



**GUJARAT POLY ELECTRONICS LIMITED**

**32<sup>nd</sup>  
ANNUAL  
REPORT**

**2020  
2021**



# GUJARAT POLY ELECTRONICS LIMITED

CIN: L21308GJ1989PLC012743

## THIRTY SECOND ANNUAL REPORT 2020-2021

### ANNUAL GENERAL MEETING

**Date:** 7<sup>th</sup> September, 2021

**Time:** 11:00 A.M.

**Day:** Tuesday

To be convened through VC / OAVM

### BOARD OF DIRECTORS

Mr. T. R. Kilachand	(Chairman)	(DIN: 00006659)
Mr. P. T. Kilachand	(Non-Executive Director)	(DIN: 00005516)
Mr. A. H. Mehta	(Managing Director)	(DIN: 00005523)
Mr. C. K. Khushaldas	(Independent Director)	(DIN: 00260818)
Ms. S. A. Jhaveri	(Independent Director)	(DIN: 00029474)
Mr. J. A. Mehta	(Independent Director)	(DIN: 02693293)
Mr. R. P. Vahi	(Independent Director)	(DIN: 00033940)
Mr. P.J.Parikh	(GIC Nominee Director)	(DIN: 08352876)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Pranabh Kapoor

### CHIEF FINANCIAL OFFICER

Mr. H. H. Jani

### AUDITORS

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

### REGISTRAR & TRANSFER AGENTS

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

### REGISTERED OFFICE AND WORKS

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

## CONTENTS

	Page No.
Notice	02
E-voting Instructions	08
Directors' Report	16
Annexure to the Directors' Report	21
Management Discussion and Analysis Report	26
Corporate Governance Report	27
Independent Auditor's Report	38
Annexure to the Auditor's Report	41
Balance Sheet	44
Profit and Loss Account	45
Statement of Changes in Equity	46
Cash flow Statement	47
Notes to Financial Statements	48



## NOTICE

Notice is hereby given that the **Thirty-Second (32<sup>nd</sup>)** Annual General Meeting of the Members of **Gujarat Poly Electronics Limited** will be held on Tuesday, 7<sup>th</sup> September, 2021 at 11:00 A.M. through **Video Conferencing (VC) / Other Audio Visual Means (OAVM)**, to transact the following business:

### ORDINARY BUSINESS (ES):

1. To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit & Loss and Cash Flow Statement, for the year ended on that date and reports of the Board of Directors 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.

### SPECIAL BUSINESS (ES):

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

"**RESOLVED THAT** in supersession of the Resolution passed by the members of the Company at the Annual General Meeting held on 24th August, 2018 and pursuant to the provisions of Sections 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including, any statutory amendment, modification or re-enactment thereof, approval of shareholders of the Company be and is hereby accorded to appoint Mr. T. R. Kilachand, (DIN 00006659), as Chairman and whole-time Director to be designated as 'Executive Chairman' of the Company entrusted with substantial powers of the Management, for a period of 3 years from 14<sup>th</sup> June, 2021 upon the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. T. R. Kilachand, (DIN 00006659), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. T. R. Kilachand, (DIN 00006659), 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 reenactment thereof.

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

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 Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs.15,00,00,000/- (Rupees Fifteen Crores Only) outstanding at any time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, Mr. T. R. Kilachand, Executive Chairman or Mr. P. T. Kilachand, Director or Mr. A. H. Mehta, Managing Director of the Company, be and are hereby severally authorised to take

such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

5. 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 Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/ entity/ entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs.15,00,00,000/- (Rupees Fifteen Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/ or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs.15,00,00,000/- (Rupees Fifteen Crores Only).

**RESOLVED FURTHER THAT** Mr. T. R. Kilachand, Executive Chairman or Mr. P. T. Kilachand, Director or Mr. A. H. Mehta, Managing Director be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**Date:** 14.06.2021

**Place:** Mumbai

**CIN:** L21308GJ1989PLC012743

**Registered Office:**

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

By Order of the Board of Directors  
**For Gujarat Poly Electronics Limited**

**Pranabh Kapoor**

**ACS No.: 48671**

**Company Secretary & Compliance Officer**

**NOTES:**

- (a) An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business under Item Nos. 3, 4 and 5 to be transacted at the meeting, is annexed hereto.
- (b) In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, Dated January 15, 2021 permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or Other Audio Visual Means (OAVM), without physical presence of the Members at a common venue. Accordingly in Compliance with the provisions of the Companies Act 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 32<sup>nd</sup> AGM of the Company is being held through VC/OAVM on Tuesday, 7<sup>th</sup> September, 2021 at 11:00 A.M. The deemed venue for the 32<sup>nd</sup> AGM will be place from where the chairman of the Company conduct the meeting.
- (c) Further, pursuant to the MCA Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of the AGM along with the Annual Report for Financial Year 2020-21 is sent in electronic form only to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the 32<sup>nd</sup> AGM has been uploaded on the website of the Company at [www.gpelindia.in](http://www.gpelindia.in). The Notice can also be accessed from the website of the Bombay Stock Exchange at [www.bseindia.com](http://www.bseindia.com) and NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Members who would like to obtain PDF copy on their email ID may write an email to [gpel@kilachand.com](mailto:gpel@kilachand.com). Pursuant to the Circulars mentioned above, the Company has not printed the Annual Reports and hence no hard copies of the Annual Report will be provided.
- (d) Pursuant to the General Circular No. 14/2020 dated 08<sup>th</sup> April, 2020 and 02/2021 dated 13<sup>th</sup> January, 2021 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM, hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- (e) Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
- (f) The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') E-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (g) Corporate members intending to send their authorised representative to attend the AGM through VC or OAVM or to vote through remote e-voting, pursuant to Sections 112 and 113 of the Act, are requested to send a certified copy of the board resolution to the Scrutinizer by e-mail at [mail@csraginichokshi.com](mailto:mail@csraginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [gpel@kilachand.com](mailto:gpel@kilachand.com), authorising their representative to attend and vote on their behalf at the AGM.
- (h) 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.
- (i) All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
- (j) 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 regulation 36(3)(a) of SEBI (LODR) Regulations, 2015 are provided on page No. 5.
- (k) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM the details of which are available on page No 8.
- (l) The Register of Members and Share Transfer Book will remain closed from Saturday, 31<sup>st</sup> July, 2021 to Tuesday, 10<sup>th</sup> August, 2021 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
- (m) 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.
- (n) 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 or its Registrar & Share Transfer Agents – M/s. Link Intime India Pvt. Ltd.
- (o) Members who are not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the RTA in case the shares held by them in physical form.

(p) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1<sup>st</sup> April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.

The Company has paid Annual Listing fees for the year 2021-22 to the above Stock Exchange.

(q) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2021
1.	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	85,50,000 Equity Shares of Rs. 10/- each

**Date:** 14.06.2021  
**Place:** Mumbai  
**CIN:** L21308GJ1989PLC012743

By Order of the Board of Directors  
**For Gujarat Poly Electronics Limited**

**Registered Office:** Plot No. B-18, Gandhinagar Electronic Estate, Gandhinagar 382 024 Gujarat  
**Pranabh Kapoor**  
**ACS No.: 48671**  
**Company Secretary & Compliance Officer**

## RE-APPOINTMENT / APPOINTMENT OF DIRECTOR (ANNEXURE TO NOTICE)

A brief resume in respect of the proposed re-appointment/appointment of Director is given below in terms of Regulation 36(3) of SEBI (LODR), 2015):

<b>Name of Director</b>	<b>Mr. Tanil R. Kilachand</b>
<b>Director Identification Number</b>	00006659
<b>Age</b>	84
<b>Qualification</b>	B.A. from Cambridge University in History & Law M.B.A. in Business Administration from Harvard Business School
<b>Date of Appointment</b>	11.03.1992
<b>Expertise</b>	He has 57 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.
<b>Other Directorship as on 31<sup>st</sup> March, 2021 (Excluding Private Companies)</b>	1. Polychem Limited 2. Ginnars & Pressers Limited
<b>No. of Equity Shares held</b>	49,602
<b>Relationship with other Directors</b>	Mr. Parthiv T. Kilachand, Director of the Company is son of Mr. Tanil R. Kilachand.

**Date:** 14.06.2021  
**Place:** Mumbai  
**CIN:** L21308GJ1989PLC012743

By Order of the Board of Directors  
**For Gujarat Poly Electronics Limited**

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

**Pranabh Kapoor**  
**ACS No.: 48671**  
**Company Secretary & Compliance Officer**



## EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013 sets out the material facts relating to business under Item No. 3, 4 and 5 mentioned in the accompanying Notice dated 14<sup>th</sup> June, 2021.

### ITEM 3:

Mr. T. R. Kilachand was appointed as Whole-time director with effect from 1<sup>st</sup> June, 2018 for the period of three years. In accordance with the conditions specified in Schedule V of the Act, Board of Directors at its meeting held on 14<sup>th</sup> June, 2021 had appointed Mr. T. R. Kilachand as Whole-time director (Executive Chairman) for a further period of 3 years from 14<sup>th</sup> June, 2021, superseding the earlier resolution passed by the Company in this connection. This appointment is subject to the approval of the members at the Annual General Meeting.

The terms of appointment of Mr. T. R. Kilachand as Whole-time director is placed before the meeting, are as follows:

#### i. SALARY:

- (A) In any financial year, if the Company has sufficient Net Profit (calculated as per Section 198 of the Act) in any financial year:

Salary of any amount upto 5% of the Net Profit of the Company as may be decided by the Board based on the performance of the Company, inclusive of incentives for each financial year or part thereof computed in the manner as laid down under Section 198 of the Companies Act, 2013;

OR

- (B) In case, the Company has no profits or its profits are inadequate:

Salary upto Rs. 5,00,000/- per month or Rs. 60,00,000.- per annum (or any higher limit as may be revised from time to time under the Act) as may be decided by the Board inclusive of the following Perquisites as Minimum Remuneration as per Para (B) of Schedule V.

#### ii. PERQUISITES:

Mr. T. R. Kilachand shall be entitled to House Rent Allowance not exceeding 100% of the salary. He is also entitled for gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, including driver's salary, telephone, mobile, internet and other communication facilities at Whole-time directors' residence and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules within the ceiling limits payable to Mr. T. R. Kilachand, subject however to the limit of overall Minimum Remuneration as prescribed under Schedule V.

Mr. T. R. Kilachand shall further be eligible to the following

perquisites also which shall not be included in the computation of the ceiling limit on remuneration by way of salary, perquisites, allowances etc., in the event of the Company having no profits or its profits are inadequate:

- The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent is not taxable under the Income Tax Act;
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

Mr. T. R. Kilachand shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

The aforesaid remuneration would nevertheless be paid and allowed to Mr. T. R. Kilachand as the minimum remuneration, within the overall ceiling limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Mr. T. R. Kilachand, the Company might have made no profits and its profits might be inadequate.

The remuneration is approved by the Remuneration Committee of the Directors at its meeting held on 14<sup>th</sup> June, 2021.

This may be treated as an abstract of the terms and conditions, governing the appointment and remuneration of the Whole-time Director, pursuant to Section 109 of the Companies Act, 2013. A Statement as required under section II, Part II of the Schedule V to the Companies Act, 2013 with reference to Resolution No. 3 is annexed hereto and marked as **Annexure- A**.

The Board of Directors recommends the resolution as set out in the Item No. 3 for approval of Members by way of Special Resolutions.

Except, Mr. T. R. Kilachand being the appointee and Mr. P.T. Kilachand, being his son, none of the other Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise in the resolutions.

### ITEM 4:

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to

any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs.15 Crores, as proposed in the Notice.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.4 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 4 of the accompanying notice. The Board recommends the resolution at Item no.4 to be passed as Special Resolution.

**ITEM 5:**

Keeping in view the Company's long term strategic and business objectives, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the

Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Further, Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.5 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 5 of the accompanying notice. The Board recommends the resolution at Item no. 5 to be passed as Special Resolution.

**Date:** 14.06.2021

**Place:** Mumbai

**CIN:** L21308GJ1989PLC012743

By Order of the Board of Directors  
**For Gujarat Poly Electronics Limited**

**Registered Office:**

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

**Pranabh Kapoor**  
**ACS No.: 48671**  
**Company Secretary &**  
**Compliance Officer**



## E-VOTING INSTRUCTIONS FOR EQUITY AND PREFERENCE SHAREHOLDERS

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its

Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.gpelindia.in](http://www.gpelindia.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
- 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.
- The remote e-voting period begins on Friday, 3<sup>rd</sup> September, 2021, at 09:00 A.M. and ends on Monday, 6<sup>th</sup> September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**
- The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 31<sup>st</sup> August, 2021, may cast their vote electronically.
- The voting rights of members shall be in proportion to their shares of the paid up share capital of the Company as on the cut-off date of 31<sup>st</sup> August, 2021

### THE INSTRUCTIONS FOR EQUITY AND PREFERENCE SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

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

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

*Step 1: Access to NSDL e-Voting system*

*Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.*

#### **Step 1: Access to NSDL e-Voting system**

**A Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>



Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>2. Once logged-in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-voting during the meeting.</li> </ol>
--	--

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mail@csraginichokshi.com](mailto:mail@csraginichokshi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section



of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### Process for Registering Email id of Equity Shareholders with the Company (Temporary):

The Members of the Company holding Equity Shares of the Company in physical or demat Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB) .

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

- Please note that this is a temporary arrangement. For registering email-id permanently, please refer note (o) on page 4.

#### Process for Registering Email id of Preference Shareholders with the Company:

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)."

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [gpel@kilachand.com](mailto:gpel@kilachand.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [gpel@kilachand.com](mailto:gpel@kilachand.com). If you are an Individual shareholders

holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### THE INSTRUCTIONS FOR EQUITY AND PREFERENCE SHAREHOLDERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### INSTRUCTIONS FOR EQUITY AND PREFERENCE SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members

who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [gpel@kilachand.com](mailto:gpel@kilachand.com). The same will be replied by the company suitably.
6. Shareholders, who would like to be the speaker shareholder at the AGM shall send their request at least four days in advance mentioning their name demat account number/folio number, email id, mobile number at [gpel@kilachand.com](mailto:gpel@kilachand.com).

#### Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 2 working days of 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 authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gpelindia.in](http://www.gpelindia.in) and on the website of NSDL <https://www.evoting.nsdl.com/> immediately. The Company shall simultaneously forward the results to BSE, where the shares of the Company are listed.



## ANNEXURE A

Statement as required under Proviso (IV) to Clause (B) of Section II, Part II of the Schedule V to the Companies Act, 2013 with the reference to the Resolution No. 4 is as follows:

### I. General Information:

(1) **Nature of Industry:**

Manufacturer, 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 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2019
1.	Sales Turnover	1361.45	1360.14	2,255.28
2.	Profit/(Loss) before Tax	98.65	121.67	542.43
3.	Current Tax	-	-	-
4.	Deferred Tax	-	-	-
5.	Profit after Tax	98.65	121.67	542.43

(5) **Foreign Investments or Collaborations, if any: NIL.**

### II. Information about the Appointees

(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 57 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 :**

Remuneration of Rs. 13,80,710/- excluding superannuation fund and provident fund has been paid for the year ended 31<sup>st</sup> March, 2021.

(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 11th March, 1992. Mr. T. R. Kilachand has been actively involved with GPEL 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. 3

**(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 proposed to 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 a seller 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.



## DIRECTORS' REPORT

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

Your Directors' present the Thirty Second Annual Report and Statement of Accounts for the year ended 31<sup>st</sup> March, 2021.

	<b>01-04-20 to 31-03-21 (Rs.in Lakhs)</b>	01-04-19 to 31-03-20 (Rs.in Lakhs)
<b>FINANCIAL RESULTS</b>		
Sales	<b>1,361.45</b>	1,360.14
Profit/(Loss) before Depreciation & tax	<b>120.53</b>	140.83
Depreciation	<b>21.88</b>	19.16
Profit &(Loss) before tax	<b>98.65</b>	121.67
Current tax	-	-
Deferred tax	-	-
Profit/(loss) after tax	<b>98.65</b>	121.67
Other Comprehensive Income	<b>6.24</b>	<b>(4.04)</b>
Total Comprehensive Income for the year	<b>104.89</b>	117.63

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

The Sales during the year was Rs. 1361.45 lakhs compared to previous year Sales of Rs.1360.14 lakhs. During the year ended 31<sup>st</sup> March, 2021 the Company has earned a Profit of Rs. 98.65 lakhs (Previous year Profit of Rs.121.67 lakhs).

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

In view of the accumulated loss, your Directors have not been able to recommend any Dividend for the year 2020-2021.

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

During the financial year 2020-21, Five Board Meetings were held on the following dates:

- (a) 5<sup>th</sup> June, 2020                      (b) 26<sup>th</sup> June, 2020                      (c) 8<sup>th</sup> August, 2020  
(d) 27<sup>th</sup> October, 2020                      (e) 27<sup>th</sup> January, 2021

More details for the Board Meeting are given under Corporate Governance Report.

### 3. AUDIT COMMITTEE:

The Audit Committee during the year consisted of 5 members. The details of the committee is given under Corporate Governance Report

### 4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of 5 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.in/Download/Vigil%20Mechanism%20&%20Whistle%20Blower%20Policy.pdf>.

There were no reporting made by any employee for violations of applicable laws and regulations and the Code of Conduct for the F.Y. 2020-21.

**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, 2021 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2021;
- 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, 2019.

**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 review.

**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 / KEY MANAGERIAL PERSONNEL (KMP):**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. T. R. Kilachand, (DIN 00006659), Whole-time Director of the Company is liable to retire by rotation and being eligible, offers himself for reappointment.

Mr. T. R. Kilachand, (DIN 00006659) was appointed as Whole-time Director with effect from 1<sup>st</sup> June, 2018 for the period of three years. In accordance with the conditions specified in Schedule V of the Act, Board of Directors at its meeting held on 14<sup>th</sup> June, 2021 had appointed Mr. T. R. Kilachand, (DIN 00006659) as Whole-time Director for a further period of 3 years from 14<sup>th</sup> June, 2021, superseding the earlier resolution passed by the Company in this connection.

The Board recommends the appointment/re-appointment of director as mentioned above in the ensuing AGM of the Company.

**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 2020-21, Mr. A. H. Mehta, Managing Director of the Company has received Rs. 24.57 lakhs 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.in/Download/Criteria%20for%20Appointment%20Evaluation%20of%20Board%20of%20Directors,%20KMP%20and%20Senior%20Management%20Personnel.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.

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 SEBI (LODR) Regulations, 2015. The policy is uploaded and can be viewed on the Company's website

<http://www.gpelindia.in/Download/Related%20Party%20Transaction%20Policy.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) Due to COVID-19 there is no material change 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) Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2021 is available on the Company's website on [http://www.gpelindia.in/Download/MGT-7\\_2020-21.pdf](http://www.gpelindia.in/Download/MGT-7_2020-21.pdf).

**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.in/Download/Anti-Sexual%20Harassment%20Policy.pdf>.

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

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

**19. MANAGERIAL REMUNERATION:**

- i The ratio of remuneration of Mr. A. H. Mehta, Managing Director with the median remuneration of the employees of the company is 9.20:1
- ii. Increase in remuneration of Mr. A. H. Mehta, Managing Director is (2.5%) and in Mr. H. H. Jani , Chief Financial officer is 0.26%.
- iii. No increase in the median remuneration of employees in the financial year.
- iv. There are 36 permanent employees in the company.
- v. There is an increase of 0.10% in Company's Performance for the year considering the revenue from the operations and the average increase in the remuneration of the Company is NIL for the year.
- vi. During the financial year 2020-21, remuneration to Key Managerial Personnel is Rs 72,59,197/- as against the Company's performance is Rs. 13,61,45,897/- remuneration to performance ratio comes to 5.33%.

- vii. Earnings per equity share (EPS) for the year is 1.15 where as in previous year Earnings per equity share (EPS) was 1.42 There is an increase in Market Capitalisation of the Company, Market capitalisation for current year is Rs.6,41,25,000/- and for Previous year it was Rs. 4,05,27,000/-.
- viii. Average increase in the salaries of employees other than the managerial personnel was NIL.
- 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	28,84,480	13,61,45,897	2.12
T. R .Kilachand	14,61,785	13,61,45,897	1.08
H. H. Jani	23,00,372	13,61,45,897	1.69
P.R.Kapoor	6,12,560	13,61,45,897	0.45

- 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 0.82:1
- xii. It is hereby affirmed that the remunerations paid is as per the remuneration policy of the company.

**20. CORPORATE GOVERNANCE:**

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

**21. STATUTORY AUDITOR:**

M/s. Mahendra N. Shah & Co., Ahmedabad bearing registration number 105775W, Chartered Accountants were re-appointed as statutory auditor of the Company for the second term of five years at the 31<sup>st</sup> Annual General Meeting (AGM) held on 31<sup>st</sup> August, 2020 to hold office upto the conclusion of 36<sup>th</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 Mr. Tushar Shridharani, Company Secretaries, Mumbai, (Membership No. 2690 & C.P. No. 2190), 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 31, 2022 on fees as may be mutually agreed.

The Secretarial Audit Report for F.Y. 2020-21 is enclosed and marked as **Annexure II**.

**23. CORPORATE SOCIAL RESPONSIBILITY:**

In accordance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The details of composition of CSR committee are given in the Corporate Governance Report attached hereto. The CSR Committee has framed and finalised the CSR policy of the Company which was duly approved by the Board. The CSR policy of the Company can be accessed on the Company's website and weblink of the same is <http://www.gpelindia.in/Download/Corporate%20Social%20Responsibility%20Policy.pdf>.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as "**Annexure- III**." and forms integral part of this Report.

**24. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

The company has complied with the provisions of section 185 & 186 of the Act to the extent applicable, with respect to the loans and investments made.

**25. COVID-19 IMPACT ON THE COMPANY**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, have triggered significant disruptions to businesses worldwide, followed by the lockdown in the country which has adversely affected the business operations of the Company. Due to the rapid spread of the COVID-19 in the Country, the health of the employees and workers of the Company is very important to the Company and we are taking measures to protect them and following prescribed safety protocols. Supply chains have been severely disrupted which has resulted in our receiving few import consignments.

In assessing the recoverability of Company's assets such as Trade receivable, Loans and Advances, Inventories, Plant & Machineries etc., the Company has considered internal and external information up to the date of approval of these financial results. The company is making all efforts to recover the carrying value of current assets. However, management does not see any risks in the Company's ability to continue as a going concern as of now.

**26. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis forms an integral part of this report and gives detail of the overview, industry structure and developments, different product groups of the Company, operational performance of its various business segments.

**27. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no other material changes or commitments occurring after 31<sup>st</sup> March 2021, which may affect the financial position of the company or may require disclosure.

**28. 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.

**Date:** 14.06.2021

**Place:** Mumbai

**CIN:** L21308GJ1989PLC012743

**Registered Office:**

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

By Order of the Board of Directors  
**For Gujarat Poly Electronics Limited**

**T. R. Kilachand**  
**Executive Chairman**

## ANNEXURE I

### A. CONSERVATION OF ENERGY

a) Energy conservation steps taken: NIL		
b) Additional Investments & Proposals being implemented: NIL		
c) Impact of measures at (a) & (b) above: Not Applicable		
d) Power & Fuel Consumption :	<b>2020-21</b>	2019-20
Units (Kwh)	<b>75,278</b>	90,780
Total Amount (Rs.)	<b>9,01,920</b>	10,80,707

### B. TECHNOLOGY ABSORPTION

1. Specific Areas in which R & D carried out by the Company: NIL
2. Benefits derived as a result of above R & D: Not Applicable
3. Future Plan of Action: NIL
4. Expenditure of R & D: Negligible

#### TECHNOLOGY – ABSORPTION, ADAPTATION & INNOVATION

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

Technology Absorption is complete in the areas commissioned.

(b) Adaptation: Not Applicable

(c) Innovation: Not Applicable

##### (2) BENEFITS

Not Applicable

##### (3) IMPORTED TECHNOLOGY

No additional import of Technology in the Financial Year 2020-21.

### C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- i) Total Foreign Exchange used: Rs. 5,25,90,568/-
- ii) Total Foreign Exchange earned: Rs. NIL

**ANNEXURE II****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup>MARCH, 2021

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

To,  
The Members  
Gujarat Poly Electronics Limited  
B-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<sup>st</sup> March, 2021 (**“Audit Period”**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Securities and Exchange board of India (Depositories and Participants) Regulations, 2018;
- (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, 2018;
  - (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, 2018.

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.

Having regard to the compliance system prevailing in the Company and on examination on the test check basis of the relevant records; I further report that 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 event or action which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

**Devang J. Vyas  
Proprietor**

**UDIN: F002874C000454567  
FCS No. 2874, COP No. 1775**

**Date:** 14<sup>th</sup> June, 2021

**Place:** Mumbai

**Note:** This report is to be read with my letter of event date which is annexed herein next as Annexure A and forms an integral part of this report.



---

## ANNEXURE A

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

This letter is an integral part of the Secretarial Audit Report of even date for F.Y. 2020-21 submitted to the Gujarat Poly Electronics Limited (“the Company”) in pursuance of provisions of section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Members of the Company are informed as follow.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to the Company is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the present Secretarial Audit Report.
2. Maintenance of the secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the examination of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. I believe that the processes and practices that I followed, provide a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Devang J. Vyas  
Proprietor**

**UDIN: F002874C000454567  
FCS No. 2874, COP No. 1775**

**Date:** 14<sup>th</sup> June, 2021  
**Place:** Mumbai

**ANNEXURE III**

**Annual Report on Corporate Social Responsibility**

**[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]**

1. A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :-

Gujarat Poly Electronics Limited is committed to contribute towards Corporate Social Responsibility. The Company has taken various steps to meet society's expectations and welfare of the people. The company implemented the social activities in the neighboring places of Company's registered office the welfare of the general public living therein.

The Company has in place a Corporate Social Responsibility (CSR) Committee as per the requirement of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, amended time to time. The CSR Policy has been framed by the Committee which can be accessed from the website of the Company.

2. **The composition of CSR Committee :-**

Name of the Director	Category
Mr. P. T. Kilachand (Non-Executive Director)	(Chairman)
Mr. R. P. Vahi (Non-Executive Independent Director)	Member
Mr. A. H. Mehta (Managing Director)	Member

3. **Average net profit of the Company for last three financial years:** Rs. 2,44,90,904/-

4. **Prescribed CSR Expenditure (2% of the amount 3 above):** Rs. . 4,89,818/-

5. **Detail of CSR spent during the financial year :-**

- a) **Total amount to be spent for the financial year:** Rs. 4,89,818/-

- b) **Amount spent for 2020-21:** Rs. 4,95,000/-

- c) **Manner in which the amount spent during the financial year :-**

Sr. No.	CSR Project / Programs	Sector in which the Project / Programs is covered	Projects or programs 1) Local area or other 2) Specify the State and District where the Project or programs was undertaken	Amount outlay (budget) project / programs wise	Amount spent on the project / programs Direct expenditure on project / programs	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing Agency
1.	Renewable Energy and Installation of Rooftop Solar Panels	Items (iv) of Sch. VII of Companies Act 2013	District Patan, Gujarat	Rs. 2,40,000/-	Rs. 2,40,000/-	Rs. 2,40,000/-	North Gujarat Education Society, Mumbai (Agency)
2.	Clean Drinking Water Project	Items (i) of Sch. VII of Companies Act 2013	District Gandhinagar, Patan, Mehsana, Banaskantha, Sabarkantha	Rs. 2,55,000/-	Rs. 2,55,000/-	Rs. 4,95,000/-	Anarde Foundation

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof the company shall provide the reasons for not spending the amount in its Board report : **Not Applicable**

7. The CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

By Order of the Board of Directors  
For **Gujarat Poly Electronics Limited**

**T. R. Kilachand**  
Executive Chairman

Date: 14<sup>th</sup> June, 2021

Place: Mumbai



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OVERVIEW

Your Company, GUJARAT POLY ELECTRONICS LTD. (GPEL), was set up to manufacture Multilayer Ceramic Capacitors in Radial, Axial & SMD configurations in the Electronic Estate at Gandhinagar, Gujarat.

Over the years GPEL has added Single Layer Ceramic Capacitors, both Low & High voltage, in our range of products. Over time GPEL has outsourced the above products & have added products like other types of Capacitors & Diodes to our bouquet of products for trading.

All our products are a benchmark in the market & are well received in the market place.

### INDUSTRIAL STRUCTURE & DEVELOPMENT

Your Company (GPEL) caters to the following prime market segments of the Electronic Industry:

1. Instrumentation & Industrial Electronics
2. Computer Peripherals
3. Consumer Electronics
4. Defence Electronics
5. Telecommunications
6. Electronic Manufacturing Services (EMS) / Subcontractors

In addition to the above Market Segments, our products are serviced through a wide Dealer network all over India.

### OPPORTUNITIES & THREATS

Electronic Components are the building blocks of any Electronic Industry & are majorly classified into Active & Passive Components. GPEL products like Capacitors are classified under the Passive Component category.

Ceramic Capacitors are characterized by their miniature size, Cost Effective solutions, wide range of products, far superior characteristics in comparison to other types of Capacitors & are the most widely used in the Electronic Industry.

Some of the threats facing the Electronic Component Industry are as follows:

1. Due to the low cost & wide usage, Ceramic Capacitors are fiercely competitive.
2. All OEM's can Import Passive Electronic Components into India very easily at Zero Custom Duty.
3. Telecom & EMS Segments have access to worldwide market sourcing, making the components all the more competitive.
4. Most of the Customers in the Electronic Industry work on Annual contracts. Therefore, any adverse Market conditions & Foreign Exchange variations directly impact on the bottom lines.

### RISKS & CONCERNS

1. Most of the Electronic Board assemblers require parts in KIT form, which requires supply of all parts together.
2. Obsolescence is the order of the day in the Electronic Industry due to frequent changes/modifications in the design of our customers.
3. Therefore, Stocking is the essence of making or dropping a Sale.
4. Market fluctuations on account of Business environment directly effects margins.
5. Currency fluctuations have a direct impact on the bottom lines.

### PERFORMANCE BY SECTOR

The FY 2020-21 witnessed a slowdown, particularly in the First Half of the FY. The stocking & availability of parts improved dramatically in the current FY which directly impacted on the ASP's & the Sales off takes. Similarly the EMS Segment recorded a slowdown & consequently the Dealer Sales were severely affected. Also the Instrumentation & Industrial Electronics segment Sales recorded a decline over previous Year.

### KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	2020-21	2019-20
Debt-Equity Ratio	0.83	(0.62)
Interest Coverage Ratio	173.19	103.80
Current Ratio	0.86	0.74
Operating Profit Margin	8.34	10.18
Net Profit Margin	7.25	8.95
Return on Net Worth	257.91	(182.58)
Inventory Turnover Ratio	1.64	1.66
Debtors Turnover Ratio	3.39	3.21

### OUTLOOK

The Directors are hopeful of increasing the Sales Turnover by consolidating the existing range of products being offered to our esteemed customers in these difficult times. The Company is cautiously optimistic about the growth in the current Financial Year.

## CORPORATE GOVERNANCE REPORT

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

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

### II. Board of Directors

The Company has 1 Executive Chairman, 1 Managing Director and 6 Non- Executive Directors out of which 1 is Non-Executive Director, 4 are Independent Directors, 1 is a Nominee Director. Board of Directors are responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined.

The details of Director being appointed and re-appointed in the ensuing Annual General Meeting have been given in the Notice calling the Thirty Second 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.

**Composition and Category of Directors / Attendance at Meetings/Directorships and Committee Memberships in other companies as on 31<sup>st</sup> March, 2021 and other relevant details is as follows:**

#### 1. Financial Year- April 2020 to March 2021

Name of the Director	Attendance Particulars					No. of other Directorship and Committee Membership/ Chairmanship	
	Category	No. of Board Meetings held	No. of Board Meetings attended	Last AGM held on 31.08.2020	Board Meeting Sitting Fees paid Rs.	Other Directorship in Public Limited Companies	Committee Membership / Chairmanship
Mr. T. R. Kilachand	Executive Chairman ED	5	5	Yes	-	2	1
Mr. P. T. Kilachand	NED	5	5	Yes	40,000/-	9	Membership - 10 Chairmanship - 4
Mr. A. H. Mehta	MD	5	5	Yes	-	3	-
Mr. C. K. Khushaldas	NED(I)	5	5	Yes	40,000/-	1	-
Mr. J. A. Mehta	NED(I)	5	5	Yes	40,000/-	2	-
Ms. S. A. Jhaveri	NED(I)	5	4	Yes	32,000/-	-	-
Mr. Rajan P. Vahi	NED(I)	5	4	Yes	32,000/-	-	-
Mr. P.J. Parikh (Nominee of GIIC)	NED	5	3	Yes	24,000/-	1	-

#### Notes:

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



The names of the listed entities where the person is a director and the category of directorship:

Sr. No.	Name of Director	Name of Listed Company	Category of Directorship
1.	Mr. T. R. Kilachand	Polychem Limited	Promoter and Non -Executive Chairman
2.	Mr. P. T. Kilachand	Polychem Limited	Promoter and Managing Director
3.	Mr. A. H. Mehta	Polychem Limited	Deputy Managing Director
4.	Mr. C. K. Khushaldas	-	-
5.	Mr. J. A. Mehta	-	-
6.	Ms. S. A. Jhaveri	-	-
7.	Mr. Rajan P. Vahi	-	-
8.	Mr. P.J. Parikh (Nominee of GIIC)	-	-

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

During the financial year 2020-21, Five Board Meetings were held on the following dates:

(a) 5<sup>th</sup> June, 2020 (b) 26<sup>th</sup> June, 2020 (c) 8<sup>th</sup> August, 2020 (d) 27<sup>th</sup> October, 2020 (e) 27<sup>th</sup> January, 2021

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

Mr. P. T. Kilachand, Non-Executive Director is a son of Mr. T. R. Kilachand, Chairman of the Company.

## 4. Separate Meeting of Independent Director

As stipulated by the code of Independent Directors under the Companies Act, 2013 and under regulation 25(3) of SEBI (LODR) Regulations, 2015 a separate meeting of the Independent directors of the company was held on 27<sup>th</sup> January, 2021 to review the performance of Non - Independent Directors and the Board as a whole, review of the performance of the Chairperson of the Company, assessment of the quality, quantity and timeliness of the flow of information between the Company's management and the Board and its committees.

Name of the Director	Category	Meeting Attended
Mr. C. K. Khushaldas	Chairman	1
Mr. J. A. Mehta	Member	1
Ms. S. A. Jhaveri	Member	1
Mr. Rajan P. Vahi	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 Program:

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

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

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

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

Except Mr. P. T. Kilachand who holds 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 31.03.2021.

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

**III. Audit Committee:**

**(A) Terms of reference of the Audit Committee are:**

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

**(B) Composition of Audit Committee and Meetings held during the year:**

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

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

- (a) 26<sup>th</sup> June, 2020
- (b) 8<sup>th</sup> August, 2020
- (c) 27<sup>th</sup> October, 2020
- (d) 27<sup>th</sup> January, 2021

Name of the Director	Category	No. of Meeting/s		Sitting Fees paid (Rs.)
		Held	attended	
Mr. C. K. Khushaldas	Chairman	4	3	24,000/-
Mr. T. R. Kilachand	Member	4	4	-
Mr. J. A. Mehta	Member	4	4	32,000/-
Ms. S. A. Jhaveri	Member	4	3	24,000/-
Mr. R. P. Vahi*	Member	4	3	24,000/-

\*The Board of Directors in their board meeting held on 5th June, 2020 had re-constituted the composition of Audit Committee and appointed Mr. R.P. Vahi as member of the Committee w.e.f 5<sup>th</sup> June , 2020.

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

The Company Secretary acts as the Secretary to the Committee.

**(C) Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

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

**IV. Corporate Social Responsibility (“CSR”) Committee:**

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



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

During the year 2020-21, one meeting of the Corporate Social Responsibility (“CSR”) Committee was held on 27<sup>th</sup> January, 2021. The composition of this Committee as on 31<sup>st</sup> March, 2021 is as follows:

Name of the Director	Category	No. of Meeting	
		Held	Attended
Mr. P. T. Kilachand	Chairman	1	1
Mr. R. P. Vahi	Member	1	1
Mr. A. H. Mehta	Member	1	1

#### V. Nomination & Remuneration Committee:

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

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

The Committee is empowered:-

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

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

During the year 2020-21, one meeting of the Nomination and Remuneration Committee was held on 5<sup>th</sup> June, 2020.

The Composition of the Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2021 was as under.

Name of the Director	Category	No. of Meeting	
		held	attended
Mr. C. K. Khushaldas	Chairman	1	1
Mr. T. R. Kilachand	Member	1	1
Mr. J. A. Mehta	Member	1	1
Ms. S. A. Jhaveri	Member	1	1
Mr. R. P. Vahi*	Member	-	-

\*The Board of Directors in their board meeting held on 5<sup>th</sup> June, 2020 had re-constituted the composition of Nomination & Remuneration Committee and appointed Mr. R.P. Vahi as member of the Committee w.e.f 5<sup>th</sup> June , 2020.

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

The company has adopted the ‘Policy on Appointment and evaluation of Board of Directors, KMP, and Senior Management personnel’ which sets out the criteria for remuneration to be paid, has been placed on the website of the Company <http://www.gpelindia.in/Download/Criteria%20for%20Appointment%20Evaluation%20of%20Board%20of%20Directors,%20KMP%20and%20Senior%20Management%20Personnel.pdf>

None of the Non-Executive Director receives salary, benefits, bonuses, stock options, pension etc. except sitting fees the

details of which is given above in table – Board of Directors and Audit committee.

The Company pays fees to all Directors excluding the Managing Director and Executive Chairman of the Company for attendance during the meeting. The Managing Director is paid remuneration of Rs. 2,680,308/- and the Executive Chairman is paid remuneration of Rs. 1,380,710/- during the year excluding superannuation fund and provident fund.

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

#### VI. Stakeholders Relationship Committee

The constitution of Stakeholders Relationship Committees as per requirement of Section 178(5) of the Companies Act, 2013.

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

Name of the Director	Category	No. of Meetings	
		Held	Attended
Mr. P. T. Kilachand	Chairman	2	2
Mr. T. R. Kilachand	Member	2	2
Mr. A. H. Mehta	Member	2	2

The Committee would look into the redressal of the shareholders’ complaints in respect of all matters including non-receipt of Annual Report, Non-receipt of Share Certificates etc.

Mr. Pranabh Kapoor, Company Secretary provided secretarial support to the Committee and was also the designated Compliance Officer of the Company.

No complaints were received during the year ended on 31<sup>st</sup> March, 2021, hence no complaints were pending as on 31<sup>st</sup> March, 2021.

#### VII. Skills/Expertise/ Competence of the Board of Directors of the Company

The following is the list of core skills/expertise/competencies possessed by the Board of Directors of the Company, which are essential for the functioning of the Company in an effective manner.

##### a) Market Exploration & Potential Marketing:-

Experience in developing promotional strategies to increase the sales in the existing and explore potential market for the Company.

##### b) Service on the Boards’ of Various Companies:-

Experience of serving on the Boards’ of different companies in order to develop insights about Corporate Governance, Management Responsibility, Protecting Stakeholders interest.

##### c) Financial Expertise:-

Expertise in accounting and financial control functions. Possessing analytical skills. Expertise in preparation of financial strategies for the long term growth of the business of the Company.

##### d) Law & policies:-

Awareness of the existing law and economical policies applicable to the Company thereby ensuring proper legal and statutory compliances and appropriate application of policies to the advantage of the Company.

##### e) Expansion , Modification & Updation:

A significant background about the technology applicable to the company resulting in how to implement technological updates into the Business of the Company

**In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member’s name does not necessarily mean the member does not possess the corresponding skills/expertise/competencies.**



Name	Market Exploration & Potential Marketing	Service on the Board's of Various Companies	Financial Expertise	Law and Policies	Expansion Modification & Updation
Mr. T. R. Kilachand	✓	✓	✓	✓	✓
Mr. P. T. Kilachand	✓	✓	✓	✓	✓
Mr. A. H. Mehta	✓	✓	✓	✓	✓
Mr. C. K. Khushaldas	✓	-	✓	✓	-
Mr. J. A. Mehta	✓	✓	✓	✓	-
Ms. S. A. Jhaveri	✓	-	✓	✓	✓
Mr. Rajan P. Vahi	✓	-	✓	✓	✓
Mr.P.J. Parikh	✓	✓	✓	-	-

### VIII. General Body Meetings:

Annual General Meeting (AGM)

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

Financial Year	AGM	Location	Date	Time	No. of Special Resolutions passed
2017 - 18	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	24.08.2018	12:00 Noon	1
2018 - 19	AGM	Gandhinagar Electronic Estate, Gandhinagar, Gujarat	30.07.2019	12:00 Noon	1
2019-20	AGM	Video Conferencing (VC) / Other Audio Visual Means (OAVM),	31.08.2020	11:00 A.M.	3

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

### IX. Disclosure

Mr. T. R. Kilachand, Executive Chairman, Mr. A. H. Mehta, Managing Director, Mr. V. K. Puniani, Senior General Manager (Plant) and Mr. H. H. Jani, CFO, constitutes 'Management'.

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

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

The details of transactions of the company with the related parties have been disclosed in Notes to the Accounts.

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

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

#### 3. Whistle Blower Mechanism

The Company has adopted the whistle blower policy and has established a vigil mechanism under Regulation 22 of SEBI (LODR) Regulations 2015, the details of mechanism and policy 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.in/Download/Related%20Party%20Transaction%20Policy.pdf>.

- c) The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

**6. Certificate of Non-Disqualification of Directors:**

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

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

**8. Details of total fees paid to statutory auditors:**

The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor are as follows:

Type of Service	2020-21
Audit fees	Rs. 3,00,000/-
Tax Audit Fees & Certifications	Rs. 65,000/-
Expenses Reimbursed	Rs. 9,225/-
Any Other	Rs. 2,00,000/-

**X. CEO/CFO Certification**

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

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:-
1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting's and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee those deficiencies of which they are aware, in the design or operation of such internal control and that they have taken the required steps to rectify these deficiencies.
- (d) They further certify that they have indicated to the auditors and Audit Committee -
- (i) there have been no significant changes in internal control over financial reporting during the year.
  - (ii) there is no changes in accounting policies during the year.
  - (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.

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

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

1. Audit Qualifications:
  - a) The Company's financial statement for the year ended 31<sup>st</sup> March, 2021 does not contain any qualification.
  - b) Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2021 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 Audi Committee.

**XII. Means of Communications**

The quarterly results are communicated to Bombay Stock Exchange Ltd., Mumbai. These results are also published in one English



Newspaper i.e. The Indian Express, Ahmedabad and one Regional language Newspaper i.e. Financial Express, Ahmedabad. Results of 4th quarter i.e. Quarter ended 31<sup>st</sup> March, 2021 has been uploaded on the Company’s website: [www.gpelindia.in](http://www.gpelindia.in).

**XIII. General Shareholder Information**

AGM: Date: Time:	Tuesday, 7 <sup>th</sup> September, 2021 11:00 A.M.
Financial Year	April 2020 to March 2021
E-voting period	From 9:00 A.M. Friday, 3 <sup>rd</sup> September, 2021 till 5:00 P.M. Monday, 6 <sup>th</sup> September, 2021
Cut-off date for e-voting	Tuesday, 31 <sup>st</sup> August, 2021
Dates of Book Closure	Saturday, 31 <sup>st</sup> July, 2021 to Tuesday, 10 <sup>th</sup> August, 2021
Dividend Payment Date	N. A.
Listing on Stock Exchange	Bombay Stock Exchange Ltd.
Stock Code	517288
Demat ISIN Number in NSDL & CDSL for Equity Shares	INE541F01022
Market Price Data : High, Low during each month in the financial year 2020-21	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 Tel No: +91 22 49186000 Fax: +91 22 49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
Share Transfer System	In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.
Distribution of shareholding & Category-wise distribution	See Table No. 2 & 3
Dematerialisation of shares	See Table No. 4.
Plant Location	B -18, Gandhinagar Electronic Estate, Gandhinagar-382024 (Gujarat) Telephone : 079-23287162 / 63 Fax : 079-23287161 Email : <a href="mailto:gpel@kilachand.com">gpel@kilachand.com</a> Web-site: <a href="http://www.gpelindia.in">www.gpelindia.in</a> CIN: L21308GJ1989PLC012743
Address for correspondence	B -18, Gandhinagar Electronic Estate, Gandhinagar-382024 (Gujarat) Telephone : 079-23287162 / 63 Fax : 079-23287161 Email : <a href="mailto:gpel@kilachand.com">gpel@kilachand.com</a>

Listing Fees and custodial fees applicable have been paid.

**Table 1 – Market Price Data**

High, Low of market price of the Company’s shares traded on Bombay Stock Exchange Ltd., Mumbai, during the financial year 2020-21

Month	High (Rs.)	Low (Rs.)	Total No. of shares traded
April - 2020	5.04	4.74	7743
May - 2020	6.5	4.85	4260
June - 2020	10.34	6.21	19318
July - 2020	8.75	7.27	17253

August - 2020	9.99	7.45	26822
September - 2020	9.56	6.65	5311
October - 2020	7.33	5.5	13226
November - 2020	7.47	6.35	14772
December - 2020	8.27	6.35	17924
January - 2021	8.71	7.11	16751
February - 2021	7.85	6.65	12387
March - 2021	7.75	6.00	28966

**Table 2 - Distribution of Shareholding as on 31.03.2021**

No. of Equity Shares	No. of Shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 500	1708196	19.9789	21980	97.5285
501 to 1000	220300	2.5766	300	1.3311
1001 to 2000	180965	2.1165	124	0.5502
2001 to 3000	137628	1.6097	53	0.2352
3001 to 4000	82420	0.9640	24	0.1065
4001 to 5000	53366	0.6242	11	0.0488
5001 to 10000	163668	1.9142	24	0.1065
10001 and above	6003457	70.2159	21	0.0932
<b>Total</b>	<b>85,50,000</b>	<b>100.00</b>	<b>22,537</b>	<b>100.00</b>

**Table 3 - Category-wise distribution of shareholding as on 31.03.2021**

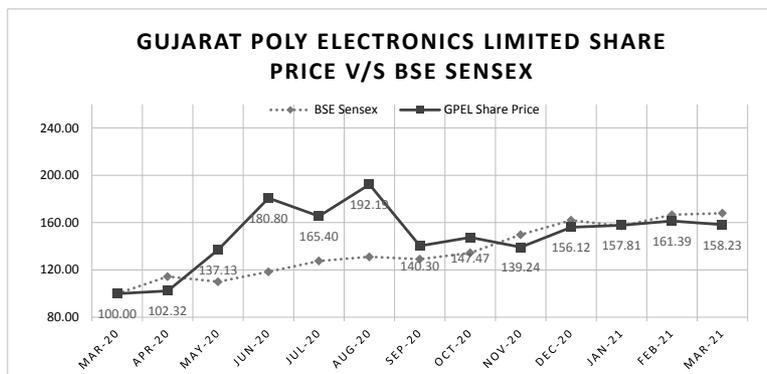
Sr. No.	Category	No. of shareholders	No. of shares held	% of total shares
1.	Promoters	2	51,13,255	59.80
2.	Institutions:			
	a. Mutual Funds	-	-	-
	b. Banks & FI	3	55,268	0.65
	c. Insurance Companies	-	-	-
	d. Others	-	-	-
3.	Non – Institutions:			
	a. Bodies Corporate	31	11,093	0.13
	b. NRI	29	12,972	0.15
	c. HUF	69	32,877	0.39
	d. Clearing Members	4	993	0.01
	e. Trusts	1	60	0.00
4.	Directors other than Promoters and their Relatives	13	1,25,675	1.47
5.	Resident Individuals	22,385	31,97,807	37.40
	<b>Total</b>	<b>22,537</b>	<b>85,50,000</b>	<b>100</b>

**Table 4 - Break-up of shares in physical & electronic mode as on 31.03.2021**

Mode	No. of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	18,535	82.24	14,55,870	17.02
Electronic	4,002	17.76	70,94,130	82.98
<b>Total</b>	<b>22,537</b>	<b>100.00</b>	<b>85,50,000</b>	<b>100.00</b>



## PERFORMANCE IN COMPARISON TO BSE SENSEX:



Closing value of 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 2020.

### ANNEXURE - A CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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

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

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify (subject to what is stated in the following paragraph) that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Tanil Ramdas Kilachand	00006659	11/03/1992
2.	Mr. Parthiv Tanil Kilachand	00005516	11/03/1992
3.	Mr. Atul Haridas Mehta	00005523	14/09/1989
4.	Mr. Chandrakant Khushaldas	00260818	14/03/2007

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
5.	Ms. Saloni Jhaveri	00029474	30/03/2015
6.	Mr. Jigen Anilkumar Mehta	02693293	30/03/2015
7.	Mr. Prakash Jagjivandas Parikh (Nominee)	08352876	10/05/2019
8.	Mr. Rajan Pyarelall Vahi	00033940	24/01/2019

As per information displayed on the website of the Ministry of Corporate Affairs (MCA), Gujarat Trans Receivers Limited of which Mr. Prakash Parikh is a Director, has not filed its financial statements or annual returns for F.Y. 2018-19 and onwards. The status of his DIN on MCA is "Director of Active Non-Compliant Company" in pursuance of relevant provisions of the Companies Act, 2013.

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

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

**Devang J. Vyas  
Proprietor**

**Membership No.: 2874  
CP No.: 1775  
UDIN: F002874C000448761**

**Date:** 14<sup>th</sup> June, 2021  
**Place:** Mumbai

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Gujarat Poly Electronics Limited (hereinafter referred to as 'the Company') for the year ended 31<sup>st</sup> March, 2021 stipulated in regulation 17 to 27 and clause (b) to (i) of regulation 46(2) and para C and D of schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI listing regulations.

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

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

**Devang J. Vyas  
Proprietor**

**Membership No.: 2874  
CP No.: 1775  
UDIN: F002874C000448869**

**Date:** 14<sup>th</sup> June, 2021  
**Place:** Mumbai



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

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

#### Opinion:-

We have audited the standalone financial statements of **Gujarat Poly Electronics Limited** (the 'Company') which comprise the Balance Sheet as at March 31, 2021, and the statement of Profit and Loss (including other comprehensive income) Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Sec. 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS), other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, total comprehensive income, changes in equity and its cash flows for the year then ended on that date.

#### Basis for Opinion:-

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

#### Emphasis of Matter

We draw attention to note no. 4.03 of the financial statement, wherein management while concluding no significant impact due to COVID-19 on current year's finance results has considered internal and external source of information relating to economic forecasts and estimates on realisability of various classes of assets and expects to recover the carrying

amount of these assets. However the assessment of impact of the COVID-19 is continuing process given the uncertainties associate with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

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

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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



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

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

#### Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and the Cash Flow Statement, Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to or separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditors Report in accordance with requirements of Sec. 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its Directors during the year is in accordance with the provisions of Sec. 197.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on the financial position of its financial statements Refer Note 4.02 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For, Mahendra N. Shah & Co.,  
Chartered Accountants  
FRN 105775W**

**Rashmi Sheth  
Partner**

**Mem. No.: 030406**

**UDIN: 21030406AAAAAM1276**

**Date:** 14<sup>th</sup> June, 2021

**Place:** Ahmedabad

---

**GUJARAT POLY ELECTRONICS LIMITED**  
**“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, 2021:

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 three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
2. In respect of Inventories:

According to information and explanation given to us, Physical verification of inventories has been conducted at reasonable interval by the Management and no material discrepancies were noticed on physical verification during the year.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has not granted loan or given guarantee or provided security as provided in the section 185 and 186 of the Companies Act, 2013.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The Central Government has not prescribed maintenance of Cost Records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records,
  - (a) the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, GST, Duty of Customs, and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
  - b) According to the information and explanations given to us, there are no material dues of income tax, GST and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
8. The company has not defaulted in repayment of dues to Financial Institutions or banks or debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given by the management, the managerial remuneration has been paid or provided in due compliance of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.



13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For, Mahendra N. Shah & Co.,  
Chartered Accountants  
FRN 105775W**

**Rashmi Sheth  
Partner**

**Mem. No.: 030406**

**UDIN: 21030406AAAAAM1276**

**Date:** 14<sup>th</sup> June, 2021

**Place:** Ahmedabad

## **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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting.**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

**For, Mahendra N. Shah & Co.,  
Chartered Accountants  
FRN 105775W**

**Date:** 14<sup>th</sup> June, 2021  
**Place:** Ahmedabad  
**UDIN:** 21030406AAAAAM1276

**Rashmi Sheth  
Partner  
Mem. No.: 030406**



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

All amounts are in '000 unless otherwise stated

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.01	17,568	18,839
Other Intangible assets	2.02	882	994
Right to use Asset	2.03	510	1,508
<b>Financial assets</b>			
Other financial assets	2.04	841	841
Deferred tax assets (Net)	2.05	-	-
Other non current assets	2.06	16	16
<b>Total non-current assets</b>		<b>19,817</b>	<b>22,198</b>
<b>Current Assets</b>			
Inventories	2.07	24,027	20,538
<b>Financial Assets</b>			
Trade receivables	2.08	43,987	36,355
Cash and cash equivalents	2.09	6,750	3,717
Bank balances other than 2.09 above	2.10	21,252	18,052
Loans	2.11	1,341	1,018
Other financial assets	2.04	520	271
Right to use Asset	2.03	557	-
Other current assets	2.06	571	534
<b>Total current assets</b>		<b>99,005</b>	<b>80,485</b>
<b>Assets Held for Sale</b>	2.06 A	<b>3,138</b>	<b>3,138</b>
<b>Total assets</b>		<b>1,21,960</b>	<b>1,05,821</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	2.12	85,500	85,500
Other Equity	2.13	(81,675)	(92,164)
<b>Total equity</b>		<b>3,825</b>	<b>(6,664)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	2.14	2,651	2,704
Lease Liability	2.15	514	1,446
<b>Total non-current liabilities</b>		<b>3,165</b>	<b>4,150</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	2.16	7,716	2,767
Other financial liabilities	2.17	98,150	98,150
Lease Liability	2.15	548	-
Other current liabilities	2.18	6,404	5,463
Provisions	2.14	2,152	1,955
<b>Total current liabilities</b>		<b>1,14,970</b>	<b>1,08,335</b>
<b>Total equity and liabilities</b>		<b>1,21,960</b>	<b>1,05,821</b>

Summary of 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  
**Rashmi Sheth**  
Partner  
(Membership No. 030406)  
**Place:** Ahmedabad  
**Date:** June 14, 2021

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  
**P. R. Kapoor**  
Company Secretary & Compliance Officer  
(M. No.: A48671)  
**Place:** Mumbai  
**Date:** June 14, 2021

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Income</b>			
Revenue from operations	3.01	1,36,145	1,36,014
Other income	3.02	1,762	1,107
<b>Total Income</b>		<b>1,37,907</b>	<b>1,37,121</b>
<b>Expenses</b>			
Cost of materials consumed	3.03	219	285
Purchase of stock-in-trade	3.04	88,029	76,363
Changes in inventories of stock-in-trade	3.05	(3,506)	4,103
Operational expenses	3.06	14,150	12,815
Employee benefits expense	3.07	26,892	29,335
Finance costs	3.08	70	137
Depreciation and amortization expense	3.09	2,188	1,916
<b>Total Expenses</b>		<b>1,28,042</b>	<b>1,24,954</b>
<b>Profit / (loss) before tax</b>		<b>9,865</b>	<b>12,167</b>
Tax expenses			
Current tax		-	-
<b>Profit/ (loss) for the period</b>		<b>9,865</b>	<b>12,167</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		624	(404)
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive Income / (Loss)</b>		<b>624</b>	<b>(404)</b>
<b>Total comprehensive Income for the year</b>		<b>10,489</b>	<b>11,763</b>
Earnings per equity share :			
Basic (in Rs.)		1.15	1.42
Diluted (in Rs.)		1.15	1.42

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

**Rashmi Sheth**

Partner

(Membership No. 030406)

**Place:** Ahmedabad**Date:** June 14, 2021

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

**P. R. Kapoor**

Company Secretary &amp; Compliance Officer

(M. No.: A48671)

**Place:** Mumbai**Date:** June 14, 2021



## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

Equity share capital	Amount.
<b>Balance as at March 31, 2019</b>	85,500
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>85,500</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>85,500</b>
<b>Other Equity</b>	
Particulars	Total Other equity
<b>Balance at March 31, 2019</b>	<b>(1,03,927)</b>
Profit for the year	12,167
Other comprehensive income	(404)
<b>Total comprehensive income for the year</b>	<b>11,763</b>
<b>Balance at March 31, 2020</b>	<b>(92,164)</b>
Profit for the year	9,865
Other comprehensive income	624
<b>Total comprehensive income for the year</b>	<b>10,489</b>
<b>Balance at March 31, 2021</b>	<b>(81,675)</b>

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

**Rashmi Sheth**  
 Partner  
 (Membership No. 030406)

**Place:** Ahmedabad  
**Date:** June 14, 2021

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

**P. R. Kapoor**  
 Company Secretary & Compliance Officer  
 (M. No.: A48671)

**Place:** Mumbai  
**Date:** June 14, 2021

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>(A) Cash flow From Operating Activities</b>		
Profit before income tax	9,865	12,168
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	2,188	1,916
Amount no longer payable written back	(27)	(54)
Allowance for bad & doubtful Debts (Net)	(221)	(2,880)
Write off of stores and spares	-	-
Sundry advances written off	27	155
Unrealised foreign exchange loss / (gain)	(738)	(266)
Actual Rent Paid	(631)	(673)
Gain/Loss on disposal of property, plant and equipment	-	-
Income from Interest	(994)	(736)
Other Income	(1)	-
Interest and finance charges	-	108
Lease Discounting	70	29
	<u>9,538</u>	<u>9,767</u>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	(7,402)	14,870
Decrease/(increase) in inventories	(3,489)	4,110
Increase/(decrease) in trade payables	5,715	2,079
Decrease/(Increase) in other financial assets	(249)	(614)
Decrease/(increase) in other non-current assets	(0)	(0)
Decrease/(increase) in other current assets	(37)	(132)
Decrease/(increase) in Loans	(323)	(531)
Increase/(decrease) in provisions	144	379
Increase/(decrease) in other current liabilities	1,566	183
<b>Cash generated from operations</b>	<u>5,462</u>	<u>30,111</u>
<b>Net cash flow from/(used in) operating activities (A)</b>	<u>5,462</u>	<u>30,111</u>
<b>(B) Cash flow From Investing Activities</b>		
Payments for acquisition of property, plant and equipment	(266)	(3,393)
Proceeds from sale of property, plant and equipment	43	-
Interest Income	994	736
<b>Net Cash flow from/(used in) Investing Activities (B)</b>	<u>771</u>	<u>(2,657)</u>
<b>(C) Cash flow From Financing Activities</b>		
Interest and finance charges	-	(8,108)
<b>Net Cash flow from/(used in) Financing Activities (C)</b>	<u>-</u>	<u>(8,108)</u>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents (A+B+C)</b>	6,233	19,346
Cash and Cash Equivalents at the beginning of the year	21,769	2,423
<b>Cash and Cash Equivalents at the end of the year</b>	<u>28,002</u>	<u>21,769</u>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents		
Balance with Banks:		
Cash on Hand	20	121
On current accounts	6,514	3,596
Cheque on Hand	216	-
Others (specify nature)		
a. security deposit with HDFC	52	52
b. Fixed deposits with Bank	21,200	18,000
<b>Balance as per the cash flow statement</b>	<u>28,002</u>	<u>21,769</u>
<b>Note:</b>		
Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of cash flows		

As per our report of even date  
 For Mahendra N. Shah & Co.  
 Chartered Accountants  
 Firm Registration No.: 105775W  
 Rashmi Sheth  
 Partner  
 (Membership No. 030406)  
 Place: Ahmedabad  
 Date: June 14, 2021

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  
**P. R. Kapoor**  
 Company Secretary & Compliance Officer  
 (M. No.: A48671)  
 Place: Mumbai  
 Date: June 14, 2021



# 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 14th June, 2021.

### 1.00 Summary of significant accounting policies

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

#### 1.01 BASIS OF PREPARATION

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

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

##### (ii) Historical cost convention

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

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

#### 1.02 ROUNDING OF AMOUNTS

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

#### 1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

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

### 1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain and more particular to COVID-19 pandemic situation. 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 2.05 ) and
- f) Contingencies. (Refer note 4.02 ) and g) COVID-19 pandemic Impact (Refer note 4.03)

### 1.05 FOREIGN CURRENCY TRANSACTIONS

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

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

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

##### **Monetary items**

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

##### **Non – Monetary items**

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

### 1.06 PROPERTY, PLANT AND EQUIPMENT

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

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



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

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

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

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

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

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

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

### **1.07 INTANGIBLE ASSETS**

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

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

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

### **Amortisation of intangible assets**

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

### **1.08 IMPAIRMENT OF ASSETS**

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

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

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

### **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.

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

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 mainly on FIFO basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and Finished goods include appropriate proportion of overheads and, where applicable, excise duty.

### 1.11 CASH AND CASH EQUIVALENTS

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

### 1.12 FINANCIAL INSTRUMENTS

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

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

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

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

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

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

#### **Amortised Cost:**

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

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

#### **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.



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

### **FVTPL:**

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

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

### **Impairment of Financial Assets**

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

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

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

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

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

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

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

### **Other Financial Liabilities:**

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

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

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

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

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

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

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

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.

---

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

### 1.14 REVENUE RECOGNITION

Revenue is measured at the value of the consideration received or receivable, after deduction of any trade discount, volume rebates and any taxes or duties collected on behalf of Government such as Goods and Services Tax, etc.

Adopting Ind AS 115 the Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

#### **Sale of Goods**

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customers and there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

#### **Other Revenue**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Revenue in respect of insurance/other claims etc, is recognized only when it is reasonably certain that the ultimate collection will be made.

### 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.

### 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.





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	Gross Carrying Amount			Amortisation / Impairment			Net Block		
	As at April 1, 2020	Addition	Disposal	Reclassification as held for sale	As at March 31, 2021	As at April 1, 2020	For the Year as held for sale	As at March 31, 2021	As at March 31, 2020
Software	1,416	95	40	-	1,471	422	167	589	882
<b>Total</b>	<b>1,416</b>	<b>95</b>	<b>40</b>	<b>-</b>	<b>1,471</b>	<b>422</b>	<b>167</b>	<b>589</b>	<b>882</b>

Particulars	Gross Carrying Amount			Amortisation / Impairment			Net Block		
	As at April 1, 2019	Addition	Disposal	Reclassification as held for sale	As at March 31, 2020	As at April 1, 2019	For the Year as held for sale	As at March 31, 2020	As at March 31, 2019
Software	1,302	114	-	-	1,416	372	50	422	994
<b>Total</b>	<b>1,302</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>1,416</b>	<b>372</b>	<b>50</b>	<b>422</b>	<b>994</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

2.03 Non-current assets	Non-Current		Current	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Right to use Asset	510	1,508	557	-
	<u>510</u>	<u>1,508</u>	<u>557</u>	<u>-</u>
2.04 Other financial assets	Non-Current		Current	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Security deposits	841	841	-	-
Interest Receivable	-	-	520	271
	<u>841</u>	<u>841</u>	<u>520</u>	<u>271</u>
2.05 Deferred tax assets (net)	As at March 31,			
	2021		2020	
<b>Tax effect of items constituting deferred tax liabilities</b>				
Difference between book balance and tax balance of fixed assets	2,939		2,824	
	<u>2,939</u>		<u>2,824</u>	
<b>Tax effect of items constituting deferred tax assets (Refer note below)</b>				
Disallowances u/s 43(B) of Income Tax Act,1961	1,762		1,766	
Right to Use Asset	297		419	
Brought forward business losses (restricted to the extent of net deferred tax liability on depreciation on account of virtual certainty.)	880		639	
	<u>2,939</u>		<u>2,824</u>	
<b>Net deferred tax asset / (liabilities)</b>	<u>-</u>		<u>-</u>	

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

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Indefinite	Total
<b>Tax Losses :</b>							
Unabsorbed depreciation	-	-	-	-	-	63,413	<b>63,413</b>
Business losses	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>63,413</b>	<b>63,413</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

2.06 Other assets	Non-Current		Current	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
<u>Advances other than Capital Advances</u>				
Unsecured, considered good unless stated otherwise				
Prepaid expenses	-	-	397	320
Balances with Statutory Authorities:	-	-	148	173
Sundry Advances	-	-	26	41
<u>Other Receivables</u>				
Employee Super Annuation Scheme A/c HDFC-841	6	6	-	-
GPPEL Employees GGCA Trust A/C	10	10	-	-
	<u>16</u>	<u>16</u>	<u>571</u>	<u>534</u>

2.06A Assets held for sale:	Particulars	Balance as at March 31,	
		2021	2020
		Plot of Land at cost	3,186
Less: Amortisation	48	48	
Net Cost	<u>3,138</u>	<u>3,138</u>	

The company is occupying two plots of lease Land of which one Plot of Land was not in active use since long and has initiated action for disposal of this land and accordingly this asset is disclosed in "Asset Held for Sale" and is valued at lower of amortised cost or fair market value and amortisation for the year thereof is charged to statement of profit and loss. In view of the COVID-19 pandemic situation delay in actual sales may arise.

The Company has applied to GIDC, Gandhinagar for Sub-Division of a plot which is an Asset held for sale.

The GIDC has approved the Sub-Division of the plot into 5 plots on 09/06/2021 with a Rider to make the payment of Sub-Division fees, development charges and complying certain conditions.

2.07 Inventories	As at March 31,	
	2021	2020
Raw Materials	2,707	2,730
Work in progress	161	94
Finished Goods	927	932
Stock-in-Trade	20,124	16,680
Stores and spares	46	46
Packing Materials	62	56
	<u>24,027</u>	<u>20,538</u>

2.08 Trade Receivables	Current	
	As at March 31,	
	2021	2020
Unsecured, considered good	43,987	36,355
Unsecured, considered doubtful	683	1,575
	<u>44,670</u>	<u>37,930</u>
Allowance for doubtful debts (expected credit loss)	683	1,575
	<u>43,987</u>	<u>36,355</u>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

<b>2.09 Cash and Cash Equivalent</b>	<b>As at March 31,</b>			
<b>a) Cash and Bank Balance</b>	<b>2021</b>		<b>2020</b>	
Balances with banks:				
Cash On Hand		20		121
On current accounts		6,514		3,596
		<u>6,534</u>		<u>3,717</u>
<b>b) Others</b>	<b>As at March 31,</b>			
	<b>2021</b>		<b>2020</b>	
Cheque On Hand		216		-
		<u>216</u>		<u>-</u>
<b>Total</b>		<u>6,750</u>		<u>3,717</u>
<b>2.10 Bank balances other than cash and cash equivalents</b>	<b>As at March 31,</b>			
	<b>2021</b>		<b>2020</b>	
Deposits with HDFC (As a security, refer Note No. 4.02)		52		52
Fixed deposits with Bank		21,200		18,000
		<u>21,252</u>		<u>18,052</u>
<b>2.11 Loans</b>	<b>Current</b>			
	<b>As at March 31,</b>			
	<b>2021</b>		<b>2020</b>	
<b>Loans to employees</b>				
Unsecured, considered good unless stated otherwise		1,341		1,018
		<u>1,341</u>		<u>1,018</u>
<b>2.12 Equity Share capital</b>	<b>As at March 31,</b>			
	<b>2021</b>		<b>2020</b>	
<b>Authorised share capital :</b>				
1,20,00,000 (March 31, 2021: 1,20,00,000; April 1, 2020: 1,20,00,000) equity shares of Rs.10/- each		120,000		120,000
		<u>120,000</u>		<u>120,000</u>
<b>Issued, Subscribed &amp; Paid up Capital</b>				
85,50,000 (March 31, 2021: 85,50,000; April 1, 2020: 85,50,000) equity shares of Rs. 10/- each (fully paid up)		85,500		85,500
<b>Total issued, subscribed and fully paid-up share capital</b>		<u>85,500</u>		<u>85,500</u>
<b>a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:</b>				
<b>Equity shares</b>	<b>As at March 31,</b>			
	<b>2021</b>		<b>2020</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
<b>At the beginning of the period</b>	8,550,000	85,500	8,550,000	85,500
Shares Issued during the year under ESOP	-	-	-	-
Shares Issued during the year as Bonus shares	-	-	-	-
Shares Bought back/ Other movements during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<u>8,550,000</u>	<u>85,500</u>	<u>8,550,000</u>	<u>85,500</u>
<b>b. Rights, preference and restrictions attached to shares:</b>				
<b>Equity Shares</b>				
The Company has issued only one class of equity shares having face value of Rs. 10 (March 31, 2021: Rs. 10; April 1, 2020 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.				



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

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

	As at March 31,			
	2021		2020	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>Equity shares of Rs. 10 each fully paid</b>				
<b>Name of the Shareholder</b>				
Polychem Limited	46,16,152	54%	46,16,152	54%
Gujarat Industrial Investment Corporation Ltd	4,97,103	6%	4,97,103	6%

### 2.13 Other equity

	As at March 31,	
	2021	2020
Retained Earnings	(81,675)	(92,164)

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.

### 2.14 Provisions

	Non-Current		Current	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Leave Encashment	2,651	2,704	1,852	1,651
Bonus Payable	-	-	300	304
	<u>2,651</u>	<u>2,704</u>	<u>2,152</u>	<u>1,955</u>

### 2.15 Non-current liabilities

	Non-Current		Current	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Lease Liability	514	1,446	548	-
	<u>514</u>	<u>1,446</u>	<u>548</u>	<u>-</u>

### 2.16 Trade payables

	Current	
	As at March 31,	
	2021	2020
Total outstanding dues of Micro Enterprises & Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	7,716	2,767
	<u>7,716</u>	<u>2,767</u>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

2.17 Other financial liabilities	Current	
	As at March 31,	
	2021	2020
Preference Share Capital	98,150	98,150
	<b>98,150</b>	<b>98,150</b>

**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 December 20, 2002 to term lenders, viz. ICICI, IDBI, IFCI & BOB, as per AAI FR 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/-.

2.18 Other liabilities	Current	
	As at March 31,	
	2021	2020
Gratuity payable (Funded)	1,528	1,689
Statutory Payables	1,475	897
Dues to Customer	156	166
Provision for Expense	2,758	2,005
LTA Payable	487	706
	<b>6,404</b>	<b>5,463</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

3.01 Revenue from operations	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from operations		
Sale of products (Net)	1,36,082	1,35,955
<b>Other operating revenue</b>		
Others	63	59
	<b>1,36,145</b>	<b>1,36,014</b>
<b>3.02 Other Income</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Interest Income	994	736
<b>Other non - operating income</b>		
Amount not payable written back	27	54
Excess Provision Write Back	1	-
Misc. Income	2	9
Foreign Exchange Gain	738	266
Profit/Loss on sale of asset	0	-
Other non - operating income	-	42
	<b>1,762</b>	<b>1,107</b>
<b>3.03 Cost of materials consumed</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Opening Stock	2,730	2,762
Purchases	196	253
Less: Closing stock	(2,707)	(2,730)
	<b>219</b>	<b>285</b>
<b>3.04 Purchases of Stock-in-trade</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
i) Trading Goods	88,029	76,363
	<b>88,029</b>	<b>76,363</b>
<b>3.05 Changes in inventories</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Finished Goods		
Closing Stock	927	932
Less: Opening Stock	-932	-955
	(5)	(23)
Work in process		
Closing Stock	161	94
Less: Opening Stock	-94	-126
	67	(32)
Trading Goods		
Closing Stock	20,124	16,680
Less: Opening Stock	-16,680	-20,728
	3,444	(4,048)
Net (Increase)/Decrease	<b>(3,506)</b>	<b>4,103</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

<b>3.06 Operational expenses</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Advertisement expenses	54	102
Bank Charges	14	24
Conveyance & travelling expenses	84	1,286
CSR Expense	495	410
Director sitting fees	312	264
Director Meeting Expense	-	52
ECL (Other) Expense	(221)	(2,880)
Electric Power, oil fuel and water charges	931	1,081
Factory Expense	473	435
Freight Outward(net)	769	344
General charges	96	146
Insurance charges	522	382
Labour Charges	419	332
Legal and professional fees	1,487	2,953
Land Non Use Charges	761	761
Membership & subscription	72	64
Miscellaneous expenses	2,197	1,771
Motor car expenses	594	837
Property Tax	370	363
Postage & courier expenses	15	349
Printing & Stationery expenses	81	714
<b>Auditor's Remuneration</b>		
Audit fees	300	300
Limited review fees	75	75
Tax audit fees	45	45
Other matters	195	125
Rates & taxes	82	97
Rent	0	0
<b>Repair &amp; Maintenance</b>		
Machinery	8	11
Others	2,565	816
Selling & distributions expenses	64	332
Security Service Charges	958	897
Stores and spares and Tools consumed	-	1
<b>Packing Material</b>		
Opening Stock	35	
Add : Purchase during the year	111	
Less : Closing Stock	(40)	71
Telephone expenses	229	257
	<b>14,150</b>	<b>12,815</b>
<b>3.07 Employee Benefits Expense</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Salaries, wages & incentives	23,042	24,836
Contribution to provident and other fund	3,041	3,326
Staff welfare expenses	809	1,173
	<b>26,892</b>	<b>29,335</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

3.08 Finance Costs	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Interest and Finance charges on financial liabilities not a FVTPL</b>		
Interest on Loan	-	96
Other interest expenses	0	12
Lease Discounting	70	29
	<u>70</u>	<u>137</u>
<b>3.09 Depreciation and amortization expense</b>		
	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation of property, plant and equipment	1,440	1,284
Amortization of Intangible assets	167	50
Lease Amortization	581	582
	<u>2,188</u>	<u>1,916</u>
<b>4.01 Earnings Per Share (EPS)</b>		
	As at March 31, 2021	As at March 31, 2020
<b>Basic earnings per share :</b>		
Attributable to equity holders of the Company	1.15	1.42
<b>Diluted earnings per share :</b>		
Attributable to equity holders of the Company	1.15	1.42
<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 :	9,865	12,167
<b>Diluted earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	9,865	12,167
<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, 2021	As at March 31, 2020
Disputed Demand of Employees' State Insurance Corporation *	<u>103</u>	<u>103</u>

\*Bank Guarantee is issued to ESIC as security for Rs. 52,000/- only

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

### 4.03 Going concern under COVID-19 Pandemic Impact

The Company has assessed the impact that may result from this pandemic on its overall position for carrying amounts of receivables, inventories, tangible and intangible assets, investments, and other assets / liabilities. In developing the assumptions relating to the possible uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external information available till the date of approval of these financial results and has assessed its situation. In that context and based on the current estimates, the Company believes that COVID-19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods. Having regard to the above, the financial statements have been prepared by the Management of the company on a "Going concern" basis.

### 4.04 Ind AS 116, Leases Impact

The preparations for this standard are substantially complete. The estimated impact of Ind AS 116 on the Company's financial statements at 31 March 2021 is as follows:

**Balance Sheet:** The company estimates the adoption of Ind AS 116 will result in an increase in total assets of Rs. 13.65 Lakhs split between right-to-use assets of Rs. 10.68 Lakhs and deferred tax assets of Rs. 2.97 Lakhs. Financial liabilities are expected to increase by Rs. 10.62 Lakhs.

**Statement of Profit and Loss:** The Company estimates that the adoption of Ind AS 116 will result in increased depreciation of Rs. 5.81 Lakhs from the right-to-use assets and increased Finance costs of Rs.0.70 Lakhs for the year due to the interest recognised on lease liabilities. These will offset the reduction in operating lease expenses of Rs.6.51 lakhs for the year.

### 4.05 Employee benefits

#### a) Defined Contribution Plans:

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

	2020-21	2019-20
1 Contribution to Provident Fund	1,248	1,406
2 Contribution to Pension Fund	407	431
3 Contribution to Superannuation Fund	891	1,039
	<u>2,546</u>	<u>2,876</u>

#### 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 legally 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, longevity 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Discount rate	6.86%	6.83%
Expected rate of salary increase	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Service cost:		
Current service cost	375	322
Net Interest Cost	115	127
Past Service Cost	-	-
<b>Components of defined benefits cost recognised in Statement of Profit and Loss</b>	<b>490</b>	<b>449</b>

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Remeasurement of net defined benefit liability		
Return on plan assets(excluding amount included in net interest expense)	3	34
Net Actuarial (Gain)/ Loss	(627)	370
<b>Components of defined benefits cost recognised in Other Comprehensive Income</b>	<b>(624)</b>	<b>404</b>

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Present Value of the Defined Benefit Obligations	(11,021)	(10,687)
Fair Value of Plan Assets	9,493	8,998
<b>Liability Recognised in the Balance Sheet</b>	<b>(1,528)</b>	<b>(1,689)</b>

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Opening defined benefit obligations	10,687	9,544
Current service cost	375	322
Interest cost	730	741
Past Service Cost	-	-
Benefit paid form the fund	(144)	(289)
Remeasurement (Gains) / losses		
Actuarial (gains) / losses on Defined Benefit Obligation - Due to change in financial obligation	(11)	362
Actuarial (gains) / losses on Defined Benefit Obligation - Due to experience	(616)	7
<b>Closing defined benefit obligation</b>	<b>11,021</b>	<b>10,687</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

### 5. (b) Reconciliation

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Opening Net Liability	1,690	1,639
Add: Employer Expenses (Expenses recognised in the statement of P/L account)	490	449
Add: Trasfer to OCI	(624)	404
Less: Benefit Paid	-	-
Less: Employers contribution	(28)	(802)
<b>Closing Net Liability</b>	<b>1,528</b>	<b>1,690</b>

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Deposits with LIC of India	100%	100%

### 7. Sensitivity Analysis

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

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

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Delta Effect of +1% Change in Rate of Discounting	(355)	(388)
Delta Effect of -1% Change in Rate of Discounting	397	434
Delta Effect of +1% Change in Rate of Salary Increase	311	328
Delta Effect of -1% Change in Rate of Salary Increase	(281)	(313)
Delta Effect of +1% Change in Rate of Employee Turnover	43	45
Delta Effect of -1% Change in Rate of Employee Turnover	(47)	(49)

### 4.06 Dues to Micro and Small Enterprises

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

### 4.07 Capital Management

#### Risk management

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

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

Particular	As at	
	March 31, 2021	March 31, 2020
Equity	3,825	(6,664)
Loan from Holding Company	-	-
Less: Cash and Cash Equivalents	(28,002)	(21,769)
	<b>(28,002)</b>	<b>(21,769)</b>

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

### 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.

#### (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, 2021		As at March 31, 2020	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Trade receivables	43,987	43,987	36,355	36,355
Loans	1,341	1,341	1,018	1,018
Cash and Bank balances	28,002	28,002	21,769	21,769
Other financial assets	1,361	1,361	1,112	1,112
<b>Total (A)</b>	<b>74,691</b>	<b>74,692</b>	<b>60,254</b>	<b>60,254</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Trade payables	7,716	7,716	2,767	2,767
Other financial liabilities	98,150	98,150	98,150	98,150
<b>Total Financial liabilities</b>	<b>1,05,866</b>	<b>1,05,866</b>	<b>1,00,917</b>	<b>1,00,917</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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

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

Age of Receivables	As at	
	March 31, 2021	March 31, 2020
Within the credit period	39,864	29,158
1-90 days past due	3,294	5,531
91-180 days past due	734	1,673
181-270 days past due	24	185
271-360 days past due	96	49
More than 360 days past due	658	1,334
<b>Total</b>	<b>44,670</b>	<b>37,930</b>

### Movement in the expected credit allowance

<b>As at March 31, 2019</b>	4458
Provided during the year	-2883
<b>As at March 31, 2020</b>	<b>1575</b>
Provided during the year	-892
<b>As at March 31, 2021</b>	<b>683</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:

As at March 31, 2021	less than 1 year	1 to 5 year	More than 5 year	Total
Borrowings	-	-	-	-
Trade payables	7716	-	-	7,716
Other Financial Liabilities	0	-	98,150	98,150
<b>As at March 31, 2020</b>		<b>less than 1 year</b>	<b>1 to 5 year</b>	<b>Total</b>
Borrowings		-	-	-
Trade payables		2,767	-	2,767
Other Financial Liabilities		-	98,150	98,150

### (iii) Market Risk

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

#### Market Risk – Foreign Exchange

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

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

Currencies	March 31, 2021	March 31, 2020
USD	-	-
<b>Foreign currency exposure as at March 31, 2021</b>	<b>USD</b>	<b>Total</b>
<b>Liabilities</b>		
Trade Payables	-	-
<b>Foreign currency exposure as at March 31, 2020</b>	<b>USD</b>	<b>Total</b>
<b>Liabilities</b>		
Trade Payables	-	-

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

Currency	Nature	March 31, 2021		March 31, 2020	
		Amount in Foreign Currency	Amount in INR (in '000)	Amount in Foreign Currency	Amount in INR (in '000)
USD	Liability-Import Payable	-	-	-	-

### Foreign currency sensitivity

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	1 % Increase (In '000)	1 % Increase (In '000)	1 % Decrease (In '000)	1 % Decrease (In '000)
USD	0	0	0	-

#### 4.10 Segment Reporting

The Company's business activity fall within a single business segment viz. Capacitors, comprising mainly trading in Ceramic Capacitors and all the sales are made in India. Considering the same, there are no reportable segments (business / geographical) in accordance with the requirements of Ind AS 18 "Operating Segment".

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

#### 4.12 Related Party Transactions

(a) Names of related parties and description of relationship

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

All amounts are in '000 unless otherwise stated

## (b) Details of Transactions:

	Key Managerial personnel		Entities where the key managerial personnel have significant influence / control		Holding		Total Amount	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Expenses</b>								
<u>Electricity charges</u>								
Ginners & Pressers Limited	-	-	49	71	-	-	49	71
<u>Remuneration</u>								
A. H. Mehta	2,884	2,959	-	-	-	-	2,884	2,959
T. R. Kilachand	1,462	1,539	-	-	-	-	1,462	1,539
H. H. Jani	2,300	2,294	-	-	-	-	2,300	2,294
D. H. Upadhyaya (April to Oct-2019)	-	283	-	-	-	-	-	283
P. R. Kapoor	613	248	-	-	-	-	613	248
<u>Directors sitting fees (including Audit committee Fees)</u>								
T. R. Kilachand	-	-	-	-	-	-	-	-
P. T. Kilachand	40	40	-	-	-	-	40	40
C. K. Khushaldas	64	64	-	-	-	-	64	64
S. A. Jhaveri	56	24	-	-	-	-	56	24
J. A. Mehta	72	80	-	-	-	-	72	80
R. P. Vahi	56	32	-	-	-	-	56	32
P. J. Parikh	24	24	-	-	-	-	24	24
<b>Total expenses payable</b>	<b>7,571</b>	<b>7,587</b>	<b>49</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>7,621</b>	<b>7,658</b>
<u>Reimbursement/(Recovery) of expenses</u>								
Polychem limited	-	-	-	-	-	52	-	52
<b>Total reimbursement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>52</b>
<u>Interest on Inter Corporate Deposit</u>								
Polychem limited	-	-	-	-	-	96	-	96

As per our report of even date

For and on behalf of the Board of Directors

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

T. R. Kilachand  
Chairman  
DIN 00006659

A. H. Mehta  
Managing Director  
DIN 00005523

Rashmi Sheth  
Partner  
(Membership No. 030406)

H. H. Jani  
Chief Financial Officer

P. R. Kapoor  
Company Secretary & Compliance Officer  
(M. No.: A48671)

Place: Ahmedabad  
Date: June 14, 2021

Place: Mumbai  
Date: June 14, 2021





## **GUJARAT POLY ELECTRONICS LIMITED**

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