



Company CIN : L33111MH1988PLC231956

GAGAN POLYCOT INDIA LIMITED

07th September, 2020

To
The Manager,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai: 400001.

Dear Sir/Madam,

Scrip Code: 531196

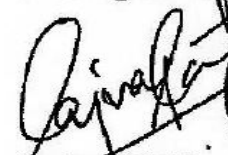

Sub: Notice of 32nd Annual General Meeting and Annual Report 2019-20

This is to inform that the 32nd Annual General Meeting of the members of the Company will be held on Wednesday, September 30th, 2020 at 10:00 AM at Unit No.2, Gala no.2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East), Palghar-401208

The Annual Report for the Financial Year 2019-20, including the Notice convening the AGM pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), is enclosed herewith.

Thanking you.

For Gagan Polycot India Limited



Prajwal Patel
Director
DIN: 08389797

Place: Vasai

Regd. Office Address:

Unit No. 2, Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (E), Palghar 401208, MH, India

☎ +91 810 851 1999 📠 +91 22 3916 7130 📧 sales@gaganpolycot.com 🌐 http://www.gaganpolycot.com

GAGAN POLYCOT INDIA LIMITED

(CIN: L33111MH1988PLC231956)

ANNUAL REPORT 2019-2020

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CORPORATE INFORMATION**BOARD OF DIRECTORS****Managing Director & CFO**

Mr. Ketu Parikh

Whole Time Director

Mr. Prajwal Patel

Company Secretary

Pooja Gohel

Directors

Mr. Rupam Chitalia

Mrs. Jayshri Tedginkeri (Appointed w.e.f 6th July, 2019)

Mr. Shailesh Muknak (Appointed w.e.f 11th January, 2020)

Mrs. Tejal Shah (Resigned w.e.f 11th January, 2020)

PRINCIPAL BANKER

Corporation Bank

REGISTERED OFFICE

Gagan Polycot India Limited

Unit No.2, Gala no.2, Shiv Shankar Industrial Estate No. 1,

Behind Burmashell Petrol Pump, Waliv, Vasai (East),

Palghar-401208.

Tel: 8108511999

Email Id: compliance@gaganpolycot.com

Website: www.gaganpolycot.com

Listed at – BSE Limited

ISIN – INE297L01011

CIN: L33111MH1988PLC231956

STATUTORY AUDITORS

M/s. PMPK & Company

Chartered Accountants

FA 23, Lakecity mall, Kapurbavdi

Junction, Ghodbunder Road,

Thane (West), Mumbai – 400607.

REGISTRARS AND SHARE TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.

19, Jafferbhoy Industrial Estate,

1st Floor, Makwana Road, Marol Naka

Mumbai-400059.

NOTICE

NOTICE is hereby given that 32nd Annual General Meeting of (“the Company”) will be held on Wednesday, September 30th, 2020 at 10:00 AM at Unit No.2, Gala no.2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East), Palghar-401208 to transact the business as given below in the Notice.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Ketu Parikh (DIN: 00185343) Managing Director, who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:**3. Appointment of Mr. Shailesh Muknak (DIN No.: 08480694) as an Independent Director:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shailesh Muknak (DIN No.: 08480694), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective from January 11, 2020 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying her intention to propose Mr. Shailesh Muknak (DIN No.: 08480694) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five years and the term shall not be subject to retirement by rotation.”

4. Approval of Related Party Transaction:

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) and Rules made there under and subject to such approvals, consents, sanctions and permissions as maybe necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with parties with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials services or property or appointment of such parties to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature during the financial year 2020-2021.”

“**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to determine the actual sums to be involved in the transaction, to increase the value of the transactions (upto 10%) and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts deeds and things that may be necessary proper, desirable or

expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

5. Approval of charges for service of documents on the shareholders:

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

“**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any shareholder by the Company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the shareholders be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director or key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

**By order of the Board of Directors
For Gagan Polycot India Limited**

Sd/-

**Ketu Parikh
Chairman cum Managing Director & CFO
DIN – 00185343**

**Regd. Off:
Unit No.2, Gala no.2, Shiv Shankar Industrial Estate No. 1,
Behind Burmashell Petrol Pump, Waliv, Vasai (East),
Palghar-401208.**

CIN No.: L33111MH1988PLC231956

**Date: 25.08.2020
Place: Vasai**

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company.
2. A person can act as Proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not after than 48hours before the time fixed for the meeting.
4. Members / proxies should bring the Attendance Slip duly filled in for attending the meeting. The form of attendance slip and proxy form are attached at the end of the Annual Report.
5. Corporate members intending to send their authorized representative(s) to attend the meeting or vote electronically are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. The Annual Report and notice of the Annual General Meeting along with the Attendance Slip, Proxy Form and Postal ballot paper has been sent in electronic mode to all Members whose e-mail IDs are registered with the Company or the Depository Participant(s).
7. Please note that Notice of AGM and Annual Report are being uploaded on the website of the Company viz. www.gaganpolycot.com for your ready reference and will be made available for inspection at the Registered Office of the Company during business hours.
8. Further, pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is providing e-voting facility for transacting the businesses contained in the notice. The Company has considered period of book closure, as the cut-off date to record the entitlement of shareholders to cast their right to vote electronically as well as physically. The Notice of AGM is available on the Company's website www.gaganpolycot.com. The procedure of E-voting is available in the notice of the AGM sent to the members.
9. Members are requested to send all their correspondence relating to the transfer of shares, dividend matters etc., to the Company's Registrars and Share Transfer Agents –Adroit Corporate Services Private Limited.
10. Members holding shares in physical form are requested to notify/send any change in their address to the Company's Registrars and Share Transfer Agents or to the Company at its Registered Office. Members holding shares in dematerialized form are requested to notify/send any change in their address to the concerned depository participant (s).
11. Section 72 of the Companies Act, 2013 extends nomination facility to individual shareholders of the Company. Therefore, shareholders willing to avail this facility may make nomination in Form SH-13 as provided in the Companies (Share Capital and Debentures) Rules, 2014.
12. Members are requested to update their e-mail address with their respective depository participant to ensure that the annual report and other documents reach them on their preferred e-mail address.

13. VOTING THROUGH ELECTRONIC MEANS:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Sunday, 27th September, 2020 (9:00 am) and ends on Tuesday, 29th September, 2020 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

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

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

Your User ID is:

- a. For Members who hold shares in demat account with NSDL.8 Character DP ID followed by 8 Digit Client ID
For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
- b. For Members who hold shares in demat account with CDSL.16 Digit Beneficiary ID
For example, if your Beneficiary ID is 12***** then your user ID is 12*****
- c. For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the company
For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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

- a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.

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

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

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

Details on Step 2 is given below:

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

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

General Guidelines for shareholders

1. Institutional shareholder (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 aditya@csadityashah.co.in with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

VI.A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

VII.A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

VIII.M/s. Aditya Shah & Associates, Practicing Company Secretary, Mumbai (Mem No.58883- & COP No.22912) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

IX.The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

X.The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman

or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.gaganpolycot.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENTS

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 3 to 5 of the accompanying Notice dated 25th August, 2020.

ITEM NO. 3

The Board of Directors of the Company had appointed Mr. Shailesh Muknak (DIN No.: 08480694) as an Additional Director of the Company with effect from 11th January, 2020. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Shailesh Muknak (DIN No.: 08480694) shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years. The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Shailesh Muknak (DIN No.: 08480694) signifying her candidature as an Independent Director of the Company.

The Company has received a declaration of Independence from Mr. Shailesh Muknak (DIN No.: 08480694). In the opinion of the Board, Mr. Shailesh Muknak (DIN No.: 08480694) fulfils the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the registered office of the Company during business hours on any working day.

The Board of Directors commend passing of the ordinary resolution set out in item no. 3 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 3 of the Notice except Mr. Shailesh Muknak.

ITEM NO. 4

The Company, in the Ordinary course of its business enters into various transactions, contracts, arrangements which are at arm's length basis with various affiliates ["Related Party" as per the provisions of the Companies Act, 2013 (the Act) and Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations)].

The Transaction with related parties inter-alia includes sale, purchase, leasing of properties, availing or rendering of services, reimbursement of expenses, lease rent payments, lending or borrowing of monies (as may be permissible under the provisions of the Act), etc., which are entered into, in the ordinary course of business, are at arms' length basis and in the best interest of the Company.

Considering the future business projections, the Company envisages the transactions with related parties may exceed the materiality threshold of 10% of the annual turnover of the Company. Thus, in terms of explanations of the SEBI Regulations, by way of abundant caution, approval of the shareholders is being sought.

The Board recommends the Special Resolutions as set out at Item No. 4 of the Notice for approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

ITEM NO. 5

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the company.

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No.5 of this Notice.

No Director of the Company, Key Managerial Personnel or their relatives respectively is in any way concerned or interested in the proposed resolution.

**By order of the Board of Directors
For Gagan Polycot India Limited**

Sd/-

**Ketu Parikh
Chairman cum Managing Director & CFO
DIN – 00185343**

Regd. Off:

**Unit No.2, Gala no.2, Shiv Shankar Industrial Estate No. 1,
Behind Burmashell Petrol Pump, Waliv, Vasai (East),
Palghar-401208.**

CIN No.: L33111MH1988PLC231956

Date: 25.08.2020

Place: Vasai

Details of Directors appointment/re-appointment/retiring by rotation, as required to be provided pursuant to the provisions of (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:

Particulars	Mr. Ketu Parikh	Mr. Shailesh Muknak
Director Identification Number (DIN)	00185343	08480694
Date of Birth	05.12.1960	16.06.1992
Date of Appointment	05.08.2011	11.01.2020
Experience in functional Area	Mr. Ketu Parikh is a Graduate from Mumbai University, Had Working with M/S Eicher Motors Ltd (EML), Indore, Tata Motors Ltd (TML), Pune, Ashok Leyland (ALL), Chennai, And Modi Xerox (MX), Delhi and having experience in the field of Automobile Industry, Packaging Industries and Textiles Industries for over last 30 Years. Overall Manufacturing Unit is looked after and monitored by him	Finance & Administration
Qualification	a) Diploma in Plastic Engineering (Bhagubhai Mafatlal Polytechnic, Mumbai, Year 1981), b) A.M.I. (Mech)E, (Institution of Mechanical Engineers –Year 1983) c) Export-Import Management –Year 1983	HSC
Directorship in other Companies (Public Limited Companies)	N.A.	N.A.
Membership of Committees of other public limited companies (Audit Committee and Shareholder's / Investor's Grievance Committee only)	N.A.	N.A.
No. of Shares held in the Company	N.A.	N.A.
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	N.A.	N.A.

DIRECTORS' REPORT

To,
The Members,

The Directors of the Company take pleasure in presenting their 32nd Annual Report together with the annual audited financial statements for the financial year ended March 31, 2020.

FINANCIAL RESULTS

The summary of the Company's financial performance for the financial year 2019-20 as compared to the previous financial year 2018-19 is given below:

(Amt in lacs)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Income	241.09	1174.57
Less: Expenses	579.89	1287.35
Less: Depreciation	24.18	26.69
Exceptional Items	-	-
Profit after Depreciation & Interest	(362.97)	(139.47)
Provision for Taxation	-	-
Provision for Tax (deferred)	0.15	0.35
Profit after Tax	(363.13)	(139.11)
Net profit / (Loss)	(363.13)	(139.11)
Balance carried to Balance Sheet	(363.13)	(139.11)

HIGHLIGHTS

During the year your Company has income of Rs.241.09 Lacs including other income as compared to Rs. 1174.57 Lacs in the previous year. The Net Loss after tax was Rs.(363.13) Lacs against the Net Profit of Rs. 139.11 Lacs in the previous year.

GENERAL RESERVES

During the year the Company has not proposed to transfer any amount to the General Reserve of the Company.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

This MD & A provides analysis of the operating performance of the Company's two business segments, as well as a discussion of cash flows, the impact of risks and outlook for the business, Additional information about the Company which is appended as **Annexure – I** to this Report.

This discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibilities for review of this disclosure principally through its Audit Committee, comprised exclusively of independent Directors. The Audit Committee has reviewed and approved this disclosure and it has also been approved by the Board of Directors.

The management of the Company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the Company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

SEGMENT-WISE PERFORMANCE

The Company operates in two reportable segments i.e. Textile Business and manufacturing business. The Business Segments has been identified as separate segment in accordance with Accounting Standard 17 'Segment Reporting'.

RISK MANAGEMENT

The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, which is the largest component of cost. Since cotton is an agriculture produce, it suffers from climatic volatility in the major cotton producing countries. This in turn creates uncertainties for textile manufacturers.

Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry. The non-availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry.

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer-oriented approach.

OPPORTUNITIES IN TEXTILE INDUSTRY

Company Prospectus: The Company deals in Indian Market. The purchasing power of the masses is increasing every year in our country. The Company hopes to increase its profit as higher sales are being achieved. Company is also trying to enter into joint ventures with a view to diversify the production respect to the requirement of buyers.

The Manufacturing Unit is situated at Waliv, Vasai, Maharashtra focusing on the Industrial & Automotive, Packaging & Stationary, Cosmetics, Safety and customized products. The Company has installed the state of the art machines to produce an apt product to its clients Domestic & Exports.

The Company has made the set-up of production of Plastic Molded products in the surgical division. The Company is planning to implement it own brand in the Household and Pharmaceutical Industry to suffice the never-ending demands simultaneously reduce the efforts on the trading Textile activity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We maintain adequate internal control systems commensurate with the nature of business, size and complexity of its operations. We have well-established processes, guidelines and procedures to augment the internal controls. This, coupled with adequate internal information systems ensures proper information flow for the decision-making process. The internal control system is designed to ensure maintenance of proper accounting controls, monitoring of operations, protection and conservation of assets and compliances with applicable laws and regulations. These controls ensure that financial and other records are reliable for preparing financial statements and other information.

We also address any issues identified by regulatory inspection teams very diligently and report the same to the Board of Directors and the regulators.

HUMAN RESOURCES

During the year under review, HR continued to undertake initiatives towards development, enhancement and retention of workforce. Your Company strongly believes that employees are central to the Company's transformation agenda and that it is important to build capabilities of employees to handle both current and future needs. During the year, the Company worked extensively on identifying the needs of employees across all categories and level. The Company has built a young and vibrant team of qualified and competent professionals to meet the emerging business challenges and market competition.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the Company's objective, projections and estimates, are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental/related factors.

REPORTING OF FRAUD

The Auditors have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013, other than those which are reportable to the Central Government.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS.

During the Financial Year 2019-2020, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIVIDEND

In order to conserve the resources, your Directors are unable to declare any dividends.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Provisions of Sec.125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, 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

During the year under review, there is no such change in the Company.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

- There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

- During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DETAILS OF HOLDING / SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company does not have any Holding/Subsidiary/Joint Ventures/ Associate as on March 31, 2020. However Company is Associate Company of Lien Trading Private Limited as on March 31, 2020.

CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Composition of the Board during the year was as per the provisions of Regulation 17(1) of Listing Regulation read with the Companies Act, 2013. During the year under review, on the recommendation of Nomination and Remuneration Committee, your Board Inducted Mr. Shailesh Muknak (DIN:08480694) as an Additional Director in the category of Independent Director with effect from 11th January, 2020 and Mrs. Jayshri Tedginkeri (DIN: 08109906) was inducted as an additional Director in the category of Independent Director w.e.f 6th July, 2019, whose appointment was regularized in 31st AGM for a period of five years. Mr. Mukesh Bunker (DIN:07999904) and Mrs. Tejal Shah (DIN:06532797) had resigned from the post of Independent Directorship w.e.f. 6th July, 2019 and 11th January, 2020 respectively. The Board places on record appreciation for guidance and services provided by them to the company during their tenure.

Pursuant to Section 149 of the Companies Act, 2013, the Board recommended the regularization of Mr. Shailesh Muknak (DIN:08480694) by appointing him as an Independent Director for a term up to five years not liable to retire by rotation from the date of its 32nd Annual General Meeting subject to approval of the Members of the Company. The Directors have given the declaration to the Board that they met the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Ketu Parikh (DIN: 00185343), Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

Pursuant to the provisions of Section 203 of the Act, the Key managerial personnel of the Company are- Mr. Ketu Parikh, Chairman cum Managing Director & Chief Financial Officer, Mr. Prajwal Patel- Whole-time Director and Ms. Pooja Gohel, Company Secretary & Compliance officer of the Company.

AUDITORS

Statutory Auditors:

M/s. PMPK & Company, Chartered Accountants, Mumbai having Registration Number.019681N, Statutory auditors of the Company were appointed in 31st Annual General Meeting held in the FY 2018-2019 for a period of 5 years till the conclusion of the 36th Annual General Meeting. The Statutory Auditors have confirmed their eligibility pursuant to section 139 of the Companies Act 2013.

Vide Notification dated May 7, 2018 issued by Ministry of Corporate Affairs; the requirement of seeking ratification of appointment of Statutory Auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in Notice of the 09th Annual General Meeting.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Aditya Shah & Associates, Practicing Company Secretary, Mumbai (Mem No.58883- & COP No.22912) to undertake the Secretarial Audit of the Company for the financial year 2019-2020. The Company has provided all the assistance and facilities to the Secretarial Auditor for conducting their audit. Report of Secretarial Auditor for the FY 2019-2020 in Form MR-3 is annexed to this report as **Annexure II**.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS MADE BY AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

The **Statutory Auditors' Report** to the members on the Accounts of the Company for the financial year ended 31st March, 2020 contains below qualifications, reservations or adverse remarks:

1. As per Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 Company is required to appoint Internal Auditor, however Company has not appointed Internal Auditor for the year ended March, 2020.

Management Representation on Statutory Auditor's qualification:

1. The Company is in process of searching a suitable candidate for the post of Internal Auditor as required under Section 138 of Companies Act, 2013.

The **Secretarial Audit Report** contain below qualifications, reservation or adverse remark from Secretarial Auditor.

1. The Company has not appointed Internal Auditor as per Section 138(1) of Companies, Act 2013;

Management Representation on Auditor's qualification:

1. The Company is in process of searching a suitable candidate for the post of Internal Auditor as required under Section 138 of Companies Act, 2013.

CORPORATE GOVERNANCE CERTIFICATE

The provisions of Regulation 17 to 27, Regulation 46 (2) (b) to (i) and Schedule V Para C, D, and E of SEBI LODR Regulations, 2015, is not applicable to the Company.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Non-Executive Directors are uploaded on the website of the Company – www.gaganpolycot.com.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company familiarizes its Directors including 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., through on various programs

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard and the same will be furnished on request.

Particulars of Employees pursuant to section 134(3)(q) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) None of the employees was employed throughout the financial year, who was in receipt of remuneration exceeding Rs. 1,02,00,000/- per annum or more. Therefore, Rule 5(2)(i) of the captioned Rules is not applicable.
- b) None of the employees was employed throughout the financial year, who was in receipt of remuneration exceeding Rs. 8,50,000/- per month. Therefore, Rule 5(2)(ii) of the captioned Rules is not applicable.
- c) No employee is a relative of any Director or Key Managerial personnel of the Company. Therefore, Rule 5(2)(iii) of the captioned Rules is not applicable to any employee.

DOCUMENTS PLACED ON THE WEBSITE OF THE COMPANY

The following documents have been placed on the website in the compliance with the Act:

- Financial Statements of the Company
- Details of Vigil mechanism for Directors and employees to report genuine concerns as per proviso to Section 177(10).
- Latest Announcements
- Annual Reports
- Shareholding Pattern
- Code of Conduct
- Corporate Governance
- Nomination and Remuneration Policy
- Policy on Related Party Transactions
- Policy on Material Subsidiary

SHARE CAPITAL

The authorized and paid-up equity share capital of the Company as on 31st March, 2020 was Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/-.

SHARES

- a. Buyback of Securities: The Company has not bought back any of the securities during the year under review.
- b. Sweat Equity: The Company has not issued any sweat equity shares during the year under review.
- c. Employee Stock Option Plan: The Company has not provided any stock options to the employees.

DEPOSITS

Your Company has not accepted any deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. appropriate accounting policies have been selected and applied consistently and estimates and judgments made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d. the annual accounts have been prepared on a going concern basis; and
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

In the view of nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption and research and development are not applicable to the Company.

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee of the Board carried out the annual evaluation of the performance of the Board as a whole, the Directors individually as well as of various Committees of the Board. The performance evaluation of the Independent Directors was carried out by the Nomination and Remuneration Committee and noted in turn by the Board.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy apart from other Board matters. During the financial year 2019-20, **Eleven** Board meetings were held on May 30, 2019, June 19, 2019, July 6, 2019, July 31, 2019, August 13, 2019, 21 August, 2019, October 9, 2019, November 12,

2019, November 29, 2019, January 11, 2020 and February 2, 2020. The gap between the two Boards meetings did not exceeds 120 days.

DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. These confirmations have been placed before and noted by the Board.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company's well-defined organizational structure, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies. The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee as on 31st March, 2020 comprises of Four members namely, Mr. Ketu Parikh, Mr. Rupam Chitalia, *Mrs. Jayshree Tedginkeri & #Mr. Shailesh Muknak.

Note: *Mrs. Jayshree Tedginkeri (Appointed w.e.f 6th July, 2019)

#Mr. Shailesh Muknak (Appointed w.e.f 11th January, 2020)

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.gaganpolycot.com.

During the financial year 2019-20, no cases under this mechanism were reported in the Company and any of its subsidiaries / Associates.

RISK MANAGEMENT POLICY

The Company has a well-defined risk management frame work in place. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since the Company does not have the net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more, a net profit of Rs. 5 Crores or more during the financial year or, Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirement under section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (management and administrative) Rules, 2014, an extract of Annual return in prescribed Form MGT-9 is given in the report as **Annexure III**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the company has formulated a Policy on Related Party Transactions as approved by the Board of Directors which is also available on the Company's website and the same is considered for the purpose of identification and monitoring Related Party transactions.

The particulars of contracts or arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013, as prescribed in Form AOC-2 are appended as **Annexure IV**.

BOARD COMMITTEES

Your Company has following Committees of Board, viz,

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided on the website of the Company.

POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is appended as **Annexure V** to this Report. The web address where the policy is uploaded is www.gaganpolycot.com.

MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, and accordingly such accounts are not made and maintained by the Company.

LISTING OF SHARES OF THE COMPANY

The Equity Shares of your Company continue to remain listed on Bombay Stock Exchange Ltd. The Company has paid the listing fees as payable to the BSE Ltd. for the financial year 2019-2020 on time.

ACKNOWLEDGEMENTS

The Directors express their sincere gratitude to the BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, National Securities Depository Limited, other government and regulatory authorities, financial institutions and the bankers of the Company for their ongoing support.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company resulting in satisfactory performance during the year.

For Gagan Polycot India Limited

Sd/-

Ketu Parikh

Chairman cum Managing Director & CFO

DIN: 00185343

Date: 25.08.2020

Place: Vasai

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2020.

The Management Discussion and Analysis have been included in consonance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The Company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the Company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the Company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

SEGMENT-WISE PERFORMANCE

The Company operates in two reportable segments i.e. Textile Business and manufacturing Business. The Business Segments has been identified as separate segment in accordance with Accounting Standard 17 'Segment Reporting'.

RISK & CONCERNS

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organizations to and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. The sustainability of the business is derived from the following:

- Identification of the diverse risks faced by the Company.
- The evolution of appropriate systems and processes to measure and monitor them.
- Risk Management through appropriate mitigation strategies within the policy framework.
- Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- Reporting these risk mitigation results to the appropriate managerial levels.
- There is the risk of loss from inadequate or failed systems, processes or procedures. These may be attributed to human failure or technical problems given the increase use of technology and staff turnover. Your Company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analyzed and reviewed at various levels of management through an effective information system.

OPPORTUNITIES AND THREATS

Some of the key trends of the industry that are favourable to the Company to exploit these emerging opportunities are:

- Clients are more comfortable with uniform high quality and quick service and process across the enterprise.
- There are good prospects for expanding further activities in this direction.
- The Company is also facing server competition from other travel companies.

SOME OF THE KEY CHANGES IN THE INDUSTRY UNFAVOURABLE TO THE COMPANY ARE

- Heightened competition
- Increasing Compliances
- Attraction and retention of human capital.
- Regulatory changes.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems are embedded in the processes across all functions in the Company. These systems are being regularly reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness. The systems are subjected to supervision by the Board of Directors and the Audit Committee, duly supported by Corporate Governance.

Company Complies with all Applicable statutes, policies, procedures, listing requirements and management guidelines. It Adheres to applicable accounting standards and polices.

HUMAN RESOURCES

- The Management believes in maintaining cordial relations with its employees. The management recognizes the importance of Human Resources and effective steps will be taken to strengthen the same depending on the requirements.
- The Company provided excellent working environment so that the individual staff can reach his/her full potential.
- The Company is poised to take on the challenges and march towards accomplishing its mission with success.
- The Company maintained good Industrial/Business relation in market which enhanced the Creditworthiness of the Company.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the Company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the Company does not have any control.

RISKS AND CONCERNS

Risk is an inherent part of any business. There are various types of risks, which threat the existence of a Company like Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Strategic Risk, Regulation Risk etc. Your Company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Please refer to Directors' Report on performance review.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

CAUTIONARY STATEMENT

The statements made above may be construed as Forward Looking Statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time. Important external and internal factors may force a downtrend in the operations of the Company.

ANNEXURE TO DIRECTORS' REPORT**Annexure II****Form No. MR-3****SECRETARIAL AUDIT REPORT****For the financial year ended 31st March 2020****[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 of,
Gagan Polycot India Limited,
Gala No. 2, Shiv Shankar Industrial,
Estate No.1, ValivPhata, Village Valiv,
Vasai East, Thane – 401208.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gagan Polycot India Limited** (hereinafter called '**the Company**') for the audit period covering the financial year ended 31st March, 2020. Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate actions and practices/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 31st March, 2020, 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 financial year ended on 31st, March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the '**Act**') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992. ('**The SEBI**'):-

- (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;**(Not relevant / applicable to the company during the audit period)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**(Not relevant / applicable to the company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not relevant / applicable to the company during the audit period)**
- (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;**(Not relevant / applicable to the company during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not relevant / applicable to the company during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;**(Not relevant / applicable to the company during the audit period)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (v) The following laws are specifically applicable to the Company in addition to laws mentioned above;
 - (a) The Equal Remuneration Act, 2018.
 - (b) The Bombay Shops and Establishments Act, 1948.
 - (c) Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
 - (d) Factories Act, 1948;
 - (e) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - (f) Industrial Employment (Standing Orders) Act, 1946;
 - (g) Labour Law (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishment) Act, 1988;
 - (h) The Industrial Disputes Act, 1947;
 - (i) The Minimum Wages Act, 1948;
 - (j) The Standards of Weights and Measures (Enforcement) Act, 1985.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. mentioned above except the following:

- a. The Company has not appointed Internal Auditor as per Section 138(1) of Companies, Act 2013.**

I further report that,

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive, 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.
- ii. Adequate notice is given to all the directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days 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 meetings.
- iii. All decisions at Board Meetings and Committee Meetings are carried out on the basis of majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that 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 period under review, there were no events or actions which had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Note: This report is to be read with our letter of the even date which is annexed as “ANNEXURE A” and forms an integral part of this report.

**For Aditya Shah & Associates,
Practicing Company Secretaries,**

**Sd/-
Aditya Shah
(Proprietor)**

**M. No.: 58883
COP. No.: 22912**

**Place: Mumbai
Date: 25.08.2020.
UDIN: A058883B000615441**

Annexure to the Secretarial Audit Report

To,
The Members of,
Gagan Polycot India Limited,
Gala No. 2, Shiv Shankar Industrial,
Estate No.1, ValivPhata, Village Valiv,
Vasai East, Thane – 401208.

Our Secretarial Audit Report of even date is to be read along with this annexure.

Management's Responsibility

1. Maintenance of secretarial record is the responsibility of the management of the company, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My examination was limited to verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

Auditor's Responsibility

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Disclaimer

6. The Secretarial Audit 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 Aditya Shah & Associates,
Practicing Company Secretaries,**

Sd/-
Aditya Shah
(Proprietor)
M. No.: 58883
COP. No.: 22912

Place: Mumbai
Date: 25.08.2020.

Annexure III**Form No. MGT – 9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2020 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies(Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	L33111MH1988PLC231956
ii	Registration Date	10 th June, 1988
iii	Name of the Company	Gagan Polycot India Limited
iv	Category/Sub-category of the Company	Company limited by Share capital / Indian non-govt. Company
v	Address of the Registered office & contact details	Gala no: 2, Shiv Shankar Industrial Estate 1, Behind Burmashell Petrol pump, Waliv, Vasai (East), Palghar-401208.
vi	Whether listed Company	Listed Company
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd. 19, Jafferbhoy Industrial Estate, 1 st Floor, Makwana Road, Marol Naka, Mumbai-400 059.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

SN	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Sales-Fabrics	46695	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

The Company does not have any Holding, Subsidiary & Associate Company for the Financial Year ended March 31, 2020.

SN	Name of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
NA					

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)(a) Category of Shareholders as on 31.03.2020:

Category of Shareholders	No. Of Shares held at the beginning of the year				No. Of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual / HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	2432100	Nil	2432100	24.32	2432100	Nil	2432100	24.32	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)(1)	2432100	Nil	2432100	24.32	2432100	Nil	2432100	24.32	Nil
2. Foreign									
a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	2432100	Nil	2432100	24.32	2432100	Nil	2432100	24.32	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Govt									
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i. Indian	799705	82300	882005	8.82005	713610	82300	795910	7.95	-0.86
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i. Individual shareholders holding nominal share capital upto Rs. 2lakh	1590045	1114300	2704345	27.04	1586046	1108000	2694046	26.94	-0.10
ii. Individual shareholders holding nominal share capital in excess of Rs. 2lakh	3797966	167500	3965466	39.65	3898599	167500	4066099	40.66	1.01
c) Others (Corporate Body)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign National	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	6199	Nil	6199	0.06	10	Nil	10	0.00	-0.06
Non-Resident Indians	9885	Nil	9885	0.10	11835	Nil	11835	0.12	0.02
Independent Directors and their Relatives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
OCB	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Employees Welfare Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Sub-Total (B)(2)	6203800	1364100	7567900	75.679	6210100	1357800	7567900	75.679	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	6203800	1364100	7567900	75.679	6210100	1357800	7567900	75.679	0.00
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	8635900	1364100	10000000	100.00	8642200	1357800	10000000	100.00	0.00

(ii) SHARE HOLDING OF PROMOTERS:

SN	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of shares pledged encumbered to total Shares	
1	Lien Trading Private Limited	2432100	24.32	-	2432100	24.32	-	-
	Total	2432100	24.32	-	2432100	24.32	-	-

(iii) CHANGE IN PROMOTERS' SHARE HOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Lien Trading Private Limited				
	At the beginning of the year	2432100	24.32%	2432100	24.32%
	Date wise increase / decrease in promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	NO CHANGE			
	At the End of the year	2432100	24.32%	2432100	24.32%

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS ADRS):

SN	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding during the Year		Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	M/s. Database Software Technologies Private Limited	2,46,671	2.47%	-	-	2,46,671	2.47%
2	Mr. Samir Jitendra Javeri	2,00,000	2.00%	-	-	2,00,000	2.00%
3	Mrs. Urvi Deepak Mehta	1,80,300	1.80%	-	-	1,80,300	1.80%
4	Mr. Premal Thakorbbhai Desai	1,72,611	1.73%	-	-	1,72,611	1.73%
5	Cantabil Retail India Limited	1,08,800	1.09%	-	-	1,08,800	1.09%
6	Mr. KamleshbbhaiLavjibhai Sorathiya	1,00,000	1.00%	-	-	1,00,000	1.00%
7	BMA WEALTH CREATORS LTD.	1,00,000	1.00%	(1,00,000)	1.00%	-	-
8	MOHAMMAD FAROOQUE AHMED GHUMRA	-	-	1,00,000	1.00%	1,00,000	1.00%
9	BASANT MARKETING LIMITED	97,100	0.97%	-	-	97,100	0.97%
10	LAXMI PRAKASH GADA	91,890	0.92%	193	0.00%	92,083	0.92%

(v) SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

SN	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding during the Year		Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Ketu Parikh	-	-	-	-	-	-
2	Mr. Prajwal Patel	-	-	-	-	-	-
3	Mr. Rupam Chitalia	-	-	-	-	-	-
4	Mrs. Jayshri Tedginkeri	-	-	-	-	-	-
5	Mr. Shailesh Muknak	-	-	-	-	-	-

V. INDEBTEDNESS:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	4,85,62,124.00	13,88,69,544.00	-	18,74,31,668.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,85,62,124.00	13,88,69,544.00	-	18,74,31,668.00
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	(3,54,53,696.00)	(8,87,35,939.00)	-	(12,41,89,635.00)
Net Change	(3,54,53,696.00)	(8,87,35,939.00)	-	(12,41,89,635.00)
Indebtedness at the end of the financial year				
i) Principal Amount	1,31,08,428.00	50,133,605.00	-	6,32,42,033.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,31,08,428.00	50,133,605.00	-	6,32,42,033.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Ketu Parikh	Mr. Prajwal Patel	
1	Gross salary	16,90,440	480,000	21,70,440
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify -	-	-	-
	Total (A)	16,90,440	480,000	21,70,440
	Ceiling as per the Act	NA	NA	NA

B. Remuneration to Other Directors:

SN	Particulars of Remuneration	Mr. RupamChitalia	Mrs. Tejal Shah	Mr. Mukesh Bunker	Mrs. JayshriTeginkeri	Mr. Shailesh Muknak	Total Amount
1	Independent Directors	-	-	-	-	-	-
	Fee for attending Board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending Board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

SN	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,97,330	-	6,97,330
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-

5	Others, please specify	-	-	-
	Total	6,97,330	-	6,97,330

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:NA

Type	Section of the Companies Act	Brief Description	Details of Penalties/Punishment/Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty			None	-	-
Punishment				-	-
Compounding				-	-
B. DIRECTORS					
Penalty	-	-	None	-	-
Punishment	-	-		-	-
Punishment	-	-		-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	None	-	-
Punishment	-	-		-	-
Compounding	-	-		-	-

For Gagan Polycot India Limited

Sd/-

Ketu Parikh
Chairman cum Managing Director & CFO
DIN: 00185343

Date: 25.08.2020

Place: Vasai

Annexure IV**Form AOC – 2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto

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

All contracts/arrangements/transactions entered into during the year ended March 31, 2020, were at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis: NA

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /Transactions	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
--	--	--	--	--	--

For Gagan Polycot India Limited

Sd/-
Ketu Parikh
Chairman cum Managing Director & CFO
DIN: 00185343

Date: 25.08.2020
Place: Vasai

Annexure V**NOMINATION AND REMUNERATION POLICY****Purpose of the Policy:**

The Nomination and Remuneration Committee (“Committee”) of Gagan Polycot India Limited “the Company” and this Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013, Clause 49 of the Listing Agreement and such other rules / regulations as may be applicable to the Company.

The Policy is framed with the objective(s):

- To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration;
- To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company’s operations and
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the working potential of all the Directors and Key Managerial Personnel (KMP) of the Company;
- To ensure that the remuneration to Directors and Key Managerial Personnel (KMP) of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To lay down criteria for appointment, removal of directors and Key Managerial Personnel and evaluation of their performance.
- To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

Definitions:

- Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- Board means Board of Directors of the Company.
- Directors mean Directors of the Company
- Policy or this Policy means “Nomination and Remuneration Policy.”
- Key Managerial Personnel means

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time director;
- Chief Financial Officer;
- Company Secretary and such other officer as may be prescribed.

Role of Committee:

The Committee shall:

- Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down,
 - Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance,
 - Formulate the criteria for determining qualifications, positive attributes and independence of a director,
 - Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees,
 - To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate, -
- Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

Policy for appointment and removal of Director and Key Managerial Personnel (KMP) Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment,
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position,

Criteria for Remuneration to Directors, Key Managerial Personnel and Senior Management:

- (a) **Responsibilities and Accountability:** The roles and responsibilities towards the organization and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration,
- (b) **Flexibility:** The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation,

(c) **Performance:** The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company,

(d) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

(e) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality,

Remuneration to Directors and Key Managerial Personnel:

The Committee shall ensure that the Remuneration payable to Directors and Key Managerial Personnel shall be paid after complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Companies Act, 2013.

Term / Tenure:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation:

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

Retirement:

The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Policy relating to the Remuneration for the Whole-time Director:**General**

a) The remuneration / compensation / commission etc. to the Whole-time Director and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.

b) In determining the remuneration of Whole-time Director and Key Managerial Personnel the Committee should consider among others:

- Conducting benchmarking with companies of similar type on the remuneration package;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Clear linkage of remuneration and appropriate performance benchmarking and
- Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the Company and its goals.

c) Increments including bonuses, incentive and other rewards to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Central Government, wherever required.

Remuneration to Non-Executive / Independent Director:

Non-Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed INR One Lakh per meeting of the Board and Committee or such amount as may be prescribed by the Central Government from time to time.

Membership:

- Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.

- The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
- The Chairperson of the Committee or in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

Minutes of Committee Meetings:

Proceedings of all the meetings are recorded and signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting are tabled at the Meeting of the Board and entered in the Minutes binder.

Committee Members Interests:

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Frequency of the meetings:

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities.

LIST OF REGISTRATION CERTIFICATES / LICENSES FOR BUSINESS OPERATIONS

SN	Particular	Issued by	Certificate no
1	Disposable surgical products – non-sterile	Standard Certificate Council – Locus classicus	SCC/IN/CE/1037
2	Disposable surgical products – sterile	Standard Certificate Council – Locus classicus	SCC/IN/CE/1036
3	Food & Drug Administration	License to manufacture for sale or distribution of drug	KD / 523
4	Manufacturing of Excisable goods	Central Excise	AAACG8467GEM001
5	Factory License	Industrial Security & Health	2(m)(1) – 25999 – Vasai
6	LBT License	Vasai-Virar Municipality Corporation	61/520/2011/I-PL
7	Manufacturer & Trading of Plastic components & Surgical disposable products	Standard Certificate Council – Locus classicus	SCC/IN/QMS/2144
8	Employee's Fitness report – Form 7	Dr.Uttam Babar	ACS 31-19UB/2005
9	Information about drugs manufactured	BY Company to Food & Drug Administration, M.S. (Konkan Div)	
10	Importer-exporter license	Ministry of Commerce & Industry – Dept. Of commerce	314032541
11	Certificate of Stability	Milind Patil – Consulting Structural Engg.	Form no: 1A – Rule 3A

CEO / CFO CERTIFICATION

**To,
The Board of Directors,
Gagan Polycot India Limited**

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2020 and that to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. 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.
2. No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Gagan Polycot India Limited

**Sd/-
Ketu Parikh
Chairman cum Managing Director & CFO
DIN: 00185343**

**Date: 25.08.2020
Place: Vasai**

INDEPENDENT AUDITOR'S REPORT**To The Members of GAGAN POLYCOT INDIA LIMITED****Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS Financial Statements of **GAGAN POLYCOT INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards, of the state of affairs of the Company as at 31st March 2020 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 its financial position in its standalone Ind AS financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amount which is required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. As per section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, Company is required to appoint Internal Auditor; however company not appointed Internal Auditor for the year ended March, 2020.
4. As per Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Company is required to appoint whole time key managerial personnel (KMP), company has complied with section for the year ended March, 2020.

For P M P K & Co.
Chartered Accountants
ICAI FRN. 019681N

Sd/-
ManikantVashistha
Partner
Membership No. - 075198
Place: Thane
Date:- 27th July, 2020

Annexure-A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone Ind AS financial statements, the lease agreements are in the name of the Company. The company has sold its freehold land along with all Factory Building & Construction thereon (Work in Progress) situated at New Block no. 951 (Old Block 338/Palky 6), Village- Dhamdachi, Distt. Valsad, to IGC INDUSTRIES LTD, during the year under audit for a consideration of Rs. 3,45,00,000/- (Rs. Three Crore forty five lakh only).
- ii. In respect of Inventories:
 - (a) As explained to us, inventories have been physically verified during the period by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of the business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans to any person where covered in the register maintained under section 189 of the Companies Act, 2013, and therefore, the provisions of the clause 3 (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investment made.

- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods And Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

Nature of Statue	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (In Rs.)
Income Tax Act, 1961	Outstanding Demand U/s 143(3)	CIT(A),Thane -3	A.Y. 2012-13	63,95,056/-
Income Tax Act, 1961	Outstanding Demand U/s 271(1)(C)	CIT(A),Thane-3	A.Y. 2013-14	6,88,070/-
Income Tax Act, 1961	Outstanding Demand U/s 143(1a)	CPC	A.Y. 2016-17	25,06,780/-
Income Tax Act, 1961	Outstanding Demand U/s 143(3)	CIT(A),Thane-3	A.Y. 2017-18	4,68,14,470/-

- viii. Based on our audit process the company has taken loans or borrowings from financial institutions, Banks. In our opinion and according not defaulted in the repayment of dues to banks.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

For P M P K & Co.
Chartered Accountants
ICAI FRN. 019681N

Sd/-
ManikantVashistha
Partner
Membership No. - 075198
Place: Thane
Date:- 27th July, 2020

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GAGAN POLYCOT INDIA LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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, 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 system 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 judgement, 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 purposes 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.

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 the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For P M P K & Co.
Chartered Accountants
ICAI FRN. 019681N

Sd/-
ManikantVashistha
Partner
Membership No. - 075198
Place: Thane
Date:- 27th July, 2020

Part I- Balance Sheet as at March 31, 2020

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Assets			
(1) Non-Current Assets		-	-
(a) Property, Plant & Equipment	1	7,19,67,330	7,55,84,696
(b) Capital Work-in-Progress		-	5,49,48,521
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological Assets		-	-
(h) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Deposits		-	-
(i)Deferred tax-assets (net)		-	-
(ii)Other non-current assets		-	-
(2) Current assets		-	-
(a) Inventories	2	6,30,68,949	6,23,28,985
(b) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables	3	2,69,56,368	12,76,66,304
(iii) Cash and Cash equivalents	4	17,33,013	13,52,705
(iv) Bank balances other than (iii) above		-	-
(v) Loans	5	65,86,369	79,09,715
(vi) VAT & Service Tax refundable	6	10,48,740	9,02,473
(vii) Deposits	7	9,73,724	27,92,527
(c) Current Tax Assets (Net)		-	-
(d) Other current assets		-	-
Total Assets		17,23,34,492	33,34,85,927
Equity and Liabilities		-	-
(I) Equity		-	-
(i) Equity Share Capital	8	100,000,000	100,000,000
(ii) Other Equity & Reserves	9	(79,165)	3,62,34,493
(2) Liabilities		-	-
(i) Non-current liabilities		-	-
(a) Financial Liabilities		-	-
(i) Borrowings	10	5,01,33,605	6,13,28,895
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	11	8,43,802	8,28,020
(d) Duties & Taxes		-	-

(ii) Current Liabilities			
(a) Financial Liabilities		-	
(i) Short Term Borrowings	12	1,31,08,428	126,102,773
(ii) Trade payables	13	28,31,925	3,658,194
(iii) Other financial liabilities		-	-
(b) Other current liabilities	14	1,77,182	276,836
(c) Provisions	15	52,57,831	4,995,831
(d) Duties & Taxes	16	60,884	60,884
Total Equity and Liabilities		17,23,34,492	33,34,85,927

Summary of Significant accounting policies 26

As per our separate report of even date

For P M P K & Co.
Chartered Accountants
ICAI FRN: 019681N

For Gagan Polycot India Limited

Sd/-
Manikant Vashistha
Partner
Membership no. 075198

Sd/-
Ketu Parikh
Managing Director & CFO
Din: 00185343

Sd/-
Prajwal Patel
WTD
Din:06389797

Place: Vasai
Date: 27/07/2020

Sd/-
Pooja Gohel
Company Secretary

Part II- Statement of Profit & Loss for the period ended March 31, 2020

	Particulars	Note	As at March 31, 2020	As at March 31, 2019
I	Revenue from Operations	17	2,41,20,195	117,336,695
II	Other Income	18	(10,425)	120,913
III	Total Income (I + II)		2,41,09,770	117,457,608
IV	Expenses			
	Cost of materials consumed			
	Purchases of Stock-in-Trade	19	1,79,06,707	112,699,564
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	20	(7,39,964)	(4,230,095)
	Employee benefits expense	21	48,78,978	4,473,084
	Finance Costs	22	54,81,321	8,171,850
	Depreciation & amortization expense	1	24,18,145	2,669,106
	Administrative & Other expenses	23	3,04,62,461	7,621,240
	Total expenses (IV)		6,04,07,647	131,404,750
V	Profit / (loss) before exceptional items and tax (I-IV)		(3,62,97,877)	(13,947,142)
VI	Exceptional Items		-	-
VII	Profit / (loss) before tax (V-VI)		(3,62,97,877)	(13,947,142)
	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	11	(15,782)	35,685
IX	Profit / (Loss) for the period from continuing operations (VII-VIII)		(3,63,13,659)	(13,911,457)
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic	24	(3.63)	(1.39)
	(2) Diluted	24	(3.63)	(1.39)

Summary of Significant accounting policies 26

As per our separate report of even date

For P M P K & Co.
Chartered Accountants
ICAI FRN: 019681N

For Gagan Polycot India Limited

Sd/-
ManikantVashistha
Partner
Membership no. 075198

Sd/-
Ketu Parikh
Managing Director & CFO
Din: 00185343

Sd/-
Prajwal Patel
WTD
Din:06389797

Place: Vasai
Date: 27/07/2020

Sd/-
Pooja Gohel
Company Secretary

Cash Flow Statement for the period ended March 31, 2020

SN	Particulars	As at March 31, 2020	As at March 31, 2019
A	Cash Flow from Operating Activities		
	Net Profit Before Tax	(3,62,97,877)	(13,947,142)
	Adjustments for changes in:		
	Depreciation	24,18,145	2,669,106
	Loss on sale of Investment		
	Interest & Finance Charges	54,81,321	8,171,850
	Profit on sale of Investment		-
	Operating Profit before Working Capital Changes	(2,83,98,411)	(3,106,186)
	Adjustments for changes in:		
	(Decrease) / Increase in Trade Payables	(8,26,269)	(121,695,179)
	(Increase) / Decrease in Trade Receivables	10,07,09,937	175,713,916
	(Increase) / Decrease in Short-term Loans & Advance	13,23,347	(4,774,273)
	(Increase) / Decrease in Inventories	(7,39,964)	(4,230,095)
	(Decrease) / Increase in Other Current Liabilities & Provisions	(11,28,32,000)	(23,273,614)
	(Increase) / Increase in Current Assets	16,72,536	(1,814,325)
	Cash generated from operations	(3,90,90,824)	16,820,244
	Deferred Tax		-
	Net Cash Flow from Operating Activities (A)	(3,90,90,824)	16,820,244
B	Cash Flow from Investing Activities		
	Sale of Fixed Asset	11,99,222	-
	Purchase of Fixed Assets	-	(216,445)
	Increase in Working Capital	5,49,48,521	(2,972,521)
	Purchase of Investment	-	(55,712,000)
	Loans & Advances given / repaid (Net)	-	-
	Net Cash used in Investing Activities (B)	5,61,47,743	(58,900,966)
C	Cash Flow from Financing Activities		
	Interest Paid	(54,81,321)	(8,171,850)
	Changes in Long Term Loans & Advances	-	-
	Increase Long Term Borrowing	(1,11,95,290)	50,636,196
	Debenture issued	-	-
	Net Cash used in Financing Activities (C)	(1,66,76,611)	42,464,346
	Net Increase or Decrease in Cash & Cash Equivalents	3,80,308	383,625
	Opening Cash & Cash Equivalents	13,52,705	969,079
	Closing Cash & Cash Equivalents	17,33,013	1,352,705

As per our separate report of even date

For P M P K & Co.
Chartered Accountants
ICAI FRN: 019681N

For Gagan Polycot India Limited

Sd/-
ManikantVashistha
Partner
Membership no. 075198

Sd/-
Ketu Parikh
Managing Director & CFO
Din: 00185343

Sd/-
Prajwal Patel
WTD
Din:06389797

Place: Vasai
Date: 27/07/2020

Sd/-
Pooja Gohel
Company Secretary

Notes to the Financial Statements for the Year ended March 31, 2020

2. Inventories:

Particulars	31 st March, 2020	31 st March, 2019
a. Raw materials	-	-
b. Work-in-progress	-	-
c. Finished goods	-	-
d. Stock-in-trade	6,30,68,949	62,328,985
e. Stores and spares	-	-
f. Loose tools	-	-
g. Others	-	-
Total	6,30,68,949	62,328,985

3. Trade Receivables :

Particulars	31 st March, 2020	31 st March, 2019
(Unsecured considered good)		
Sundry Debtors	2,69,56,368	12,76,66,304
Total	2,69,56,368	12,76,66,304

4. Cash and cash equivalents

Particulars	31 st March, 2020	31 st March, 2019
a. Balances with Banks on current account		
b. Cash on hand	17,33,013	13,52,705
Total	17,33,013	13,52,705

5. Short term Loans & Advances

Particulars	31 st March, 2020	31 st March, 2019
Advance to Suppliers	-	631,250
Advance for Income tax	67,86,367	6,550,414
Advance to others	(2,00,000)	400,000
Receivable from Directors	-	328,051
Total	65,86,367	7,909,715

6. VAT, GST & Service Tax refundable

Particulars	31 st March, 2020	31 st March, 2019
VAT receivable	504,684	504,684
Krishi Kalyan Cess 0.5%	-	-
Service Tax @14%	-	-

Service Tax Payable	86,490	86,490
Swachh Bharat Cess 0.5%	-	-
GST Refund	4,57,566	311,299
VAT Refund13-14	-	-
Total	10,48,740	902,473

7. Deposits

Particulars	31 st March, 2020	31 st March, 2019
Deposits with others	9,73,724	2,792,527
Total	9,73,724	2,792,527

8. Share Capital

Share Capital	31 st March, 2020		31 st March, 2019	
	Number	Rs	Number	Rs
Authorised 1,00,00,000 Equity Shares of Rs. 10/-each	10,000,000	100,000,000	10,000,000	100,000,000
Total	10,000,000	100,000,000	10,000,000	100,000,000
Issued, Subscribed & Paid up Share Equity Shares of Rs. 10/-each fully paid	10,000,000	100,000,000	10,000,000	100,000,000
Total	10,000,000	100,000,000	10,000,000	100,000,000

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

Particular	Equity Shares			
	31 st March, 2020		31 st March, 2019	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Shares issued during the year	-	-	-	-
Shares brought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000

b. Details of Shareholders holding more than 5% shares in the Company

Name	Category	31 st March, 2020		31 st March, 2019	
		No. of shares	% of Holding	No. of shares	% of Holding
Lien Trading Pvt Ltd	Promoter	2,432,100	24.32%	2,432,100	24.32%

9. Reserves & Surplus

Reserves & Surplus	31 st March, 2020	31 st March, 2019
	Rs.	Rs.
a. Share premium	29,858,500	29,858,500
b. Surplus		
Opening balance	63,75,994	20,287,450
(+)Net Profit /(Net Loss) For the Current year	(3,63,13,659)	(13,911,457)
Closing Balance	(2,99,37,665)	6,375,993
Total Reserve and Surplus	(79,165)	36,234,493

10. Long Term Borrowings

Particulars	31 st March, 2020	31 st March, 2019
Other Loans & Advances		
From Corporates		
Bajaj Finance Ltd	-	-
Deewan Housing Pvt Ltd.	9,00,000	1,214,966
DMI Finance Pvt Ltd	-	1,151,026
India Bulls Limited	9,83,605	2,435,739
PNB Housing Finance Limited	-	9,277,164
Disha Mehta	4,82,50,000	47,250,000
Total	5,01,33,605	61,328,895

11. Deferred Tax Liability

Particulars	31 st March, 2020	31 st March, 2019
Depreciation as per Co's Act	24,18,145	2,669,106
Depreciation as per IT Act	24,69,220	2,553,619
(DTL)/DTA	(51,075)	115,486
Deferred Tax@26%	(15,782)	35,685
Add: Opening Balance	8,28,020	863,705
Total	8,43,802	828,020

Disclosures

1. In last year deferred tax liability is calculated on WDV of fixed assets instead of Depreciation.
2. In last year liability is calculated @30.6% & no opening balance is considered while disclosing DTL in balance sheet.

12. Short Term Borrowings

Particulars	31 st March, 2020	31 st March, 2019
Cash Credit from Banks(secured)	1,31,08,428	48,562,124
<u>Unsecured Loan</u>		
Five-X Tardcom Limited	-	77,540,649
Aneri Industries	-	-
Indigo Tech-Ind Limited	-	-
Total	1,31,08,428	126,102,773

Cash credit from banks is secured against fixed assets, stock of raw material, Stock-in-process, Finished goods, stocks and spares and receivables of the company & secured by personal guarantee of the two directors. The cash credit is repayable on demand and carries interest @ 15.75% p.a.

13. Trade Payable

Particulars	31 st March, 2020	31 st March, 2019
Sundry Creditors	28,31,925	3,658,194
Total	28,31,925	3,658,194

14. Other Current Liabilities

Particulars	31 st March, 2020	31 st March, 2019
ESIC Payable	4,653	8,463
Provident Fund Payable	38,228	37,566
TDS Payable	2,21,301	43,983
Salary Payable	1,18,000	133,826
Professional Tax Payable	31,000	53,025
Total	1,77,182	276,836

15. Short Term Provisions

Particulars	31 st March, 2020	31 st March, 2019

Provision for Tax A.Y. 17-18	1,200,000	1,200,000
Provision for Tax A.Y. 18-19	3,795,831	3,795,831
Provision for audit fees	2,62,000	-
Total	52,57,831	4,995,831

16. Duties & Taxes

Particulars	31 st March, 2020	31 st March, 2019
Excise duty	60,884	60,884
GST Payable	-	-
Total	60,884	60,884

17. Revenue From Operations

Particulars	31 st March, 2020	31 st March, 2019
Sales-Fabrics	2,41,20,195	117,336,695
Sales-Manufacturing	-	-
Total	2,41,20,195	117,336,695

18. Other Income

Particulars	31 st March, 2020	31 st March, 2019
Discount Received	2850	120,417
Profit on sale Investment	-	-
Rate difference	(13,275)	(6,605)
Interest Received from margin money	-	6,706
Miscellaneous Receipts	-	20
Income from dividend warrents	-	375
Commission on sales	-	-
Total	10,425	120,913

19. Purchase of stock in trade

Particulars	31 st March, 2020	31 st March, 2019
Opening Stock		
Add: Purchases less Purchase Return	1,24,47,517	106,584,249
Direct Expenses	54,59,190	6,115,316
Closing Stock	-	-
Total	17,906,707	112,699,564

20. Changes in Inventories

Particulars	31 st March, 2020	31 st March, 2019
Closing Stock	6,30,68,949	62,328,985
Less: Opening Stock	6,23,28,985	58,098,890
Total	(7,39,964)	(4,230,095)

21. Employee benefits expenses

Particulars	31 st March, 2020	31 st March, 2019
Salaries and wages	20,67,200	2,081,151
Directors Remuneration	21,70,440	1,607,440
Staff welfare expenses	2,50,396	395,425
Bonus	1,47,830	133,222
Contribution to provident fund and others	2,43,112	255,846
Total	48,78,978	4,473,084

22. Finance Cost

Particulars	31 st March, 2020	31 st March, 2019
Bank Charges	66,619	151,380
Interest Charges	54,12,702	7,257,184
Processing Charges	2000	763,286

Total	54,81,321	8,171,850
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23. Administration and other expense

Particulars	31st March, 2020	31st March, 2019
Administration expenses	10,227	12,551
Advertisement Expenses	10,019	-
Business Promotion Expenses	11,31,067	271,538
Bio medical Waste Disposal Charges	-	76,300
Annual Maintenance charges	-	-
Baddebts	96,66,633	344,087
Fire Extinguisher (Refilling)	12,900	16,905
Brokerage & commssion	-	-
CDSL	39,684	38,350
Compliance Fees	3,00,000	257,800
Coustom Duty	-	4,215
Postage and telephone expenses	1,16,920	145,422
Prperty Tax	53,265	46,779
Travelling expenses	5,99,695	693,582
Cotton Clothe Rags	18,000	22,500
Legal & Professional Fees	1,78,040	378,070
Printing and stationary	3,71,556	2,263,467
Genral Expenses	39,029	108,009
Office Expenses	79,284	9,131
Gst Late filing fees	-	18,550
Interest on profession Tax	539	-
Other Repairs	-	-
Insurance Expenses	-	450,000
Insurance(Property)	16,484	46,785
Insurance(Car)	-	-
Injection and blow moulds	26,200	-
Installation Expense	15000	-
Loss on Fixed Assets	1,53,68,021	-
Office rent	55,500	-
Plywood	35,988	-
Sales Tax Assessment order	65,826	-
Internet Expenses	21,370	30,445
Other Penalty	-	10,026
Register fees	57,375	116,173
Rates and taxes	-	-
Computer Expenses	-	-
Auditors Remuneration	2,62,000	262,000
Discounts	17,591	40,341
Instruments Calibration Charges	-	41,425
Packing & forwarding charges	-	-

Donation	3,202	201
NSDL expenses	36,178	11,988
Product development cost	-	-
Electricity Expenses	16,894	113,062
SEBI Penalty	-	-
Hardware & Electric Material for Vasai	2,51,752	112,346
Interest on Provident Fund	22,617	3,189
Society Maintenance charges	41,000	64,000
Standard certificate exp.	-	85,000
Transportation charges	6,40,332	683,807
Conveyance expenses	24,618	13,733
Loading & Unloading Charges	12,100	9,930
Machine Maintenance Charges	-	32,500
Housekeeping Expenses	9,435	13,485
Marketing Expenses	2,09,886	302,221
Vehicle expenses	62,478	-
Repairs & Maintenance	4,51,340	228,774
ROC Charges	-	400
Software Expenses	62,419	181,076
Water Expenses	50,000	61,075
Total	3,04,62,466	7,621,240

Fixed Asset as on March 31, 2020

DESCRIPTION	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT	ADDI-	ADJUSTMENT	AS AT	AS AT	FOR THE	ADJUST	AS AT	AS AT	AS AT
		1st APRIL 2019	TIONS	/	31st March 2020	1st April 2019	YEAR	MENT/ DELETIO NS	31st March 2020	31st March 2020	31st March 2019
Freehold Land		52,42,450	-	52,42,450	-	-	-	-	-	-	52,42,450
Multan Height		5,57,12,000	-	-	5,57,12,000	-	-	-	-	5,57,12,000	5,57,12,000
Factory Building	10.00%	53,45,258	-	-	53,45,258	29,62,768	2,38,249	-	32,01,017	21,44,241	23,82,490
Building-Office	5.00%	58,02,676	-	-	58,02,676	21,27,392	1,83,764	-	23,11,156	34,91,520	36,75,284
Furniture	18.10%	4,42,645	8,66,688	-	13,09,333	2,99,963	1,30,397	-	4,30,360	8,78,974	1,42,682
Office Equipments	13.91%	8,33,341	14,68,373	-	23,01,714	4,69,365	1,64,077	-	6,33,442	16,68,271	3,63,976
Computer & Fax	40.00%	44,06,681	-	-	44,06,681	27,73,916	6,53,106	-	34,27,022	9,79,659	16,32,765
Machinery	13.91%	1,57,50,892	6,54,360	-	1,64,05,252	94,79,274	9,28,978	-	1,04,08,252	59,97,000	62,71,618
Electric Installations	13.91%	4,40,953	10,53,807	-	14,94,760	2,97,717	1,14,863	-	4,12,580	10,82,180	1,43,236
Vehicle	25.89%	52,835	-	-	52,835	34,639	4,711	-	39,350	13,485	18,196
Total (A)		9,40,29,731	40,43,228	52,42,450	9,28,30,509	1,84,45,034	24,18,145	-	2,08,63,179	7,19,67,330	7,55,84,697
Work in Progress	-	5,49,48,521	7,12,590	5,56,61,111	0	-	-	-	-	0	5,49,48,521
Total (B)		5,49,48,521	7,12,590	5,56,61,111	0	-	-	-	-	0	5,49,48,521

24. Earnings Per Share

Earning per Share	31 st March, 2020	31 st March, 2019
(A) Profit after tax and taxation adjustment of earlier years	(3,63,13,659)	(13,911,457)
(B) Total no. of equity shares	10,000,000	10,000,000
(C) Weightage average no. of equity shares	10,000,000	10,000,000
(D) Basic Earning per share (EPS) (A/B)	-3.63	-1.39
(E) Diluted Earning per Share (EPS)(A/C)	-3.63	-1.39
(F) Nominal value of equity shares	10	10

25. Related Party Disclosure

As per Ind AS 24, the disclosures of the transactions with the related parties are given below:

25.1 List of Related Parties:

SN	Name of Related Parties	Nature of relationship
1	Mr.Ketu Parikh	Chairman cum Managing director& CFO
2	Mr.Prajwal Patel	Whole-time director
3	Mr.RupamChitalia	Non-executive director
4	Mrs.Tejal Shah	Non-executive director (Resigned w.e.f 11.02.2020)
5	Mr.Mukesh Bunker	Non-executive director(Resigned w.e.f06.07.2019)
6	Mrs.Jayshri Shankar Tedginkeri	Non-executive director(Appt w.e.f 06.07.2019)
7	Mr. Shailesh G Muknak	Non-executive director (App t w.e.f. 11.01.2020)
8	Ms.PoojaGohel	Company Secretary
9	Lien trading Private Limited	Companies under same management
10	Lien trading Private Limited	Associate Company

25.2 Transaction with Related Parties during the year and balance outstanding during the year:

Particulars	31 st March, 2020	31 st March, 2019
Remuneration		
Ketu Parikh	16,90,440	1,087,940
Prajwal Patel	4,80,000	527,500
Mukesh Bunker	-	32,000
Pooja Gohel	6,97,330	355,900
Sales		
Artlink vintrade limited	-	25,547,797

Notes to Financial Statements for the year ended 31st March 2020**NOTE 26****SIGNIFICANT ACCOUNTING POLICIES AND NOTES THEREON****a. Company overview:**

GAGAN POLYCOT INDIA LIMITED(the company) is a Public limited company domiciled in India and incorporated under the provisions of the Companies Act, Corporate Identity Number L33111MH1988PLC231956the register office of the company is located at Gala No. 2, Shiv Shankar Industrial Estate No. 1, ValivPhata, Village Valiv, Vasai (East), Thane Thane MH 401067

b. Statement of compliance:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (“GAAP”) and in compliance with the Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006 read with Rule 7(1) of Companies (Accounts) Rule, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year except stated specifically in the notes, if any.

c. Basis of preparation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

d. Use of estimates and judgements:

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

e. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from the Site services are recognised pro-rata over the period of the contract as and when services are rendered. It is difficult to identify the completion of the work due to the complexity of the services rendered. Hence the management's confirmation is accepted in identifying the above.

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

f. Tangible fixed assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

g. Depreciation:

Depreciation on fixed assets is provided on a written down value basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher.

h. Borrowing:

Borrowings are recognised at fair value. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Company has received advocate notice for winding up petition from unsecured Creditors.

i. Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

j. Income taxes:

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

k. Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

l. Cash flow statement :

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

m. Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

n. cash and cash equivalent:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o. Related party transaction:

As per the Ind as 24, the disclosures of transaction with the related parties are disclose in the Financial Statement.

p. Event occurring after the date of balance sheet :

Where material event occurring after the date of the balance sheet are considered up to the date of approval of accounts by the board of director.

q. Recoverability of trade receivables:

Required judgments are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

For P M P K & Co.
Chartered Accountants
ICAI FRN: 019681N

For Gagan Polycot India Limited

Sd/-
ManikantVashistha
Partner
Membership no. 075198

Sd/-
Ketu Parikh
Managing Director & CFO
Din: 00185343

Sd/-
Prajwal Patel
WTD
Din:06389797

Place: Vasai
Date: 27/07/2020

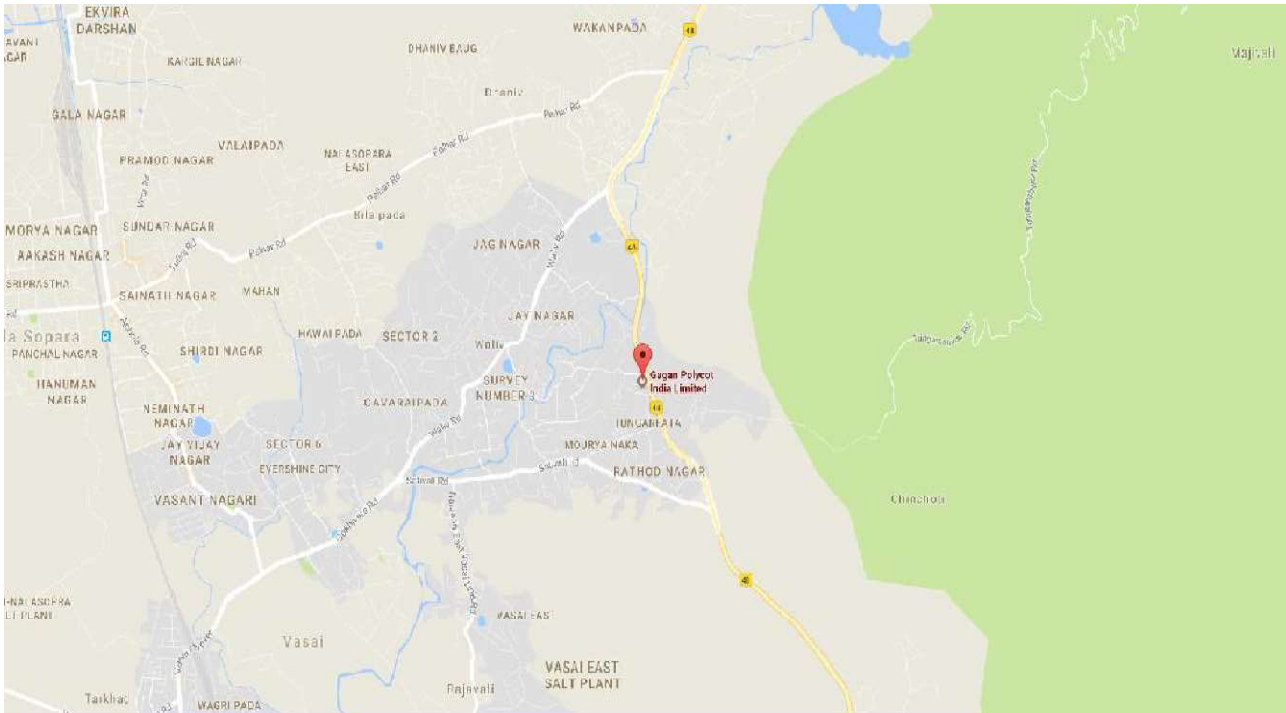
Sd/-
Pooja Gohel
Company Secretary

GAGAN POLYCOT INDIA LIMITED

Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East), Palghar – 401208 | Phone: 8108511999 | Fax: 022 – 39167130

Website: www.gaganpolycot.com | E-mail: compliance@gaganpolycot.com

CIN: L33111MH1988PLC231956

**Google Map Link**

<https://www.google.co.in/maps/place/Gagan+Polycot+India+Limited/@19.4158791,72.8761204,14z/data=!4m8!1m2!2m1!1sGala+No.+2,+Shiv+Shankar+Industrial+Estate+No.+1,+Behind+Burmashell+Petrol+Pump,+Waliv,+Vasai,+Palghar+-+401208!3m4!1s0x0:0x2808ef6aed57ead6!8m2!3d19.4140032!4d72.8756404?hl=en&authuser=0>

Form No. MGT-11**PROXY FORM**

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

CIN:L33111MH1988PLC231956

Name of the Company: Gagan Polycot India Limited

Regd. Office: Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East), Palghar -401208 | Phone: 8108511999, Fax: 022-39167130

Website: www.gaganpolycot.com

E-mail: compliance@gaganpolycot.com

Name of the member(s)	
Registered address	
E-mail Id	
Folio No. / Client Id	
DP ID	

I/We, being the member(s) of shares of the above-named Company, hereby appoint:

1. Name: _____

Address: _____

E-mailId: _____ Signature: _____ or failing him/her

1. Name: _____

Address: _____

E-mailId: _____ Signature: _____ or failing him/her

1. Name: _____

Address: _____

E-mailId: _____ Signature: _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Wednesday, 30th September, 2020 at 10:00 A.M. at Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East), Palghar - 401208, and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Description of Resolutions
Ordinary Business	
1.	To receive, consider and adopt the Audited Profit & Loss Statement for the year ended 31 st March, 2020, the Balance Sheet as on that date and the Reports of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Mr. Ketu Parikh (DIN: 00185343), Managing Director who retires by rotation and being eligible, offers himself for re-appointment.
Special Business	
3.	Appointment of Mr. Shailesh Muknak (DIN No.: 08480694) as an Independent Director
4.	Approval of Related Party Transaction
5.	Approval of charges for service of documents on the shareholders

Signed this day of 2020
Signature of shareholder(s)

Affix Revenue Stamp

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Any alteration or correction made to this Proxy form must be initialed by the signatory / signatories.

.....Please tear here.....

Attendance Slip

CIN:L33111MH1988PLC231956

Name of the Company: Gagan Polycot India Limited

Regd. Office: Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East), Palghar -401208 | Phone: 8108511999, Fax: 022-39167130

Website: www.gaganpolycot.com

E-mail: compliance@gaganpolycot.com

32ND ANNUAL GENERAL MEETING

(Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.)

DP Id *		Client Id*	
Regd. Folio No.		No. of Shares	

*Applicable for shares held in electronic form

Name(s) and address of the shareholder / Proxy in full: _____

I/we hereby record my/our presence at the 32nd Annual General Meeting of the Company being held on Wednesday, 30th September, 2020 at 10.00 A.M. at Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East), Palghar - 401208.

Please (v) in the box

MEMBER PROXY

Signature of Shareholder / Proxy

Form No. MGT-12**POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:Gagan Polycot India Limited

Registered Office:Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind BurmashellPetrol Pump, Waliv, Vasai (East), Palghar-401208

BALLOT PAPER

SN	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered folio No./*Client ID No. (Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
	Ordinary Business			
1	Ordinary Resolution To receive, consider and adopt the Audited Profit & Loss Statement for the year ended 31 st March, 2020, the Balance Sheet as on that date and the Reports of the Board of Directors and the Auditors thereon.			
2	Ordinary Resolution To appoint a Director in place of Mr. Ketu Parikh (DIN: 00185343), Managing Director who retires by rotation and being eligible, offers himself for re-appointment.			
	Special Business			
3	Ordinary Resolution Appointment of Mr. Shailesh Muknak (DIN No.:08480694) as an Independent Director			
4	Special Resolution Approval of Related Party Transaction			
5	Ordinary Resolution Approval of charges for service of documents on the shareholders			

Place:

(Signature of the shareholder)

Date:

BOOK POST**Registered Office**

Gala No. 2, Shiv Shankar Industrial Estate No. 1,
Behind Burmashell Petrol Pump, Waliv, Vasai (East),
Palghar – 401208

Email: compliance@gaganpolycot.com

Website: www.gaganpolycot.com

Tel: 810-851-1999