credit loss)	4,575	3,345	2,233
	<b>40,339</b>	<b>30,001</b>	<b>30,773</b>

2.08 Cash and Cash Equivalent	As at March 31,		As at April 1,
	2018	2017	2016
Balances with banks:			
On current accounts	2,850	2,229	3,513
	<b>2,850</b>	<b>2,229</b>	<b>3,513</b>

2.09 Bank balances other than cash and cash equivalents	As at March 31,		As at April 1,
	2018	2017	2016
Deposits with HDFC (original maturity for more than 3 months but less than 12 months)	52	52	52
	<b>52</b>	<b>52</b>	<b>52</b>

2.10 Loans	Current		
	As at March 31,		As at April 1,
	2018	2017	2016
<b>Loans to employees</b>			
Unsecured, considered good unless stated otherwise	398	163	207
	<b>398</b>	<b>163</b>	<b>207</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

2.11 Equity Share capital	As at March 31,		As at April 1,
	2018	2017	2016
<b>Authorised share capital :</b>			
1,20,00,000 (March 31, 2017: 1,20,00,000; April 1, 2016: 1,20,00,000) equity shares of Rs.10/- each	120,000	120,000	120,000
	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
<b>Issued, Subscribed &amp; Paid up Capital</b>			
85,50,000 (March 31, 2017: 85,50,000; April 1, 2016: 85,50,000) equity shares of Rs. 10/- each (fully paid up)	85,500	85,500	85,500
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>85,500</u>	<u>85,500</u>	<u>85,500</u>

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

Equity shares	As at March 31,				April 1,	
	2018		2017		2016	
	No. of Shares	Amount	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	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>	<u>8,550,000</u>	<u>85,500</u>	<u>8,550,000</u>	<u>85,500</u>	<u>8,550,000</u>	<u>85,500</u>

### 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, 2017 : Rs. 10; April 1, 2016 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,				April 1,	
	2018		2017		2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Polychem Limited	4,616,152	54%	4,616,152	54%	2,866,154	34%
Gujarat Industrial Investment Corporation Ltd	497,103	6%	497,103	6%	497,103	6%
AVX Corporation, USA	-	-	-	-	1,749,998	20%

2.12 Other equity	As at March 31,		As at April 1,
	2018	2017	2016
Retained Earnings	(157,969)	(164,831)	(163,961)
	<u>(157,969)</u>	<u>(164,831)</u>	<u>(163,961)</u>

### 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, 2018

2.13 Provisions	Non-Current			Current		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2018	2017	2016	2018	2017	2016
Leave Encashment	1,900	1,851	2,027	1,208	1,353	689
Bonus Payable	-	-	-	272	275	342
	<u>1,900</u>	<u>1,851</u>	<u>2,027</u>	<u>1,480</u>	<u>1,628</u>	<u>1,031</u>

2.14 Borrowings	Current		
	As at March 31,		As at April 1,
	2018	2017	2016

### Unsecured

Loan from Holding Company	44,244	44,600	44,600
	<u>44,244</u>	<u>44,600</u>	<u>44,600</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,		As at April 1,
	2018	2017	2016
Total outstanding dues of Micro Enterprises & Small Enterprises	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	9,473	8,136	12,145
	<u>9,473</u>	<u>8,136</u>	<u>12,145</u>

2.16 Other financial liabilities	Current		
	As at March 31,		As at April 1,
	2018	2017	2016
Interest Accrued and due	-	5,151	2,446
Preference Share Capital	98,150	98,150	98,150
	<u>98,150</u>	<u>103,301</u>	<u>100,596</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 AAIFR 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,		As at April 1,
	2018	2017	2016
Gratuity payable (Funded)	2,860	1,800	1,654
Statutory Payables	1,976	1,446	492
Advance from customer	85	71	262
Provision for Expense	961	2,033	2,137
LTA Payable	1,022	808	525
	<u>6,904</u>	<u>6,158</u>	<u>5,070</u>





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3.01 Revenue from operations	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Revenue from operations</b>		
Sale of products (Net)	142,841	121,797
<b>Add:</b>		
Excise Duty	99	343
<b>Other operating revenue</b>		
Sale of scrap	-	40
Others	1,181	364
	<u>144,121</u>	<u>122,544</u>
<b>3.02 Other Income</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>
Interest Income	20	23
<b>Other non - operating income</b>		
Amount not payable written back	49	158
Excess Provision Write Back	-	2
Foreign Exchange Gain	773	882
Other non - operating income	-	10
	<u>842</u>	<u>1,075</u>
<b>3.03 Cost of materials consumed</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>
Opening Stock	2,841	2,851
Purchases	721	806
Less: Closing stock	(2,845)	(2,841)
	<u>717</u>	<u>816</u>
<b>3.04 Purchases of Stock-in-trade</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>
i) Trading Goods	86,501	81,733
ii) Packing Material	111	105
	<u>86,612</u>	<u>81,838</u>
<b>3.05 Changes in inventories</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>
<b>Finished Goods</b>		
Closing Stock	3,970	5,591
Less: Opening Stock	(5,591)	(6,728)
	<u>(1,621)</u>	<u>(1,137)</u>
<b>Work in process</b>		
Closing Stock	156	161
Less: Opening Stock	(161)	(193)
	<u>(5)</u>	<u>(32)</u>
<b>Trading Goods</b>		
Closing Stock	19,403	19,125
Less: Opening Stock	(19,125)	(15,019)
	<u>278</u>	<u>4,106</u>
Net (Increase)/Decrease	<u>1,348</u>	<u>(2,937)</u>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3.06 Operational expenses	Year Ended March 31, 2018	Year Ended March 31, 2017
Advertisement expenses	48	77
Amount not recoverable written off	-	18
Bank Charges	13	13
Conveyance & travelling expenses	1,335	1,429
Director sitting fees	236	231
ECL (Other) Expense	1,230	1,112
Electric Power, oil fuel and water charges	900	869
Excise Duty Expense	99	352
Factory Expense	423	427
Freight Outward(net)	354	474
General charges	90	73
Insurance charges	288	232
Labour Charges	8	-
Legal and professional fees	1,563	1,417
Loss on sale of Asset	-	1,163
Membership & subscription	53	102
Miscellaneous expenses	1,660	2,429
Motor car expenses	298	367
Property Tax	2,451	-
Postage & courier expenses	369	674
Printing & Stationery expenses	639	777
<b>Auditor's Remuneration</b>		
Audit fees	305	265
Limited review fees	75	86
Tax audit fees	52	52
Other matters	217	99
Rates & taxes	177	1,210
Rent	653	568
<b>Repair &amp; Maintenance</b>		
Machinery	14	11
Others	872	769
Selling & distributions expenses	263	287
Security Service Charges	884	904
Stores and Spares Write off	4,521	-
Stores and spares and Tools consumed	2	2
<b>Packing Material</b>		
Opening Stock	12	
Add : Purchase during the year	0.42	
Less : Closing Stock	<u>(10)</u>	21
Telephone expenses	299	322
	<b><u>20,393</u></b>	<b><u>16,832</u></b>
<b>3.07 Employee Benefits Expense</b>		
Salaries, wages & incentives	18,505	17,964
Contribution to provident and other fund	3,908	2,348
Staff welfare expenses	722	645
	<b><u>23,135</u></b>	<b><u>20,957</u></b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3.08 Finance Costs	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Interest and Finance charges on financial liabilities not a FVTPL</b>		
Interest on Loan	5,104	5,352
Other interest expenses	-	13
	<u>5,104</u>	<u>5,365</u>
<b>3.09 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	920	942
Amortization of Intangible assets	81	249
	<u>1,001</u>	<u>1,191</u>
<b>4.01 Earnings Per Share (EPS)</b>		
	As at March 31, 2018	As at March 31, 2017
<b>Basic earnings per share :</b>		
Attributable to equity holders of the Company	0.78	(0.05)
<b>Diluted earnings per share :</b>		
Attributable to equity holders of the Company	0.78	(0.05)
<b>Reconciliation of earnings used in calculating earnings per share :</b>		
<b>Basic earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating basic earnings per share :	6,653	(443)
<b>Diluted earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	6,653	(443)
<b>Weighted average number of Equity shares used as the denominator in calculating basic &amp; diluted earnings per share</b>	8,550	8,550
<b>4.02 Contingent Liabilities</b>		
	As at March 31, 2018	As at March 31, 2017
Disputed Demand of Employees' State Insurance Corporation *	<u>103</u>	<u>103</u>

**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, 2018

### 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. 6,53,172/-p.a. (Previous year: Rs. 5,67,652/-). 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	2017-18	2016-17
Payable not later than a year	645	653
Payable later than a year but not later than 5 years	2,449	2,541
Payable later than 5 years	-	552

### 4.05 Employee benefits

2017-18

2016-17

#### 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	999	889
2 Contribution to Pension Fund	374	378
3 Contribution to Superannuation Fund	808	712
	<b>2,180</b>	<b>1,979</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, 2018	March 31, 2017
Discount rate	7.78%	7.39%
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, 2018

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

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Service cost:		
Current service cost	288	240
Net Interest Cost	133	132
Past Service Cost	1,306	-
<b>Components of defined benefits cost recognised in Statement of Profit and Loss</b>	<b>1,728</b>	<b>372</b>

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

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Remeasurement of net defined benefit liability		
Return on plan assets(excluding amount included in net interest expense )	(48)	(69)
Net Actuarial (Gain)/ Loss	(161)	496
<b>Components of defined benefits cost recognised in Other Comprehensive Income</b>	<b>(209)</b>	<b>427</b>

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

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Present Value of the Defined Benefit Obligations	(8,287)	(6,470)
Fair Value of Plan Assets	5,427	4,670
<b>Liability Recognised in the Balance Sheet</b>	<b>(2,860)</b>	<b>(1,800)</b>

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

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Opening defined benefit obligations	6,470	5,352
Current service cost	288	240
Interest cost	478	426
Past Service Cost	1,306	-
Benefit paid form the fund	(95)	(43)
Remeasurement (Gains) / losses		
Actuarial (gains) / losses on Defined Benefit Obligation - Due to change in financial obligation	(135)	184
Actuarial (gains) / losses on Defined Benefit Obligation - Due to experience	(26)	312
<b>Closing defined benefit obligation</b>	<b>8,287</b>	<b>6,470</b>

### 5. (b) Reconciliation

Particulars	Gratuity		
	March 31, 2018	March 31, 2017	April 1, 2016
Opening Net Liability	1,800	1,654	2,026
Add: Employer Expenses (Expenses recognised in the statement of P/L account)	1,728	372	365
Add: Trasfer to OCI	(209)	427	202
Less: Benefit Paid	-	-	-
Less: Employers contribution	(459)	(653)	(939)
<b>Closing Net Liability</b>	<b>2,860</b>	<b>1,800</b>	<b>1,654</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Particulars	Gratuity		
	March 31, 2018	March 31, 2017	April 1, 2016
Deposits with LIC of India	100%	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, 2018	March 31, 2017	April 1, 2016
Delta Effect of +1% Change in Rate of Discounting	(320)	(315)	(282)
Delta Effect of -1% Change in Rate of Discounting	359	354	317
Delta Effect of +1% Change in Rate of Salary Increase	361	356	320
Delta Effect of -1% Change in Rate of Salary Increase	(328)	(321)	(290)
Delta Effect of +1% Change in Rate of Employee Turnover	37	29	38
Delta Effect of -1% Change in Rate of Employee Turnover	(41)	(32)	(42)

### 4.06 Dues to Micro and Small Enterprises

None of the creditors qualify as supplier under the Micro, Small and Medium Enterprise Development Act, 2006 and accordingly, no disclosure is required to be made u/s. 22 of that Act.

### 4.07 Capital Management

#### Risk management

For the purpose of the Company's capital management, capital includes issued 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, 2018	March 31, 2017	April 1, 2016
Equity	(72,469)	(79,331)	(78,461)
Loan from Holding Company	44,244	44,600	44,600
Less: Cash and Cash Equivalents	(2,902)	(2,281)	(3,565)
	<u>41,342</u>	<u>42,319</u>	<u>41,035</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, 2018

### (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, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
<b>Measured at amortised cost</b>						
Trade receivables	40,339	40,339	30,001	30,001	30,773	30,773
Loans	398	398	163	163	207	207
Cash and Bank balances	2,902	2,902	2,281	2,281	3,565	3,565
Other financial assets	502	502	504	504	473	473
<b>Total (A)</b>	<b>44,141</b>	<b>44,141</b>	<b>32,949</b>	<b>32,949</b>	<b>35,018</b>	<b>35,018</b>
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
Borrowings	44,244	44,244	44,600	44,600	44,600	44,600
Trade payables	9,473	9,473	8,136	8,136	12,145	12,145
Other financial liabilities	98,150	98,150	103,301	103,301	100,596	100,596
<b>Total Financial liabilities</b>	<b>151,867</b>	<b>151,867</b>	<b>156,037</b>	<b>156,037</b>	<b>157,341</b>	<b>157,341</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, 2018	March 31, 2017	April 1, 2016
Within the credit period	33,639	24,075	25,980
1-90 days past due	6,600	4,663	4,209
91-180 days past due	157	1,627	258
181-270 days past due	965	177	52
271-360 days past due	476	234	(4)
More than 360 days past due	3,076	2,571	2,511
<b>Total</b>	<b>44,914</b>	<b>33,346</b>	<b>33,006</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

<b>Movement in the expected credit allowance</b>	<b>Amount</b>
<b>As at April 1, 2016</b>	2,233
Provided during the year	1,112
<b>As at March 31, 2017</b>	<b>3,345</b>
Provided during the year	1,230
<b>As at March 31, 2018</b>	<b>4,575</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, 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
<b>As at March 31, 2017</b>	<b>less than 1 year</b>	<b>1 to 5 year</b>	<b>Total</b>
Borrowings	-	44,600	44,600
Trade payables	8,136	-	8,136
Other Financial Liabilities	-	103,301	103,301
<b>As at April 1, 2016</b>	<b>less than 1 year</b>	<b>1 to 5 year</b>	<b>Total</b>
Borrowings	-	44,600	44,600
Trade payables	12,145	-	12,145
Other Financial Liabilities	-	100,596	100,596

### (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.





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Currencies	Liabilities		
	March 31, 2018	March 31, 2017	April 1, 2016
USD	60,669	98,645	131,850
<b>Foreign currency exposure as at March 31, 2018</b>		<b>USD</b>	<b>Total</b>
<b>Liabilities</b>			
Trade Payables		60,669	<b>60,669</b>
<b>Foreign currency exposure as at March 31, 2017</b>		<b>USD</b>	<b>Total</b>
<b>Liabilities</b>			
Trade Payables		98,645	<b>98,645</b>
<b>Foreign currency exposure as at April 01, 2016</b>		<b>USD</b>	<b>Total</b>
<b>Liabilities</b>			
Trade Payables		131,850	<b>131,850</b>

Details of Unhedged Foreign Currency Exposure is as under:-

Currency	Nature	March 31, 2018		March 31, 2017		April 1, 2016	
		Amount in Foreign Currency	Amount in INR (in '000)	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	98,645	6,398	131,850	8,740

### 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	Impact on profit/loss before tax and equity: Increase/(Decrease)			
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	1 % Increase (In '000)	1 % Increase (In '000)	1 % Decrease (In '000)	1 % Decrease (In '000)
USD	64	(87)	(64)	87

**4.10** Excise Duty shown as deduction from Revenue from Operations represents the amount of excise duty collected on sales. Excise duty under Note 3.01, "Other Operating Revenue", represents the difference between excise duty element in amounts of closing stock and opening stock.

### 4.11 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".

**4.12** 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### 4.13 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 - Non 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 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

(b) Details of Transactions:

	Key Managerial personnel		Entities where the key managerial personnel have significant influence / control		Holding		Total Amount	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Expenses</b>								
<u>Electricity charges</u>								
Ginners & Pressers Limited	-	-	72	87	-	-	72	87
<u>Remuneration</u>								
A.H. Mehta	2,577	2,357	-	-	-	-	2,577	2,357
H.H. Jani	1,659	1,499	-	-	-	-	1,659	1,499
<u>Directors sitting fees</u>								
T.R. Kilachand	36	36	-	-	-	-	36	36
P. T. Kilachand	16	16	-	-	-	-	16	16
C.K. Khushaldas	36	36	-	-	-	-	36	36
S.A. Jhaveri	20	12	-	-	-	-	20	12
J.A. Mehta	36	36	-	-	-	-	36	36
Y. K. Vyas	8	20	-	-	-	-	8	20
<b>Total expenses payable</b>	<b>4,388</b>	<b>4,012</b>	<b>72</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>4,460</b>	<b>4,099</b>
<b>Reimbursement/(Recovery) of expenses</b>								
Polychem limited	-	-	-	-	36	37	36	37
<b>Total reimbursement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>37</b>	<b>36</b>	<b>37</b>
<u>Interest on Inter Corporate Deposit</u>								
Polychem limited	-	-	-	-	5,104	5,352	5,104	5,352
<u>Balance outstanding as at year end</u>								
Polychem limited	-	-	-	-	44,244	49,751	44,244	49,751



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### 4.14 First time Ind AS adoption reconciliation

#### Reconciliation between Previous GAAP and Ind AS

Particulars	Notes	March 31, 2017			April 1, 2016		
		Previous GAAP*	Adjustments	As per Ind AS balance sheet	Previous GAAP*	Adjustments	As per Ind AS balance sheet
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, Plant and Equipment	Note 1	17,606	-	17,606	19,547	-	19,547
Other Intangible Assets	Note 1	177	-	177	418	-	418
<b>Financial Assets</b>							
Others		485	-	485	454	-	454
Other Non Current Assets		18	-	18	11	-	11
<b>Total Non-Current Assets</b>		<b>18,286</b>	<b>-</b>	<b>18,286</b>	<b>20,430</b>	<b>-</b>	<b>20,430</b>
<b>Current Assets</b>							
Inventories		32,454	-	32,454	29,429	-	29,429
<b>Financial Assets</b>							
Trade Receivables	Note 2	32,673	(2,672)	30,001	32,333	(1,560)	30,773
Cash and Cash Equivalents		2,229	-	2,229	3,513	-	3,513
Bank balance other than above		52	-	52	52	-	52
Loans		163	-	163	207	-	207
Others financial Asset		19	-	19	19	-	19
Other Current Assets		3,139	-	3,139	2,585	-	2,585
<b>Total Current Assets</b>		<b>70,729</b>	<b>(2,672)</b>	<b>68,057</b>	<b>68,138</b>	<b>(1,560)</b>	<b>66,578</b>
<b>Total Assets</b>		<b>89,015</b>	<b>(2,672)</b>	<b>86,343</b>	<b>88,568</b>	<b>(1,560)</b>	<b>87,008</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share Capital		85,500	-	85,500	85,500	-	85,500
Other Equity		(162,159)	(2,672)	(164,831)	(162,401)	(1,560)	(163,961)
<b>Total Equity</b>		<b>(76,659)</b>	<b>(2,672)</b>	<b>(79,331)</b>	<b>(76,901)</b>	<b>(1,560)</b>	<b>(78,461)</b>
<b>Non-Current Liabilities</b>							
Provisions		1,851	-	1,851	2,027	-	2,027
<b>Total Non-Current Liabilities</b>		<b>1,851</b>	<b>-</b>	<b>1,851</b>	<b>2,027</b>	<b>-</b>	<b>2,027</b>
<b>Current Liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings		44,600	-	44,600	44,600	-	44,600
Trade Payables		8,136	-	8,136	12,145	-	12,145
Other Financial Liabilities		103,301	-	103,301	100,596	-	100,596
Other Current Liabilities		6,158	-	6,158	5,070	-	5,070
Provisions		1,628	-	1,628	1,031	-	1,031
<b>Total Current Liabilities</b>		<b>163,823</b>	<b>-</b>	<b>163,823</b>	<b>163,442</b>	<b>-</b>	<b>163,442</b>
<b>Total Equity and Liabilities</b>		<b>89,015</b>	<b>(2,672)</b>	<b>86,343</b>	<b>88,568</b>	<b>(1,560)</b>	<b>87,008</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### Reconciliation of total equity March 31, 2017 and April 1,2016

Particulars	Notes	March 31, 2017	April 1, 2016
		(End of last period presented under previous GAAP)	(Date of transition)
<b>Other Equity under Previous GAAP</b>		<b>(162,159)</b>	<b>(162,401)</b>
<b>Increase / (Decrease):</b>			
(Provision) / Reversal for Debtors - ECL Model	Note 2	(2,672)	(1,560)
Re-measurements of defined benefit plans	Note 3 & 4	(427)	-
Other Comprehensive Income	Note 3 & 4	427	-
<b>Total Adjustment to Equity</b>		<b>(2,672)</b>	<b>(1,560)</b>
<b>Other Equity as reported under Ind AS</b>		<b>(164,831)</b>	<b>(163,961)</b>

### Reconciliation of total comprehensive income for the year ended March 31,2017

Particulars	Notes	Year Ended March 31, 2017		
		(End of last period presented under previous GAAP)		
		Previous GAAP*	Adjustments	As per Ind AS balance sheet
<b>Income</b>				
Revenue from Operations		122,544	-	122,544
Other Income		1,075	-	1,075
<b>Total Income</b>		<b>123,619</b>	<b>-</b>	<b>123,619</b>
<b>Expenses</b>				
Cost of materials consumed		816	-	816
Purchase of stock-in-trade		81,838	-	81,838
Changes in inventories of stock-in-trade		(2,937)	-	(2,937)
Operational expenses	Note 2	15,720	1,112	16,832
Employee benefits expense	Note 3 & 4	21,384	(427)	20,957
Finance costs		5,365	-	5,365
Depreciation and Amortization		1,191	-	1,191
<b>Total Expenses</b>		<b>123,377</b>	<b>685</b>	<b>124,062</b>
Profit / (Loss) before exceptional items and tax		242	(685)	(443)
<b>Net Profit / (Loss) before Tax</b>		<b>242</b>	<b>(685)</b>	<b>(443)</b>
Tax Expense:				
Current tax		-	-	-
<b>Profit/ (loss) for the period</b>		<b>242</b>	<b>(685)</b>	<b>(443)</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### Effect of Ind AS adoption on the statement of cash flows for the year ended March 31,2017

Particulars	Notes	Year Ended March 31, 2017		
		(End of last period presented under previous GAAP)		
		Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities		1,515	-	1,515
Net cash flow from investing activities		(138)	-	(138)
Net cash flow from financing activities		(2,661)	-	(2,661)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,284)</b>	<b>-</b>	<b>(1,284)</b>
<b>Cash and cash equivalents at the April 01, 2016</b>		<b>3,565</b>	<b>-</b>	<b>3,565</b>
Cash and Cash equivalents as at March 31, 2017		2,281	-	2,281

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

#### Foot Notes for Ind AS Adjustments

##### Note 1: Property, Plant and Equipment

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipments and Intangibles recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

##### Note 2: Trade Receivables

Under the previous GAAP, the Company has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on the Expected Credit Loss Model which has led to an increase in the amount of provision as on the date of transition.

##### Note 3: Defined benefit obligations

Under previous GAAP, actuarial gains and losses were recognised in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

##### Note 4: Other Comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, items of income or expense that are not recognised in statement of profit and loss are recognised as "other comprehensive income" which includes remeasurement of defined benefit plans.

#### 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 29, 2018

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

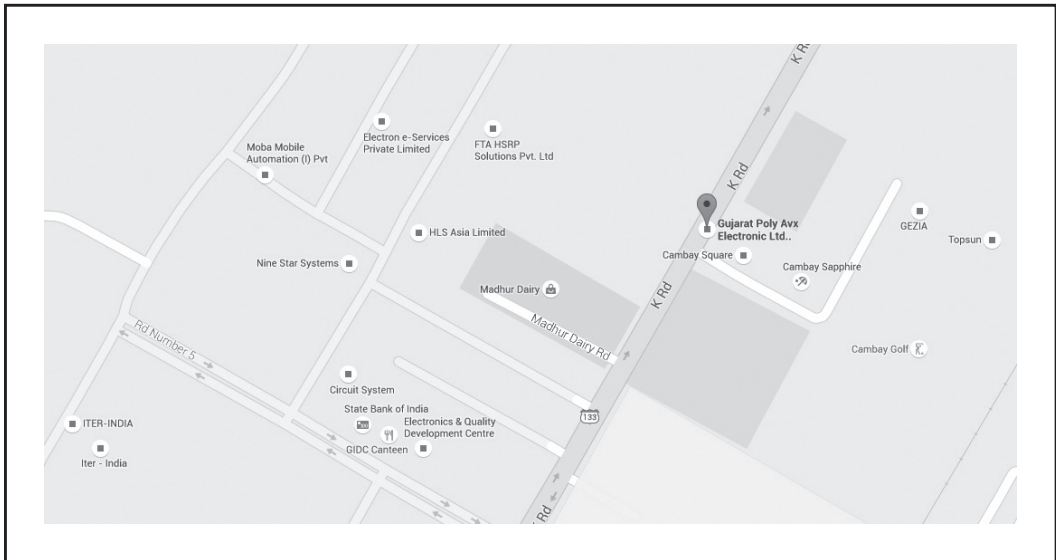
##### D. H. Upadhyaya

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

Place: Mumbai

Date: May 29, 2018

**Route Map to the Venue of the 29<sup>th</sup> Annual General Meeting  
to be held on Friday, August 24<sup>th</sup>, 2018**



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





**GUJARAT POLY ELECTRONICS LIMITED**  
(Formerly known as Gujarat Poly-AVX Electronics Limited)

**Registered Office:** B-17/18, Gandhinagar

Electronic Estate, Gandhinagar 382 024, Gujarat.

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

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

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

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

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

1. \_\_\_\_\_ of \_\_\_\_\_ having email – id \_\_\_\_\_ or failing him

2. \_\_\_\_\_ of \_\_\_\_\_ having email – id \_\_\_\_\_ or failing him

3. \_\_\_\_\_ of \_\_\_\_\_ having email – id \_\_\_\_\_ as my/our proxy

to vote for me/us on my/our behalf at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company to be held on Friday, 24<sup>th</sup> August, 2018 at 12.00 noon at B-17/18, Gandhinagar Electronic Estate, Gandhinagar 382 024, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolutions	Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Accounts		
2.	Re-appointment of Mr. T. R. Kilachand who retires by rotation		
3.	Re-appointment of Mr. Y. K. Vyas who retires by rotation		
<b>Special Business</b>			
4.	Appointment of Mr. T. R. Kilachand, as chairman and whole-time Director to be designated as "Executive Chairman".		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

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

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

Affix Re. 1 Revenue Stamp
------------------------------------

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





BOOK-POST



If not delivered, please return to:

**GUJARAT POLY ELECTRONICS LIMITED**

(FORMERLY KNOWN AS GUJARAT POLY-AVX ELECTRONICS LIMITED)

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