



# GUJARAT Hy-spin Ltd

Tele : 02825 - 297170

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Gundala Road Gundala GONDAL - 360311 P B No 22 Dist Rajkot Gujarat - India

Subject to GONDAL Jurisdiction

CIN: L17110GJ2011PLC063898

07<sup>th</sup> September, 2020

Ref: Gujarat Hy-Spin/BSE (SME)/Regulation 34

To,  
The Department of Corporate Services,  
The BSE Ltd., 1<sup>st</sup> Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001,  
Maharashtra

Kind Attn. : Mr. Marian D' Souza

Sub: Submission of Annual Report for the financial year 2019-20  
Ref : Gujarat Hy-spin Limited (Script Code No : 540938)

Dear Sir,


With reference to the above subject, pursuant to Regulation 34 of SEBI (Listing obligation and disclosure requirements) Regulation, 2015 we are submitting herewith the Annual Report for the financial year 2019-20 of Gujarat Hy-spin Limited, Gondal.

Please take the same on your records.

Thanking you.

Yours faithfully,

For GUJARAT HY-SPIN LIMITED LIMITED

  
Maganlal Parvadiya  
Chairman & Wholetime Director  
[DIN: 03190749]



Encl: As above



*Gujarat Hy-spin Limited*

***ANNUAL REPORT 2019-20***



# *Gujarat Hy-spin Limited*

## NOTICE OF AGM

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**CIN: -L17110GJ2011PLC063898**

**Registered Office: -**

**P.O.Box No. 22  
Gundala Road,  
Gondal Rajkot -360311  
Gujarat**

**Contact No: - 2825 297170**

**Email Id: - [info@gujarathyspin.com](mailto:info@gujarathyspin.com)**

**Website: [www.gujarathyspin.com](http://www.gujarathyspin.com)**

# **GUJARAT HY-SPIN LIMITED**

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Tuesday, 29<sup>th</sup> September 2020 at 11:00 AM. at the Registered Office of the Company situated at **P.O.Box No. 22, Gundala Road, Gondal-360311, Gujarat**, India to transact the following business:

➤ **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint Shri. Maganlal Parvadiya, [DIN: 03190749] as a director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/S. Finava & Associates, Chartered Accountants, (Membership No. 044511) continuing as a Statutory Auditor of the Company.

**“RESOLVED THAT**, pursuant to the provisions of Section 139 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Board of Directors, M/s. Finava & Associates, Chartered Accountants and a peer reviewed Firm (ICAI Membership No. 044511), be and are hereby re-appointed as statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of AGM of the Company to be held in the year 2025 (for financial year 2024-25) and that the Board of Directors be and are hereby authorized to fix such remuneration as agreed upon between the Auditors and the Board of Directors.”

**Date:** 07/09/2020

**Place:** Gondal

For and on behalf of the Board  
For, GUJARAT HY SPIN LIMITED,

Sd/-

**(Maganlal Parvadiya)**  
**Chairman & Wholetime Director**  
**(DIN: 03190749)**

## **NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote on poll and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
2. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the meeting, pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board resolution together with respective Specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from, Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020, (both days inclusive) for the purpose of Annual General Meeting.
5. To promote green initiatives, Members are also requested to update their email address with their Depository Participants to enable the Company to send future communications electronically.
6. Electronic Copy of Annual Report is being sent to all the members whose email addresses are registered with the Company/Depository Participant(s) unless any member has requested for a Hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report is being sent through permitted mode. Members may also note that the Annual Report for the Financial Year 2019-20 will also be available on the Company's Website [www.gujarathyspin.com](http://www.gujarathyspin.com) for download.
7. Member's voting rights shall be in proportion to his/her share of paid up share capital of the company. In case of Joint holders attending the meeting together, only whose name appearing first, will be entitled to vote.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in the electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).

9. Members desirous of asking any questions at the Annual General Meeting are requested to send their questions at the company's registered office at least 7 days before the Annual General Meeting so that the same can be suitably replied to.
10. Members/proxies are requested to bring their Attendance slip, sent herewith, duly filled in, for attending the meeting. The results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Website of the Company [www.gujarathyspin.com](http://www.gujarathyspin.com) and also on the website of RTA, Bigshare Services Private Limited immediately after the result is declared by the Chairman and communicated to BSE Limited.
11. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days.

**"Annexure to Notice"**

**BRIEF PROFILE OF DIRECTORS RETIRING BY ROTATION/ SEEKING  
APPOINTMENT/REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

<b>Name of Director</b>	Shri. Maganlal Parvadiya
<b>DIN</b>	03190749
<b>Date of Birth</b>	01/06/1960
<b>Expertise in Specific Functional areas and experience</b>	Having experience of more than 20 years in the textile industry
Directorship held in other companies	<b>N.A.</b>
Shareholding in the Company	No. of Shares 35,37,190 (21.12%)
Membership/Committee positions held in other companies	Not Applicable

**To,  
The Members,  
GUJARAT HY-SPIN LIMITED,**

Your Directors are pleased to present their Annual Report along with the Audited financial statements for the Financial Year ended 31<sup>st</sup>, March, 2020.

**FINANCIAL HIGHLIGHTS:**

<b>Sr No</b>	<b>PARTICULARS</b>	<b>(Amount in Rs)</b>	
		<b>2019-20</b>	<b>2018-19</b>
1.	Revenue from Operation	47,42,53,377	62,94,75,702
2.	Other Income	3,14,68,228	10,21,978
3.	<b>Total Revenue (1+2)</b>	<b>50,57,21,605</b>	<b>63,04,97,680</b>
4.	Cost of Materials Consumed	34,90,43,715	31,44,54,457
5.	Employees Benefits Expense	1,51,24,502	1,60,72,295
6.	Finance Cost	3,13,41,664	2,87,53,129
7.	Depreciation & Amortization Exp.	2,74,19,261	3,34,03,247
8.	Other Expenses	8,78,60,042	7,89,31,469
9.	<b>Profit/ (Loss) Before Tax</b>	<b>18,10,137</b>	<b>5,08,465</b>
10.	Current Tax	12,46,600	15,38,838
11.	Deferred Tax	-17,02,000	-19,76,600
12.	<b>Profit/ (Loss) After Tax (PAT)</b>	<b>22,65,537</b>	<b>9,46,227</b>

**STATEMENT OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:**

During the Financial year 2019-20, the Company has earned revenue from operations of Rs 47.42 Crores as compared to previous year revenue from operation of Rs. 62.94 crores. However, during the year under report Employee Benefit Expenses of the Company reduced to some extent as compared to previous financial year. During the year under report despite of reduction in turnover, the company has recorded net profit of Rs. 22.65 Lacs as compared Rs. 9.46 Lacs. Your Company's business cycle faced new economic and industry related challenges and came out with the above results. Further, your Board of Directors has tried their best for rationalization of the cost of the Company to the extent possible and to maximize the profit of the Company.



### **Financial Statement:**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as `Listing Regulations`) and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the Annual Report containing salient features of the financial statements, including for the financial year 2019-20, along with statement containing salient features of the Directors' Report (including Management Discussion & Analysis) is being sent to all shareholders, who have not registered their email address(es) for the purpose of receiving documents/communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2019-20, upon receipt of written request from you, as a member of the Company.

Full version of Annual Report 2019-20 is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company's website [www.gujarathyspin.com](http://www.gujarathyspin.com)

### **DECLARATION OF DIVIDEND AND TRANSFER OF AMOUNT TO RESERVES:**

With a view to plough back profits and in order to conserve resources for operational purposes, Board of Directors does not recommend any dividend for financial year under review.

Moreover, no amount is being transferred to reserves during the financial year 2019-20.

### **CHANGE IN NATURE OF BUSINESS:**

There are no changes in the nature of business of the Company during the year under Report. The Company is engaged in the business of manufacturing and processing of yarn.

### **SHARE CAPITAL:**

The Paid up Equity share Capital of the Company as on 31<sup>st</sup> March, 2020 was Rs. 16,75,00,000/- (Rupees Sixteen Crores Seventy-Five lacs only) divided into 1,67,50,000 (One Crores Sixty-Seven Lacs Fifty Thousand) Equity Shares of Rs 10/- (Rupees Ten only) each. During the year, the Company has not issued any share with differential voting rights nor granted stock options or sweat equity or any convertible instrument.

### **EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 134(3)(a) of Companies Act, 2013, Form MGT 9 [as specified in Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014] the extract of Annual Return for the Financial Year 2019-20 is enclosed with this report as "**Annexure-I**" and the annual return is also available at the

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company's website [www.gujarathyspin.com](http://www.gujarathyspin.com) at the link [http://gujarathyspin.com/financial-information/annual return 2019-20](http://gujarathyspin.com/financial-information/annual%20return%202019-20)

### **BOARD MEETINGS AND INDEPENDENT DIRECTORS MEETING:**

During the year under review, Board meetings were held on 08/04/2019, 24/06/2019, 02/09/2019, 04/11/2019, 14/11/2019, and 13/02/2020 and requisite quorum were present at the said meetings.

Further, Independent Directors meeting was held on 13<sup>th</sup> February, 2020 to review the performance of Non Independent Directors and the Board as a whole; review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors and access the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonable perform their duties. Non-Executive including Independent Directors plays a crucial role in balancing the functioning of the Board by providing independent judgments on various issues raised in the Board meetings like formulation in business strategies, monitoring of performances etc. Their role, *inter alia*, includes:

- Impart balance to the Board by providing Independent Judgements
- Provide feedback on company's Strategy and Performances
- Provide effective recommendations for further improvements

### **BOARD'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
  - b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 year;
  - c) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
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- d) The directors had prepared annual accounts on a going concern basis; the company has earned profit during the F.Y. 2019-20. Company has paid loan installments to the SBI regularly and also regular in payment to the creditors during the year under report.

Further management has also initiated various actions for rationalization and reduction of various costs and maximization of profit to the extent possible. The management of the company assures for their efforts and confident for ability of the company to continue as going concern.

- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls system are adequate and are operating effectively as at 31<sup>st</sup> March, 2020 based on the internal control over financial reporting criteria established by the company.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively;

#### **RELATED PARTY TRANSACTIONS:**

The Company had entered into transactions with related party (Sister Concern) in the previous years on a continues basis in the ordinary course of business. During the year under report company has not entered into transactions with related party. Therefore, information on transactions with related parties pursuant to section 134(3)(h) of the act read with Rule 8(2) of Companies (Accounts) Rules, 2014 are not required to provide in Form AOC-2. Your directors draw attention of members to Note. 34 to the financial statement which sets out related party disclosures as per AS-18 for the year under review.

#### **STATUTORY AUDITOR AND AUDITOR'S REPORT:**

As per provisions of Section 139 (8) of the Companies Act, 2013 read with Companies (Audit and Auditor) Rules, 2014 (including any amendment thereto or re-enactment thereof) Board of Directors of the company has appointed M/S. Finava and Associates, Chartered Accountants and a peer reviewed Firm as a statutory auditor of the company subject to approval of Members to hold office till the conclusion ensuing Annual General to be held in the financial year 2020, at a Remuneration as mutually agreed between the Auditors and Management of the Company. Now, Board of Directors of the company has proposed to appoint M/S. Finava & Associates as a Statutory Auditor of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2025 subject to approval of members.

Furthermore, Auditor has observed that the Company is in default in depositing of professional tax of amounting Rs. 1,61,806/- for the period up to September, 2019 with appropriate authorities.

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The management would like to clarify that the Company's business is such, which is mainly depends on seasonal changes, having significant impact of monsoon and also affected by Gujarat Textile Policy, 2012. Therefore, during the period, the Company was having financial crunches and was not able to deposit statutory dues. However, during the year company has made regular payment of instalments of credit facility in due time and the management also ensures for timely payment of all statutory dues. The management is optimistic to come out from the existing crisis.

#### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

The Board has appointed CS Hitesh Darshrathbhai Patel, Practising Company Secretary, Dhrangadhra as a secretarial auditor to conduct Secretarial Audit for the F Y 2019-20 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report for the Financial Year ended on March, 31 2020 is annexed herewith marked as **"Annexure III"** to this Report. The Secretarial Audit Report submitted by them in the prescribed form MR-3.

Some observation by Secretarial Auditor under report for FY 2018-19 are as under:

1. Company has not appointed Company Secretary Pursuant to provision of Companies Act, 2013 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. pursuant to non-appointment of CS company fails to comply with Rule 25A of Companies (Incorporation) Rules, 2014 and status of company was Active Non-Compliant during the year under report.

**Reply by Board:** The Board would ensure compliance of this provision of the Act as early as possible. However, after the reporting period but before ensuing Annual General Meeting Company has appointed whole time Company Secretary of the Company.

2. Company fails to file Form DIR-12 for Regularisation of Independent Directors, who had been appointed as an additional director w.e.f 08<sup>th</sup> April, 2019 due to Active Non-Compliant during the year.

**Reply by Board:** Now Company has appointed whole-time Company Secretary in employment and is in process for completion of all pending compliances. Board took note of the same and shall take necessary steps in future for timely compliance of the same.

3. Company fails to appoint Internal Auditor as per provision of Section 138 of the Companies Act, 2013

**Reply by Board:** Board took the note of the same and shall take necessary steps in future for timely compliance of the same.

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4. The Company is in default in depositing of professional tax of amounting Rs. 1,61,806/- for the period up to September, 2019 with appropriate authorities.

**Reply by Board:** The delay in payment of professional tax has been occurred due to weak financial position of the Company. As compared to last year company has made regular payment of instalments of credit facility to the bank. Management also strive to make payment of statutory dues in a timely manner.

5. Company fails to file Form AOC-4XBRL (Financial Statement) for the F.Y. 2018-19 within 30 days from the date of AGM.

**Reply by Board:** Board took the note of the same and shall take necessary steps in future for timely compliance of the same.

6. Company fails to file Form DPT-3 Annual Return for financial year 2018-19 up to 30<sup>th</sup> June, 2019 and also one time return within ninety days from the end of financial year.

**Reply by Board:** Board took the note of the same and shall take necessary steps in future for timely compliance of the same.

7. Company fails to complied with Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with respect to filing of annual audited financial statements for the year ended on 31st March, 2019

**Reply by Board:** Board took the note of the same and shall take necessary steps in future for timely compliance of the same.

#### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:**

During the year under report, the Company has not granted any loan or provided any guarantee or made any investment as specified in Section 186 (2) of the Companies Act, 2013. Hence no approval from the shareholders in this regard was required.

#### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

At our company, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age.

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At Gujarat Hy-spin Limited, every individual is expected to treat his/her colleagues with respect and dignity. This is enshrined in values and in the Code of Ethics & Conduct of Gujarat Hy-spin Limited. The Direct Touch (Whistle-Blower & Protection Policy) Policy provides a platform to all employees for reporting unethical business practices at workplace without the fear of reprisal and help in eliminating any kind of misconduct in the system. The Policy also includes misconduct with respect to discrimination or sexual harassment.

The Company also has in place `Prevention of Sexual Harassment Policy`. An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment.

- No. of Complaints Received:
- No. of Complaints disposed off:
- No. of Complaints pending:

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company with a net worth of Rs. 500 Crores or more OR an annual turnover of Rs.1000 Crores or more OR with a net profit of Rs. 5 Crores or more during the immediately preceding financial year is required to constitute a CSR Committee and also required to spent in a financial year at least 2% of the average net profits of the company made during the three immediately preceding financial years.

At present, Gujarat Hy-spin Limited is not required to constitute a CSR Committee in this regards as none of the above referred limits has been triggered.

### **DETAILS OF BOARD OF DIRECTORS:**

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently Shri. Maganlal Parvadiya, Whole-time Director [DIN 03190749] will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with provisions of the Companies Act, 2013.

The Directors recommend their re-appointment at the ensuing AGM. During the year under report following appointment and resignation taken place:

1. Mr. Kaushik Dave, Managing Director [DIN: 06551940] has resigned from the office of director w.e.f 08<sup>th</sup> April, 2019 and board has taken the note of such resignation.
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2. Mr. Ashokkumar Pandya, Independent Director [DIN: 07563446], Mr. Hemant Maru, Independent Director [DIN: 07563394] and Mr. Narendra Vegad, Independent Director [DIN: 07566982] have resigned from the office of director w.e.f 08<sup>th</sup> April, 2019 board has taken the note of such resignation.
3. Mr. Anil Kumar, Additional Director [DIN: 08405909] and Mr. Niteshkumar Kantariya Additional Director [DIN: 08405905] have been appointed as an Additional Director as an Independent Director by the Board of Directors of the Company in the Board Meeting held on 08<sup>th</sup> April, 2019.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

As on 31<sup>st</sup> March, 2020, the composition of Board of directors was as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Director Identification Number (DIN)</b>	<b>Date of Appointment</b>	<b>Date of Resignation</b>
<b>1.</b>	Maganlal Parwadiya	Whole-time Director	03190749	01/02/2011	NA
<b>2.</b>	Chandulal Parwadia	Whole-time Director	03197876	01/02/2011	NA
<b>3.</b>	Kaushik Dave	Managing Director	06551940	27/11/2017	08/04/2019
<b>4.</b>	Bindiya Ketankumar Parvadiya	Director	08210285	01/09/2018	NA
<b>5.</b>	Hemant Maru	Independent Director	07563394	02/08/2016	08/04/2019
<b>6.</b>	Ashokkumar Pandya	Independent Director	07563446	02/08/2016	08/04/2019
<b>7.</b>	Narendra Vegad	Independent Director	07566982	02/08/2016	08/04/2019
<b>8.</b>	Anil Kumar	Additional Director (Independent Director)	08405909	08/04/2019	NA
<b>9.</b>	Niteshkumar Kantariya	Additional Director (Independent Director)	08405905	08/04/2019	NA



## **COMMITTEES OF BOARD OF DIRECTORS:**

**1) AUDIT COMMITTEE:** The Audit Committee comprises of 2 Non-Executive Independent Directors and 1 Executive Director. The Composition of committee is in conformity with the listing regulations. During the year, the Committee met five times i.e 24/06/2019, 02/09/2019, 04/11/2019, 14/11/2019 and 13/02/2020 and the attendance of the members of the meetings was as below. The Chief financial officer and Statutory Auditor are the regular invitees to the Committee meetings. All the recommendations of Audit committee were accepted by the Board of Directors.

<b>Sr No.</b>	<b>Name</b>	<b>Status</b>	<b>Category</b>	<b>Director Identification Number (DIN)</b>	<b>No. of Meetings held/attended</b>
<b>1</b>	Anil Kumar	Chairperson	Non Executive & Independent	08405909	5/5
<b>2</b>	Niteshkumar Kantariya	Member	Non Executive & Independent	08405905	5/5
<b>3</b>	Maganlal Parvadiya	Member	Executive	03190749	5/5

**2) NOMINATION AND REMUNERATION COMMITTEE:** The Nomination and Remuneration Committee comprises of 3 Non-Executive Independent Directors. The Composition of committee is in conformity with the listing regulations. During the year, the Committee met five times i.e 24/06/2019, 02/09/2019, 04/11/2019, 14/11/2019 and 13/02/2020 and the attendance of the members of the meetings was as below.

<b>Sr No.</b>	<b>Name</b>	<b>Status</b>	<b>Category</b>	<b>Director Identification Number (DIN)</b>	<b>No. of Meetings held/attended</b>
<b>1</b>	Anil Kumar	Chairperson	Non Executive & Independent	08405909	5/5
<b>2</b>	Niteshkumar Kantariya	Member	Non Executive & Independent	08405905	5/5
<b>3</b>	Bindiya Ketankumar Parvadiya	Member	Non Executive	08210285	5/5



### **KEY MANAGERIAL PERSONNEL:**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Paras M. Parvadia Chief Financial Officer

Mr. Maganbhai S. Parvadiya, Whole time Director

Mr. Chandubhai S. Parvadiya, Whole time Director

### **RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2019-20:**

During the year under report no remuneration has been paid by the Company to the directors, therefore information required pursuant to section 197 (12) read with Rule 5 (1) (i) of the Companies (Appointment and Remuneration) Rules 2014 in respect of ratio of remuneration of each director to the median remuneration of the employee of the Company for the financial year 2019-20 not required to disclose.

### **COMPANY'S POLICY ON DIRECTORS APPOINTMENT, NOMINATION, REMUNERATION AND FORMAL EVALUATION:**

Pursuant to provisions of Section 178 (1) of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, nomination, appointment and remuneration of Directors suitably containing the criteria determining qualifications, positive attributes and independence of a Director.

### **FORMAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

Pursuant to provisions of section 134(3)(p) the Companies Act, 2013, read with The Companies (Accounts) Rules, 2014 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, *inter-alia*, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements. The annual performance evaluation of the Board, its Committees and each Director has been carried out for the financial year 2019-20 in accordance with the framework

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## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In Terms of the Regulation 34 read with Schedule V of the SEBI (LODR) Regulations 2015, Management Discussion and Analysis report forms part of this Annual Report as ***“Annexure IV”***

### **CORPORATE GOVERNANCE:**

As per Regulation 15 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Para C of Schedule V relating to Corporate Governance Report, shall not apply to company listed on SME Exchange. The Company being a company listed on BSE SME Platform, preparation of corporate governance is not applicable. Although relevant information is provided in the Board's Report.

### **RISK MANAGEMENT:**

The Company is not under the purview for constituting Risk management committee under the provisions of listing Regulation. However, the Board periodically reviews the operations of the Company and identifies the risk / potential risk, if any to the Company and implement the necessary course of action(s) which the Board deems fit in the best interest of the Company.

### **DISCLOSURE ON VIGIL MECHANISM:**

Pursuant to Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report their genuine concerns has been established, in order to ensure that the activities of the company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty and integrity and ethical behavior.

The Company has established a vigil mechanism through which Directors, employees and business associates may report unethical behaviour, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Company has set up a Direct Touch initiative, under which all Directors, employees, business associates have direct access to the Chairman of the Audit committee.

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**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has not taken any significant steps for conservation of Energy during the year under report. There are no significant expenses on technology absorption during the year. However, your company is increasingly using information technology in its operations and promotes conservation of resources. Moreover, the Company has reported Foreign Exchange Earnings and Expenses made as under:

<b><u>Particulars</u></b>	<b><u>2018-19</u></b>	<b><u>2017-18</u></b>
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

**PARTICULARS OF EMPLOYEES:**

There are no employees in the Company drawing remuneration of more than Rs. 8,50,000/- rupees per month or Rs. 1,02,00,000/- rupees per annum, as prescribed in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

**SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March, 2020, the Company does not have any Subsidiary, Associate or Joint Venture.

**OTHER DISCLOSURES AS REQUIRED UNDER THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER:**

1. There have been no material changes/commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date on report;
  2. During the year under review your company has not accepted the deposit from the public under section 73 to 76 of the Companies Act, 2013 and the rules made thereunder;
  3. No significant or material orders were passed by the Regulators or courts or tribunals which impact the going concern status and company's operations in future
  4. There have been no instances of any revision in the Board's Report or the financial statement; hence disclosure under Section 131(1) of the Act is not required.
  5. The Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not required to disclose.
  6. The Company has not issued (a) any shares with differential voting rights (b) Sweat Equity shares (c) shares under any Employee stock option scheme; hence
-

no disclosures are required to be made as per the Companies (Share Capital and Debentures) Rules, 2014.

7. The Central Government has prescribed the maintenance of cost records under sub section (1) of Section-148 of the Act for the product of the Company and such records have been so made and maintained by the company.

**ACKNOWLEDGEMENT:**

Your Directors place on record their gratitude to the government authorities and Company's Bankers for the assistance co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and efforts of investors, vendors, dealers, business associates and employees in ensuing and excellent all around operational performance.

For and on behalf of the Board  
**For, GUJARAT HY SPIN LIMITED**

Date : 07/09/2020

Place : Gondal

Sd/-	Sd/-
<b>(Maganlal Parvadiya)</b>	<b>(Chandubhai Parvadiya)</b>
Chairman & Whole-time Director	Whole-time Director
(DIN: 03190749)	(DIN: 03197876)

**FORM MGT 9 - EXTRACT OF ANNUAL RETURN****“ANNEXURE - A” TO DIRECTORS’ REPORT OF GUJARAT HY-SPIN LIMITED**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the  
Company (Management & Administration) Rules, 2014)

**Financial Year ended on 31/03/2020**

**(I) REGISTRATION AND OTHER DETAILS:**

(i)	CIN	L17110GJ2011PLC063898
(ii)	Registration date	01 <sup>st</sup> February, 2011
(iii)	Name of the Company	GUJARAT HY - SPIN LIMITED
(iv)	Category Sub-category of the Company	Company having share capital Indian Non-Government Company
(v)	Address of the Registered Office and Contact Details	<b><u>Address of Registered Office:</u></b>  P. O. BOX No. 22, Gundala Road, Rajkot(Dis) Gondal-360311 Gujarat  <b><u>Contact Details:</u></b> Phone: 2825 297170,  E-Mail Id: <a href="mailto:gujarathyspinpvtltd@gmail.com">gujarathyspinpvtltd@gmail.com</a>  Website: <a href="http://www.gujarathyspin.com">www.gujarathyspin.com</a>
(vi)	Whether Listed Company? Yes / No	Yes, BSE SME Platform
(vii)	Name, address and contact details of Registrar and Share Transfer Agent.	<b>Bigshare Services Private Limited,</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (West) Mumbai-400059 Tel: +91 22 6263 8200 Fax: +91 22 6263 8299  Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

## FORM MGT 9 - EXTRACT OF ANNUAL RETURN

### (II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of cotton yarn and other cotton mixed fabrics	13121	95.97%

### (III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
Not Applicable					

## FORM MGT 9 - EXTRACT OF ANNUAL RETURN

**(IV) SHAREHOLDING PATTERN: (Equity Share Capital Break up as % to total Equity)**

(i) **Category - wise share holding:**

[illegible]

# FORM MGT 9 - EXTRACT OF ANNUAL RETURN

Continue from previous page....

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year 01.04.2019				No of Shares held at the end of the year 31.03.2020				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 Lakh	24,00,000	---	24,00,000	14.33%	19,10,000	---	19,10,000	11.40%	(- 2.93%)
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	16,66,790	13,28,635	29,95,425	17.88%	19,26,790	13,28,635	32,55,425	19.44%	1.56%
(c)	Others (specify)	---	---	---	---	---	---	---	---	---
	Hindu Undivided Family	---	---	---	---	5,70,000	---	5,70,000	3.40%	3.40%
	Non-Resident Indian (Non Repatriable)	20,000	---	20,000	0.12%	20,000	---	20,000	0.12%	---
	Clearing Members	2,60,000	---	2,60,000	1.55%	1,20,000	---	1,20,000	0.72%	-0.83%
	<b>Sub-total(B) (2)</b>	---		---	---	---	---	---	---	---
	<b>Total Public shareholding (B)=B(1)+B(2)</b>	45,46,790	13,28,635	58,75,425	35.08%	45,46,790	13,28,635	58,75,425		---
C	Shares held by Custodian for ADRs and GDRs.	---	---	---	---	---	---	---	---	---
<b>GRAND TOTAL</b>		<b>1,54,21,365</b>	<b>13,28,635</b>	<b>1,67,50,000</b>	<b>100%</b>	<b>1,54,21,365</b>	<b>13,28,635</b>	<b>1,67,50,000</b>	<b>100%</b>	<b>---</b>



**FORM MGT 9 - EXTRACT OF ANNUAL RETURN**

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% Change
		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	Maganlal Shambhubhai Parvadiya	35,37,190	21.12%	---	35,37,190	21.12%	---	---
2	Chandulal Shambhubhai Parvadiya	12,43,470	7.42%	---	12,43,470	7.42%	---	---
3	Kaushik Labhshanker Dave	1,30,500	0.78%	---	1,30,500	0.78%	---	---
4	Kamleshbhai B. Bokarvadia	8,00,000	4.78%	---	8,00,000	4.78%	---	---
5	Ketankumar Maganbhai Parvadiya	12,25,185	7.31%	---	12,25,185	7.31%	---	---
6	Paras Maganbhai Parvadiya	8,85,620	5.29%	---	8,85,620	5.29%	---	---
7	Nidhiben Parasbhai Parvadiya	80,000	0.48%	---	80,000	0.48%	---	---
8	Yogesh Maganbhai Parvadiya	10,79,190	6.44%	---	10,79,190	6.44%	---	---
9	Divyesh C. Parvadiya	5,76,580	3.44%	---	5,76,580	3.44%	---	---
10	Sandhyadevi Kaushik Dave	3,00,000	1.79%	---	3,00,000	1.79%	---	---
11	Vajiben Shambhubhai Parvadia	3,00,000	1.79%	---	3,00,000	1.79%	---	---
12	Hanshaben Shambhubhai Parvadia	2,06,380	1.23%	---	2,06,380	1.23%	---	---

**FORM MGT 9 - EXTRACT OF ANNUAL RETURN**

13	Nirmalaben Maganbhai Parvadia	2,43,260	1.45%	---	2,43,260	1.45%	---	---
14	Bindiya Ketankumar Parvadia	2,67,200	1.60%	---	2,67,200	1.60%	---	---
<b>GRAND TOTAL</b>		<b>1,08,74,575</b>	<b>64.92%</b>	<b>---</b>	<b>1,08,74,575</b>	<b>64.92%</b>	<b>---</b>	<b>---</b>

**(iii) Change in Promoter's Shareholding:**

Sr. No	Particulars	Shareholding at the year beginning of the year 01.04.2019			Increasing Decreasing in Share holding	Reason	Cumulative Shareholding during the year 31.03.2020	
		No. of Shares	% of total shares of Company	Date			No. of Shares	% of total shares of the Company
1.	Maganlal Shambhubhai Parvadiya	35,37,190	21.12%	---	---	---	35,37,190	21.12%
2.	Chandulal Shambhubhai Parvadiya	12,43,470	7.42%	---	---	---	12,43,470	7.42%
3.	Kaushik Labhshanker Dave	1,30,500	0.78%	---	---	---	1,30,500	0.78%
4.	Kamleshbhai B. Bokarvadia	8,00,000	4.78%	---	---	---	8,00,000	4.78%
5.	Ketankumar Maganbhai Parvadiya	12,25,185	7.31%	---	---	---	12,25,185	7.31%
6.	Paras Maganbhai Parvadiya	8,85,620	5.29%	---	---	---	8,85,620	5.29%
7.	Nidhiben Parasbhai Parvadiya	80,000	0.48%	---	---	---	80,000	0.48%
8.	Yogesh Maganbhai Parvadiya	10,79,190	6.44%	---	---	---	10,79,190	6.44%
9.	Divyesh C. Parvadiya	5,76,580	3.44%	---	---	---	5,76,580	3.44%
10.	Sandhyadevi Kaushik Dave	3,00,000	1.79%	---	---	---	3,00,000	1.79%
11.	Vajiben Shambhubhai Parvadia	3,00,000	1.79%	---	---	---	3,00,000	1.79%

## FORM MGT 9 - EXTRACT OF ANNUAL RETURN

12.	Hanshaben Shambhubhai Parvadia	2,06,380	1.23%	---	---	---	2,06,380	1.23%
13.	Nirmalaben Maganbhai Parvadia	2,43,260	1.45%	---	--	---	2,43,260	1.45%
14.	Bindiya Ketankumar Parvadia	2,67,200	1.60%	---	---	---	2,67,200	1.60%
<b>Grand Total</b>		<b>1,08,74,575</b>	<b>64.92%</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,08,74,575</b>	<b>64.92%</b>

(iv) **\*Shareholding Pattern of top ten shareholders: (Other than Directors, Promoters & Holders of GDRs & ADRs):**

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2019			Increasing Decreasing in Share holding	Reason	Cumulative Shareholding during the year 31.03.2020	
		No. of Shares	% of total shares of Company	Date			No. of Shares	% of total shares of the Company
1	Bachubhai Haribhai Bokarvadiya	4,20,000	2.51%	---	---	---	4,20,000	2.51%
2	Kantilal Bachubhai Bokarvadiya	4,00,000	2.39%	---	---	---	4,00,000	2.39%
3	Kashmira Kedar Kothari	0	0	---	---	---	3,90,000	2.33%
4	Dilip Khodidas Kothari (HUF)	0	0	---	---	---	3,20,000	1.91%
5	Rajesh Kanji Shah	2,60,000	1.55%	---	---	---	2,60,000	1.55%
6	Bhavnaaben Jayantibhai Ghetiya	0	0	---	---	---	2,00,000	1.19%
7	Divya Virchand Motta	0	0	---	---	---	1,60,000	0.96%
8	Bhavin R. Shah	5,20,000	3.10%	---	---	---	1,50,000	0.90%
9	Rajeshree Bhavin Shah	1,20,000	0.72%	---	---	---	1,20,000	0.72%
10	Pankajbhai Jivanbhai Chavda	98,270	0.59%	---	---	---	98,270	0.59%

\*List of Top Ten Public Shareholders is based on list of top ten public shareholders dated 31<sup>st</sup> March, 2020 issued by Big Share Services Private Limited

**FORM MGT 9 - EXTRACT OF ANNUAL RETURN**

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

Sr. No.	Name	Shareholding at the beginning of the year i. e. 01/04/2019		Shareholding at the end of the year i. e. 31/03/2020	
		No. of shares	% of total shares of company	No. of shares	% of total shares of the company
<b>A.</b>	<b>Managing Director/ Whole-time Director</b>				
1	Kaushik Labhshankar Dave  Managing Director	1,30,500	0.78%	*---	*---
2	Maganlal Shambhubhai Parvadia  Wholetime Director	35,37,190	21.12%	35,37,190	21.12%
3	Chandulal Shambhubhai Parvadia  Wholetime Director	12,43,470	7.42%	12,43,470	7.42%
<b>B.</b>	<b>Key Managerial Personnel</b>				
1.	Paras M. Parvadiya  CFO	8,85,620	5.29%	8,85,620	5.29%

**\*Notes:** Mr. Kaushik Labhshankar Dave has resigned from the post of Managing Director w.e.f 08<sup>th</sup> April, 2019 but Continue as a Shareholder.

**FORM MGT 9 - EXTRACT OF ANNUAL RETURN**

**(V) INDEBTEDNESS:**

Indebtedness of the Company interest outstanding / accrued but not due for payment:

	<b>Secured Loans Excluding Deposited</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
(i)Principal Amount	18,45,06,124	2,95,27,356	Nil	21,40,33,480
(ii)Interest due but not paid	Nil	Nil	Nil	Nil
(iii)Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>18,45,06,124</b>	<b>2,95,27,356</b>	<b>Nil</b>	<b>21,40,33,480</b>
<b>Change in Indebtedness During the financial year</b>				
• Addition	Nil	6,17,314	Nil	6,17,314
• Reduction	4,84,85,004	Nil	Nil	(4,84,85,004)
<b>Net Change</b>	<b>(4,84,85,004)</b>	<b>6,17,314</b>	<b>Nil</b>	<b>(4,78,67,690)</b>
<b>Indebtedness at the end of the financial year</b>				
(i)Principal Amount	13,60,21,120	2,95,27,356	Nil	25,71,39,261
(ii)Interest due but not paid	Nil	Nil	Nil	Nil
(iii)Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>13,60,21,120</b>	<b>3,01,44,670</b>	<b>Nil</b>	<b>16,61,65,790</b>

**FORM MGT 9 - EXTRACT OF ANNUAL RETURN**

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

<b>Sr. No</b>	<b>Particulars of Remuneration</b>	<b>Managing Director</b>	<b>Wholetime Director</b>	<b>Total Amount</b>
1.	Gross Salary:  (a) Salary as per provision contained in section 17(1) of the Income tax Act, 1961  (b) Value of perquisites under section 17(2) Income-tax Act, 1961  © Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---
2.	Stock option	---	---	---
3.	Sweat equity	---	---	---
4.	Commission:  - As % of profit - Other, specify...	---	---	---
5.	Others, please specify	---	---	---
<b>Total (A)</b>		---	---	---

# FORM MGT 9 - EXTRACT OF ANNUAL RETURN

## B. Remuneration to other Directors:

Sr No	Particulars of Remuneration		Independent Director		Total Amount
		Mrs. Bindiya K. Parvadiya	Mr. Anil Kumar	Mr. Niteshkumar Kantariya	
1	<b>Independent Director</b>				
	Fees for attending Board/ Committee Meeting	---	---	---	---
	Commission	---	---	---	---
	Other, please specify	---	---	---	---
	TOTAL (B) (1)	---	---	---	---
2	<b>Other Non - Executive Director</b>				
-	Fees for attending Board/ committee meeting	---	---	---	---
-	Commission	---	---	---	---
--	Other, please specify	---	---	---	---
	TOTAL (B) (2)	---	---	---	---
	Total (B) = (1+2)	---	---	---	---
	<b>Total Managerial Remuneration</b>	---	---	---	---

**FORM MGT 9 - EXTRACT OF ANNUAL RETURN**

**C. Remuneration to Key Managerial Personnel other than as Managing Director/Manager/Whole-time Director:**

Sr No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
1.	Gross Salary <ul style="list-style-type: none"> <li>• Salary as per provisions contained in section 17 (1) of the Income tax Act, 1961</li> <li>• Value of perquisites under section 17(2) Income tax Act, 1961</li> <li>• Profit in lieu of salary under section 17(3) Income tax, 1961</li> </ul>	---	---	---	---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission <ul style="list-style-type: none"> <li>• As % of profit</li> <li>• Other, specify</li> </ul>	---	---	---	---
5.	Other, please, specify	---	---	---	---
	Total	---	---	---	---



**FORM MGT 9 - EXTRACT OF ANNUAL RETURN****(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>B. DIRECTORS</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

For and on behalf of the Board  
For, GUJARAT HY SPIN LIMITED,

Date : 07/09/2020

Place : Gondal

Sd/-  
(Maganlal Parvadiya)  
Chairman & Whole-time Director  
(DIN: 03190749)

Sd/-  
(Chandubhai Parvadiya)  
Whole-time Director  
(DIN: 03197876)

## FORM MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**Gujarat Hy-spin Limited [CIN: L17110GJ2011PLC063898]**

**Gondal, Rajkot**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practises by **Gujarat Hy-spin Limited**[CIN: L17110GJ2011PLC063898] (hereinafter called the company). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Gujarat Hy-spin Limited** books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents, and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 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 other returns filed and other record maintained by the **Gujarat Hy-spin Limited** for the financial year ended on 31<sup>st</sup> March, 2020 according to the provision of:

- i. The Companies Act, 2013 (The Act) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii. The Depositories Act, 1956 and the Regulations and Bye laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations framed there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT');
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issues of Capital and Disclosures Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during audit period)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008; **(Not applicable to the Company during the audit period)**
  - f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client; **(Not applicable as company is not registered as a Registrar to an issue and Share Transfer Agent during the audit period)**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the audit period)**and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998; **(Not applicable to the Company during the Audit Period)**
- vi. Reserve Bank of India Act, 1934, Non-Banking Prudential Norms (Reserve Bank) Directions, 1998, Non-Banking Finance Company (Establishment and regulation) Rules, 2003, Non-Banking Financial Companies Acceptance of public Deposits (Reserve Bank) Directions, 1998, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, Consolidated FDI Policy 2013 issued by DIPP, Securitisation Companies and Reconstruction Companies (Reserve Bank) Guideline and Directions, 2003
  - vii. Employee Provident Fund and Miscellaneous Provisions Act, 1952;
  - viii. Indian Contract Act, 1872;
  - ix. Income Tax Act, 1961 and indirect Tax laws;
  - x. Indian Stamp Act, 1999;
  - xi. Negotiable Instrument Act, 1881;
  - xii. Goods and Service Tax Act, 2016

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

- i. Secretarial Standard with respect to Meetings of Board of Directors and Committee (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and made effective -01<sup>st</sup> July, 2015 and Revised Secretarial Standard made effective from 01<sup>st</sup> October, 2017
- ii. The Listing Agreement entered into by the Company with BSE Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments there upon.

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

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

1. Company has not appointed Company Secretary pursuant to provision of Section 204 of the Companies Act, 2013 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, due to non-appointment of Company Secretary, Company is unable to comply with Rules 25A of the Companies (Incorporation) Rules, 2014 and therefore status of Company was “ACTIVE Non-compliant” during the year under report.
2. Company fails to file Form DIR-12 for Regularisation of Independent Directors, who had been appointed as an additional director w.e.f 08th April, 2019 due to Active Non-Compliant during the year.
3. Company fails to appoint Internal Auditor as per provision of Section 138 of the Companies Act, 2013
4. The Company is in default in depositing of Professional Tax of amounting Rs. 1,61,806/- for the period up to September, 2019 with appropriate authorities.
5. Company fails to file Form AOC-4XBRL (Financial Statement) for the F.Y. 2018-19 within 30 days from the date of AGM held in the year 2019.
6. Company fails to file Form DPT-3 (Return of Deposit i.e One time & Yearly Return for financial year 2018-19) up to 30th June, 2019
7. Company fails to complied with Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with respect to filing of Annual Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2019

As explained by management adequate notices were given, in general, to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and system exist for seeking and obtaining information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried out through while the dissenting members’ view are captured and recorded as part of the minutes.

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

**I further report that** during the audit period, there were no instances of:

- a. Public/Right/Preferential issue of shares/debentures/Sweat equity.
- b. Redemption/Buy back of Securities
- c. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- d. Merger/Amalgamation/Reconstruction etc.
- e. Foreign Technical Collaborations

**Place: Dhrangadhra**

**Date: 04/09/2020**

**Sd/-**

**CS Hitesh Patel**

Practising Company Secretary

ACS: 60830 CP NO. 22749

UDIN: A060830B000664015

**Please note that secretarial audit report to be read with my letter of even date attached as Annexure A to the report and report also forms the integral part of the report.**

## **ANNEXURE A**

To,

The Members,

**Gujarat Hy-spin Limited [CIN: L17110GJ2011PLC063898]**

**Gondal, Rajkot**

**Dear Sir,**

My Secretarial Audit Report of even date for the financial year ended on 31<sup>st</sup> March, 2020 is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit process and practises 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 practise, I followed provide a reasonable basis for my opinion.
3. I have relied on the representations made by the company and its officers for systems and mechanisms formed by the company for compliances under other laws and regulations applicable to the company and verification of documents and records procedures on test check basis.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Dhrangadhra**

**Date:04/09/2020**

**Sd/-**

**CS Hitesh Patel**

**Practising Company Secretary**

**ACS: 60830 CP NO. 22749**

**UDIN: A060830B000664015**

**Annexure-IV**  
**Management Discussion and Analysis Report**

**Industry Structure and Developments:**

Our company was incorporated in the year 2011 as “Gujarat Hy-spin Private Limited” and subsequently converted into public limited in the year 2017. In the year 2018 company came out with public offer by way of offer for sale and listed its securities on SME platform of BSE. Our Company, “Gujarat Hy-spin Limited” is engaged in manufacturing and processing of yarn. Gujarat Hy-spin Limited is a leading player in the field of yarn manufacturing. Gujarat Hy-spin provides special types of threads in the garment industry. Our technical expertise, reliability, flexibility of production helps us to have an upper hand in this field.

We believe in manufacturing and delivering quality products and our manufacturing process is under supervision by qualified person. At Company, we desire to demonstrate its capability to provide various products conforming to needs of its customers. We aim satisfy the needs of customers including product requirements, the regulatory authorities and accreditation bodies and to achieve customer satisfaction by maintaining the best standards at all level from procurement to dispatch.

**Opportunities and Strength:**

**1. Experienced Promoters and Management**

Mr. Maganbhai Parvadiya, Promoter as well as whole-time director and Mr. Chandubhai Parvadiya, Promoter as well as whole-time director of the Company is coming from rich Agriculture background and having experience of more than 29 years in the line of cotton textile.

We believe our senior management team is able to leverage our market position and their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth. In addition, we believe the strength and entrepreneurial vision of our Promoters and senior management has been instrumental in driving our growth and implementing our strategies. We believe our position as a yarn manufacturing Company represents a significant competitive advantage in attracting and retaining high-quality talent.

## **2. Strong Relationship with reputed institutional customers**

We believe that our operations and quality control processes have enabled us to develop strong relationships with our customers over the years.

## **3. Operational Excellence**

We believe our business model, together with our quality control measures, and efficient management systems optimize our cost structure and ensure quality products.

Procurement of raw material: The Company has been sourcing major portion of raw material from its promoter group entity Gujarat ginning and oil Industries thus may enjoy favorable terms in both price as well as supplies.

## **4. Quality Control**

We believe that we are a quality focused company. We are committed to maintain quality for the satisfaction of our customer. We have established a quality control team which has the responsibility to ensure compliance with manufacturing practices.

### **Threats and risk:**

- i. Significant Economic changes
- ii. Seasonal factors
- iii. Technological advancement and changes
- iv. Significant changes in Government or regulatory policies
- v. Competitive prices and desired Quality

### **Internal Control Systems and their adequacy:**

There is an adequate internal control procedure commensurate with the size of the company and nature of the business for inventory, fixed assets and for the sale of goods or services. The Company has implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The system ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial, reporting, accounting and information security.



The Company has constituted Audit committee to overlook the internal control systems and their adequacy. Audit committee regularly reviews and gives recommendations on proper and adequate internal control systems.

**Financial performance:**

During the Financial year 2019-20, the Company has earned Net revenue from the operations of Rs **47.42 Crores** as compared to previous year revenue i.e Rs **62.95 Crores**. However, despite the decrease in turnover the Company, company has earned net profit (after tax) of Rs. 22.65 lacs compared to previous year net profit of Rs 9.46 lacs. Your Company's business cycle faced new economic and industry related challenges confronted with all and came out with the above results.

**Segments:**

Gujarat Hy-spin Limited does not have multiple segments. Hence, comments on segments are not required.

**Human Resources:**

Our entire team of employees is well trained, skilled, loyal, dedicated, dependable and working with an "Ownership" concept.

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

We rely on the skills, expertise and experience of our employees to provide quality services to our costumer. Our employee may terminate their employment with us prematurely and we may not be able to retain them which may affect our business position. Highly talented and experienced employees in textile industry may sought rarely in this competitive era. The Core of our success is our people. We do not view our employees as "resources", we consider them our most valuable asset, and have been working towards keeping them engaged and inspired.

**Cautionary statements:**

All statements made in Management and Discussion Analysis have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which may be different from what the management envisages in

terms of performance and outlook. Factors such as economic conditions affecting demand/supply and priced conditions in domestic & international markets in which the Company operates, and changes in Government regulations, tax laws, other statutes and other incidental factors, may affect the final results and performance of the Company.

For and on behalf of the Board

**For, GUJARAT HY SPIN LIMITED,**

Date : 07/09/2020

Place : Gondal

Sd/-

(Maganlal Parvadiya)

Chairman & Whole-time Director

(DIN: 03190749)

Sd/-

(Chandubhai Parvadiya)

Whole-time Director

(DIN: 03197876)



**INDEPENDENT AUDITOR'S REPORT**

To,  
**THE MEMBERS OF  
GUJARAT HY-SPIN LIMITED.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **GUJARAT HY-SPIN LIMITED** ("the Company"), which comprise the balance sheet as at **March 31, 2020**, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and profit/loss, and its cash flows for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

**Key audit matters**

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

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



### **Management's responsibility for the financial statements**

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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Other Matter**

We draw attention to note 38 in the financial statements; during the year company is regularly paying its loan installments of loan taken from State Bank of India, now the loan account is standard. The company is also in process of claim government subsidy. These factors raise hope that the company will be able to continue as a going concern. In view of the above, the financial statements have been prepared on a going concern basis. Our report is not qualified in respect of this matter.

On account of the Covid-19 related lockdown restrictions, management has performed the physical verification. But we are not able to physically observe the stock verification, where carried out by the management. Consequently, we have performed alternate audit procedure to audit the existence of inventory as per the guidance provide in SA 501 "Audit Evidence-Specific Considerations for selected items", which includes inspection of supporting documentation relating to purchase, sales, results of cyclical count performed by the management through the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial results. Our report on the statement is not modified in respect of this matter.

#### **Report on other legal and regulatory requirements**

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors 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;


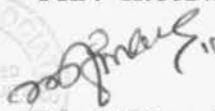




- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Gondal  
Date: 30.07.2020  
UDIN: 20044511AAAABI4387

**For FINAVA & ASSOCIATES**  
Chartered Accountants  
FRN- 117362W

  
  
(Manoj Finava)  
Proprietor  
M.No.044511





**Annexure –A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Gujarat Hy-spin Limited of even date)

- (i) In respect of the Company's property, plant and equipment:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) These fixed assets have been physically verified by the management at reasonable Intervals.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, company has taken land on lease on which building has been constructed. Lease deeds of immovable properties are in the name of the company.

- (ii) As explain to us, management was perform the physical verification of inventories. But on account of the Covid-19 related lockdown restrictions, we are not able to physically observe the stock verification, where carried out by the management. Consequently, we have performed alternate audit procedure to audit the existence of inventory as per the guidance provide in SA 501 "Audit Evidence Specific Considerations for selected items", which includes inspection of supporting documentation relating to purchase, sales, results of cyclical count performed by the management through the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial statements. Our report on the statement is not modified in respect of this matter.

As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification between the physical stock and the books of accounts.

- (iii) According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
- (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 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and hence, the provisions of the clause 3 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for products of the company. As explain to us such records have been so made & maintained, however such records were not produced to us for verification.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except Professional Tax details as under;





Name of Statute	Nature of the Dues	Amount in Rs.	Period to which amount relates	Due Date	Date of Payment
The Gujarat Professional Tax	Professional Tax	1,61,806/-	Up to September 2019	Up to 15 <sup>th</sup> day of subsequent month	Not Yet Paid

Further, in respect of payment of VAT we draw your kind attention to Note no 37 of the financial statement describing requirement of payment of VAT to avail benefit of subsidy as per Gujarat Textile Policy 2012.

- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales- tax, goods and service tax and value added tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks and dues to debenture holders. The Company has borrowed funds from the Banks and regularly repays its installments and interest thereon. The company has availed benefit of moratorium period due to Covid-19 on its loan taken from SBI as per the terms and conditions of SBI.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) to the information and opinion given to us, all of the money has been applied for the purpose for which it was raise. The company has not raised any term loan during the year.
- (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 not paid/ provided managerial remuneration. Accordingly reporting for section 197 of Companies Act, 2013 is not required.
- (xii) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, Company has not made any private placement or preferential allotment during the year.
- (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 with him and hence provisions of section 192 of the Act is 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.

Place: Gondal  
Date: 30.07.2020  
UDIN: 20044511AAAABI4387

**For FINAVA & ASSOCIATES**  
Chartered Accountants  
FRN- 117362W

(Manoj Finava)  
Proprietor  
M.No.044511





**Annexure – ‘B’ to the Independent 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 Gujarat Hy-spin Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements for external 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 authorisations of management and directors of the company; and





- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

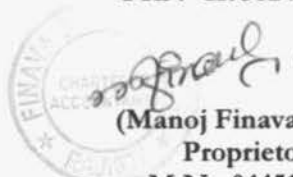
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control 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.

Place: Gondal  
Date: 30.07.2020  
UDIN: 20044511AAAABI4387

For FINAVA & ASSOCIATES  
Chartered Accountants  
FRN- 117362W

  
(Manoj Finava)  
Proprietor  
M.No.044511

**GUJARAT HY-SPIN LIMITED**  
**BALANCE SHEET AS AT 31th MARCH 2020**

(Amount in Rs.)

Particulars	Note	31-Mar-20	31-Mar-19
<b>I EQUITY AND LIABILITIES</b>			
1 Shareholders' fund			
(a) Share Capital	3	167500000	167500000
(b) Reserves & Surplus	4	22354831	20089294
<b>Total Shareholder's Fund</b>		<b>189854831</b>	<b>187589294</b>
2 Non - Current liabilities			
(a) Long-term borrowings	5	35500000	82600000
(b) Other Long term liabilities			
(c) Deferred Tax Liabilities (net)	6	2598200	4300200
(d) Long term provisions	7	136446	393088
<b>Total Non - Current Liabilities</b>		<b>38234646</b>	<b>87293288</b>
3 Current Liabilities			
(a) Short term Borrowings	8	130665790	131433480
(b) Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprise		0	0
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		23865731	43942102
(c) Other current liabilities	10	131007874	71100530
(d) Short Term Provisions	11	14041657	8894027
<b>Total Current Liabilities</b>		<b>299581052</b>	<b>255370139</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>527670528</b>	<b>530252720</b>
<b>II ASSETS</b>			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	12	175600060	203019321
(b) Non Current Investment	13	14005	14005
(c) Loans and advances	0		0
(e) Other Non-Current Assets	14	8086870	7620178
<b>Total - Non Current Assets</b>		<b>183700935</b>	<b>210653504</b>
2 Current Assets			
(a) Inventories	15	133655638	121441123
(b) Trade receivables	16	165734460	187034299
(c) Cash and Cash equivalents	17	5322325	1227883
(d) Short term Loans and advances	18	8623507	9895911
(e) Other Current Assets	19	30633662	0
<b>Total - Current Assets</b>		<b>343969593</b>	<b>319599216</b>
<b>TOTAL ASSETS</b>		<b>527670528</b>	<b>530252720</b>

Significant Accounting Policies 2.1  
The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

**For Finava & Associates**

Chartered Accountants

Firm Reg. No. 117362W

*(Manoj Finava)*  
**(Manoj Finava)**

Proprietor

M.No.044511

UDIN:20044511AAAABI4387

Signed at Gondal on 30.07.2020

For and on behalf of Board of Directors

*(Maganlal Parvadiya)*

**Maganlal Parvadiya**

Chairman and Wholetime Director  
DIN : 03190749

*(Chandulal Parvadiya)*

**Chandulal Parvadiya**

Wholetime Director  
DIN : 03197876

*(Paras Parvadiya)*  
**Paras Parvadiya**

Chief Financial Officer

Particulars	Note	31-Mar-20	31-Mar-19
<b>I INCOME</b>			
Revenue from operations	20	474253377	629475702
Other income	21	31468228	1021978
<b>TOTAL REVENUE</b>		<b>505721605</b>	<b>630497680</b>
<b>II EXPENSES</b>			
Cost of materials consumed	22	349043715	314454457
Purchase of Stock in trade	23	0	143639108
Changes in inventories			
Work in Process	24	6653144	17342525
Finished goods	25	(13530860)	(2607014)
Employee benefits expense	26	15124502	16072295
Finance costs	27	31341664	28753129
Depreciation and amortization expense	12	27419261	33403247
Other expenses	28	87860042	78931469
<b>TOTAL EXPENSES</b>		<b>503911468</b>	<b>629989215</b>
<b>III Profit before exceptional and extraordinary items and tax</b>		<b>1810137</b>	<b>508465</b>
<b>Exceptional items</b>			
<b>IV Profit before extraordinary items and tax</b>		<b>1810137</b>	<b>508465</b>
<b>V Tax Expenses</b>	29		
Current Tax		1246600	1538838
Deferred Tax		(1702000)	(1976600)
<b>Total Tax Expenses</b>		<b>(455400)</b>	<b>(437762)</b>
<b>VI PROFIT/(LOSS) FOR THE YEAR (III-IV)</b>		<b>2265537</b>	<b>946227</b>
<b>VI Earnings per equity share</b>	30	<b>0.14</b>	<b>0.06</b>
Basic & Diluted			

Significant Accounting Policies

2.1

The accompanying Notes are an integral part of the Financial Statements.

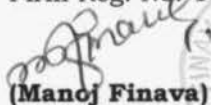
As per our report of even date

For and on behalf of Board of Directors

**For Finava & Associates**

Chartered Accountants

Firm Reg. No. 117362W



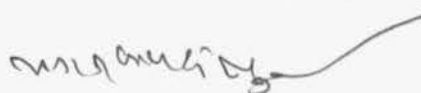
(Manoj Finava)

Proprietor

M.No.044511

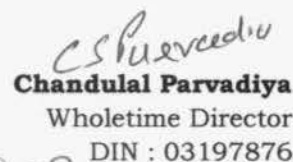
UDIN:20044511AAAABI4387

Signed at Gondal on 30.07.2020


**Maganlal Parvadiya**

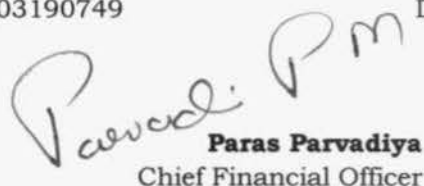
Chairman and Wholetime Director

DIN : 03190749


**Chandulal Parvadiya**

Wholetime Director

DIN : 03197876


**Paras Parvadiya**

Chief Financial Officer

Particulars	31-Mar-20	31-Mar-19
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	1810137	508465
Adjustment for:		
Depreciation & Amortization	27419261	33403247
Loss on damage of machinery	0	0
Interest Income	(592142)	(1056149)
Finance Cost	31341664	28753129
<b>Operating Profit before working capital changes</b>	<b>59978920</b>	<b>61608692</b>
Movements in working capital:		
Decrease/-Increase in Inventories	(12214515)	3122898
Decrease/-Increase in Trade Receivable	21299839	(40363516)
Decrease/-Increase in Loans and Advances	1272404	10148518
Decrease/-Increase in Other Current Assets	(30633662)	1092197
Increase/-Decrease in Trade Payables	(20076371)	14603166
Increase/-Decrease in Other Current Liabilities	59907344	(2396770)
Increase/-Decrease in Provisions	4869796	3170729
<b>Sub-Total Movement in Working Capital</b>	<b>24424834</b>	<b>(10622778)</b>
Cash generated from operations	84403754	50985913
Direct taxes paid (net of refunds)	(968766)	(2922018)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>83434988</b>	<b>48063895</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets including Capital WIP & Capital Advances	0	(208235)
Proceeds from sale of fixed assets	0	0
(Increase)/Decrease in Fixed Deposit	(466692)	12107837
Increase in interest receivable	592142	1056149
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>125450</b>	<b>12955750</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / Repayment of Long-term borrowings	(47356642)	(37422359)
Proceeds / Repayment of Short-term borrowings	(767690)	5494219
Finance Cost	(31341664)	(28753129)
Capital Subsidy received	0	0
<b>NET CASH CLOW FROM FINANCING ACTIVITIES</b>	<b>(79465996)</b>	<b>(60681269)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>4094442</b>	<b>338377</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1227884</b>	<b>889507</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5322325</b>	<b>1227884</b>
<b>Components of cash and cash equivalents as at the end of the year</b>		
Cash and cheques on hand	5214908	1225343
With bank		
- In current account	107417	2540
<b>TOTAL</b>	<b>5322325</b>	<b>1227883</b>

Significant Accounting Policies

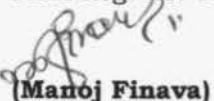
The notes referred to above forms an integral part of the Cash Flow Statement

As per our report of even date

**For Finava & Associates**

Chartered Accountants

Firm Reg. No. 117362W


**(Manoj Finava)**

Proprietor

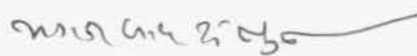
M.No.044511

UDIN:20044511AAAAABI4387

Signed at Gondal on 30.07.2020

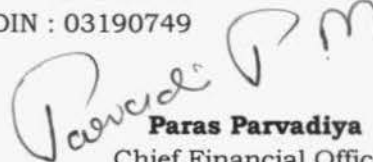


For and on behalf of Board of Directors

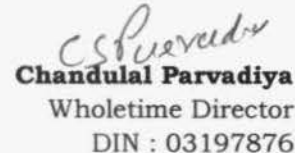

**Maganlal Parvadiya**

Chairman and Wholetime Director

DIN : 03190749


**Paras Parvadiya**

Chief Financial Officer


**Chandulal Parvadiya**

Wholetime Director

DIN : 03197876



**Notes on Accounts & Significant Accounting Policies:**

**1 Corporate Information:**

Gujarat Hy-Spin Limited was incorporated as private limited company on 01 February, 2011 and converted to public limited<sup>1</sup> company in February 2017. The Company is engaged in manufacturing of Cotton Yarn/ Other Yarns having combed counts of 30s at its Gondal Plant (Gujarat). During the year company get listed on SME platform of BSE (BSE SME).

**2 Basis of Preparation:**

The financial statements have been prepared to comply in all material respects with the standards specified under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

**2.1 Significant Accounting Policies:**

**(A) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the financial statements and the results of operations during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future result could differ from those estimates. The effects of change in accounting estimates are reflected in the financial statements in the period in which the results are known and if material, are disclosed in the financial statements.

**(B) Inventories:**

- a Raw Materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a First In First Out basis.
- b Work - in - progress is valued at estimated cost based on the stage of completion and finished goods are valued as lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a First In First Out basis. Net realizable value is the estimated selling price in the ordinary course of the business.
- c Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First In First Out basis.

**(C) Cash Flow Statement:**

- a Cash Flows are presented using indirect method, whereby profit/(loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non -cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.
- b Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances, highly liquid investment with maturity of 3 months or less that are readily convertible into cash.

**(D) Depreciation & Amortisation:**

- a Depreciation on tangible assets is provided on pro-rata basis using written down value method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for those referred to in (c).



- b The company estimates that the useful lives as given below best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which may be different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Sr No	Assets Category	Useful Life (Years)
1	Building	30 Years
2	Computers	3 Years
3	Furniture & Fixtures	10 Years
4	Plant & Machinery	15 Years
5	Vehicle	8 Years

- c Depreciation on the following assets are provided considering the useful life with supporting of technical opinion of Patcon Consultancy, Chartered Engineer as below:  
Spinning Plant and Machinery single shift - 32 years  
Spinning Plant and Machinery triple shift - 16 years

**(E) Revenue Recognition:**

- a Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales tax and value added tax on behalf of the government and therefore, there are not economic benefits followings to the company. Hence, they are excluded from revenue.
- b Interest Income are recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- c Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

**(F) Fixed Assets:**

- a Tangible Fixed Assets are stated at cost less accumulated depreciation / amortisation and impairment loss, if any, except freehold land which is carried at cost. The cost of Tangible Fixed Assets comprises its purchases price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the assets. Subsequent expenditures related to an item of Fixed Assets are added to its book value only if they increases the future benefits from the existing asset beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are disclosed under Capital Work in Progress, comprising direct cost, related incidental expenses and attributable interest.
- b All other expenses on fixed assets, including repair and maintenance expenditure and replacement expenditure of parts, are charged to Statement of Profit and Loss for the period during the which such expenses are incurred
- c Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognised in the statement of profit and loss when the asset is derecognised
- d Exchange Loss/Gain in case of Imported of Plant & Machinery are capitalized to respective assets account.

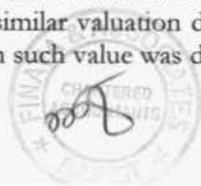
**(G) Foreign Currency Transactions:**

**a Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting current and the foreign currency at the date of the transactions.

**b Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non- monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transactions. Non- monetary items, which are measured at fair value or others similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



**c Exchange Differences:**

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

All exchange differences arising of transactions / settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise.

**(H) Government Grants:**

- a Government grants are recognised where there is reasonable assurance that the enterprise will comply with the conditions attached to them and it is reasonable that the ultimate collection will be made. Receivables of such grants are shown under Other Current Assets.
- b Government grants (net of deferred tax if any) in the nature of promoters contribution are credited to capital reserve and treated as a part the shareholder's funds.
- c When the grant or subsidy relates to revenue, it is recognised as income or set off against the related cost, which they are intended to compensate.

**(I) Investment:**

- a Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

- b Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- c On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(J) Employee Benefits:**

- a Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contributions payable to the provident fund scheme as an expenditure, when an employee renders the related services.
- b The Company has defined benefit plans for its employees, viz., gratuity. The cost of providing benefits under this plans are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occurs in the statement of profit and loss.

**(K) Borrowing Costs:**

- a Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and foreign exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest costs
- b Borrowing costs directly attributable to the construction of an asset that necessarily take a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.





(L) **Segment Reporting:**

The company is engaged mainly in the manufacturing of Combed Cotton Yarn. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. geographical segment.

(N) **Lease:**

- a Assets taken on lease by the Company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability of each year.
- b Lease arrangement where the risks and rewards incidental to ownership of an asset substantially vest with the lesser, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term

(O) **Earning Per Share:**

Basic earnings per share is calculated by dividing the net profit/ loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any ) by weighted average number of equity shares outstanding during the year.

(P) **Taxation:**

Provision for tax comprises of current and deferred tax. Provision is made on the basis of reliefs and deductions available under relevant tax laws. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward for timing differences of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realised in future.

However, if there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed as at each balance sheet date for their reliability.

(Q) **Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(R) **Provision, Contingent Liabilities and Contingent Assets:**

- a Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates reviewed at each reporting date and adjusted to reflect the current best estimate
- b Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are not recognised in the financial statements.

(S) **Standard issued but not yet effective**

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2020.



	Particulars	31-Mar-20	31-Mar-19
3	<b>SHARE CAPITAL</b>		
(a)	<u>Authorized Share Capital</u>		
	Equity Shares of Rs. 10 each	No. of Equity Shares 16750000	16750000
		Amount 167500000	167500000
	Issued, Subscribed & Paid up Share Capital	No. of Equity Shares 16750000	16750000
	Equity Shares of Rs. 10 each	Amount 167500000	167500000
	<b>TOTAL SHARE CAPITAL</b>	<b>167500000</b>	<b>167500000</b>
(b)	<u>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</u>		
	At the beginning of the period	No. of Equity Shares 16750000	16750000
		Amount 167500000	167500000
	Issued during the period	No. of Equity Shares 0	0
		Amount 0	0
	Outstanding at the end of the period	No. of Equity Shares 16750000	16750000
		Amount 167500000	167500000
(c)	<u>Terms/Rights attached to Equity Shares</u>		
	The company has only one class of equity shares having a per share value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.		
	In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(d)	<u>Details of shareholders holding more than 5% shares in the company</u>		
		<u>No.</u> <u>% of total</u>	<u>No.</u> <u>% of total</u>
		<u>holding</u>	<u>holding</u>
	Maganlal S. Paravadiya	3537190 21.12%	3537190 21.12%
	Chandulal S. Paravadiya	1243470 7.42%	1243470 7.42%
	Ketanbhai M. Paravadiya	1225185 7.31%	1225185 7.31%
	Yogesh M. Paravadiya	1079190 6.44%	1079190 6.44%
	Paras M. Paravadiya	885620 5.29%	885620 5.29%
	Kamleshbhai B. Bokarvadia	800000 4.78%	800000 4.78%
	As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.		
4	<b>RESERVES &amp; SURPLUS</b>		
(a)	<u>Capital Reserve</u>		
	Opening Balance	20525561	20525561
	Add : subsidy received during the year		0
	<b>Sub-Total</b>	<b>20525561</b>	<b>20525561</b>
(b)	<u>Surplus / (Deficit) in Statement of Profit and Loss</u>		
	Opening Balance	(436267)	(1382494)
	Add: Profit during the year	2265537	946227
	<b>Sub-Total</b>	<b>1829270</b>	<b>(436267)</b>
	<b>TOTAL RESERVE &amp; SURPLUS</b>	<b>22354831</b>	<b>20089294</b>



	Particulars	31-Mar-20	31-Mar-19
5	<b>LONG TERM BORROWINGS</b>		
	<b>Term Loans from Bank (Non-Current Portion)</b>		
	Term Loan I	28900000	66100000
	Term Loan II	6600000	15000000
	Term Loan III	0	1500000
		<b>35500000</b>	<b>82600000</b>
	The above amount includes		
	Secured borrowings	35500000	82600000
	Unsecured borrowings	0	0
	<b>Total Borrowings</b>	<b>35500000</b>	<b>82600000</b>
	<b>Term Loans from Bank</b>		
	Term Loans I,II & III from SBI are secured against hypothecation of plant and machinery and other fixed assets and factory building. It is also secured against personal guarantee of directors & firm of directors.		
	<b>Term Loan Repayable</b>		
	(a) Term Loan I is repayable in 89 monthly instalment of Rs. 31,00,000/- & 1 installment of Rs. 41,00,000 commencing from 01/07/2014.		
	(b) Term Loan II is repayable in 33 monthly instalment of Rs. 6,00,000/- and 56 monthly instalment of Rs.7,00,000/- 1 instalment of Rs. 10,00,000/- commencing from 01/07/2014.		
	(c) Term Loan III is repayable in 66 monthly instalment of Rs. 2,50,000/- commencing from 01/11/2015.		
	(d) Rate of Interest applied in the all three term Loans accounts as on 31.03.2020 is 14.15 % (5.60 % + MCLR i.e, 8.55%)		
	(e) The Company is regularly paying Term Loan Installemnts and Interest there on. The company has availed benefit of Moratorium period due to Covid-19 situation as per the RBI guidelines and terms and condition of SBI.		
6	<b>DEFERRED TAX LIABILITY (NET)</b>		
	<b>Deferred Tax Liability</b>		
	Capital Subsidy	9178600	9178600
	<b>Deferred Tax Assets</b>		
	Written Down Value of Assets	(6648400)	(4875200)
	Gratuity Provision	68000	(3200)
	Expenses u/s 43B	0	0
	<b>TOTAL</b>	<b>2598200</b>	<b>4300200</b>
7	<b>Long Term Provisions</b>		
	Provision for Employee Benefit	136446	393088
	<b>TOTAL</b>	<b>136446</b>	<b>393088</b>



	Particulars	31-Mar-20	31-Mar-19
8	<b>SHORT TERM BORROWINGS</b>		
	<u>Secured borrowing from Bank</u>		
	Cash Credit	100521120	101906124
	<u>Loans from Promoters and Promoters Group</u>	30144670	29527356
	<b>TOTAL</b>	<b>130665790</b>	<b>131433480</b>
	The above amount includes		
	Secured borrowings	100521120	101906124
	Unsecured borrowings	30144670	29527356
	<b>Total Borrowings</b>	<b>130665790</b>	<b>131433480</b>
	<b>Cash Credit</b>		
	(a) Cash Credit is secured against hypothecation of whole current assets of the company including Inventory, Book Debts, Consumables and Stores & Spares etc and personal guarantee of directors & firm of directors.		
	(b) It is repayable on demand.		
	(c) Rate of Interest applied in the Cash Credit accounts as on 31.03.2020 is 14.15 % (5.60 % + MCLR i.e, 8.55%)		
	<b>Loans from Promoters, Promoters Group</b>		
	(a) Loans and advances from promoters and promoters groups are unsecured and Interest free.		
	(b) Loans are repayable on demand.		
9	<b>TRADE PAYABLES</b>		
	Dues to parties registered under MSMED Act, 2006	0	0
	Others	23865731	43942102
	<b>TOTAL</b>	<b>23865731</b>	<b>43942102</b>
	The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. As per the information and explanation given to us that the Company has asked its Suppliers to furnish to it, details so as to facilitate the Company in classifying them as Micro, Small & Medium Enterprise (MSMEs) but, due to lack of availability of any such information from its Suppliers, the Company is unable to state the dues outstanding for more than 45 days as on the Balance Sheet date.		
10	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory dues (Note 39)	399138	2710810
	Advances from Customers	66383831	1698447
	Interest accrued but not due for payment on term loan	1222504	1568466
	Current Maturities of long term borrowings	63002401	65122807
	<b>TOTAL</b>	<b>131007874</b>	<b>71100530</b>
11	<b>SHORT TERM PROVISIONS</b>		
	Provision for Employee Benefits	1100776	595825
	Provision for Income Tax	518723	240888
	Other Provisions	12422158	8057314
	<b>TOTAL PROVISION</b>	<b>14041657</b>	<b>8894027</b>



**GUJARAT HY-SPIN LIMITED**
**Notes to the Financial Statements for the year ended 31st March, 2020**

Note No.	Particulars								
12	Tangible Assets	Building	Plant & Machinery	Furniture & Fixtures	Electrical Installation	Office Equipment	Vehicles	Computers & Software	TOTAL
	<b>Cost</b>								
	As at 31st March, 2018	87972760	387578764	1704820	9302059	2100595	2967970	548041	492175009
	Additions				27000	99025		82210	208235
	Disposals		0						0
	As at 31st March, 2019	87972760	387578764	1704820	9329059	2199620	2967970	630251	492383244
	Additions								
	Disposals								
	<b>As at 31st March, 2020</b>	<b>87972760</b>	<b>387578764</b>	<b>1704820</b>	<b>9329059</b>	<b>2199620</b>	<b>2967970</b>	<b>630251</b>	<b>492383244</b>
	<b>Depreciation</b>								
	As at 31st March, 2018	30575852	213890810	924663	6477543	1342855	2233812	515141	255960675
	Additions	5452740	26634296	202147	732918	94145	229278	57723	33403247
	Disposals		0						0
	As at 31st March, 2019	36028592	240525106	1126810	7210461	1436999	2463090	572864	289363922
	Additions	4799528	21439708	145665	533576	312956	153354	34474	27419261
	Disposals								
	<b>As at 31st March, 2020</b>	<b>40828120</b>	<b>261964814</b>	<b>1272475</b>	<b>7744037</b>	<b>1749955</b>	<b>2616444</b>	<b>607338</b>	<b>316783183</b>
	<b>Net Block</b>								
	At 31st March, 2018	57396908	173687954	780157	2824516	757740	734158	32900	236214332
	As at 31st March, 2019	51944168	147053658	578010	2118598	762620	504880	57387	203019321
	<b>As at 31st March, 2020</b>	<b>47144640</b>	<b>125613950</b>	<b>432345</b>	<b>1585022</b>	<b>449664</b>	<b>351526</b>	<b>22913</b>	<b>175600060</b>





**GUJARAT HY-SPIN LIMITED**

Notes to the Financial Statements for the year ended 31st March, 2020

	Particulars	31-Mar-20	31-Mar-19
13	<b><u>NON CURRENT INVESTMENT</u></b>		
	Other Investment	14005	14005
	<b>TOTAL</b>	<b>14005</b>	<b>14005</b>
	Value of Other Investment	14005	14005
14	<b><u>OTHER NON-CURRENT ASSETS</u></b>		
	Fixed Deposit held for more than 12 months (secured against bank guarantees issued by SBI)	8086870	7620178
	<b>TOTAL</b>	<b>8086870</b>	<b>7620178</b>
15	<b><u>INVENTORIES</u></b>		
	<u>(Cost or NRV whichever is lower)</u>		
	Raw Material	75913005	70576206
	Work In Progress	8903867	15557011
	Finished Goods	39239615	32961432
	By-products	9599151	2346474
	<b>TOTAL</b>	<b>133655638</b>	<b>121441123</b>
16	<b><u>TRADE RECEIVABLES</u></b>		
	(Unsecured, Considered Good)		
	Outstanding for more than 6 months from the date they are due for payment		3578750
	Others	165734460	183455549
	<b>TOTAL</b>	<b>165734460</b>	<b>187034299</b>
17	<b><u>CASH &amp; CASH EQUIVELENT</u></b>		
	Cash Balance	5214908	1225343
	<b>Balances with Bank</b>		
	On Current Account	107417	2540
	<b>TOTAL</b>	<b>5322325</b>	<b>1227883</b>
18	<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>		
	(Unsecured, Considered Good)		
	Security Deposit	200000	200000
	Advances to be received in cash or in kind	89666	114565
	Balances with Govt Authority	8333841	9581346
	<b>TOTAL</b>	<b>8623507</b>	<b>9895911</b>



**GUJARAT HY-SPIN LIMITED**

Notes to the Financial Statements for the year ended 31st March, 2020

	Particulars	31-Mar-20	31-Mar-19
19	<b>OTHER CURRENT ASSETS</b>		
	(Unsecured, Considered Good)		
	Other assets	30633662	0
	<b>TOTAL</b>	<b>30633662</b>	<b>0</b>
20	<b>REVENUE FROM OPERATIONS</b>		
	<b>Sale of Products</b>		
	Manufactured goods	455137729	482276159
	Traded Goods	0	122548479
	Other Operating Income	19115648	24651064
	<b>TOTAL REVENUE FROM OPERATION</b>	<b>474253377</b>	<b>629475702</b>
21	<b>OTHER INCOME</b>		
	Interest	592142	1056149
	Incentive Income (Govt. Subsidy)	30584245	
	Other	291841	(34171)
	<b>TOTAL</b>	<b>31468228</b>	<b>1021978</b>
22	<b>COST OF MATERIAL CONSUMED</b>		
	<u>Opening Stock</u>		
	Raw Material	70576206	58963593
	<u>Purchases (net of return)</u>		
	Purchase of Raw Material	354380514	326067070
	<u>Closing Stock</u>		
	Raw Material	75913005	70576206
	<b>TOTAL</b>	<b>349043715</b>	<b>314454457</b>
	<b>Consumption of raw materials</b>		
	Cotton Bales	349043715	314454457
	<b>Total</b>	<b>349043715</b>	<b>314454457</b>
23	<b>PURCHASE OF TRADED GOODS</b>		
	Purchase of Traded Goods		14 36 39 108
	<b>TOTAL</b>		<b>14,36,39,108</b>
24	<b>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; BY PRODUCTS</b>		
	<u>Finished goods &amp; By-Products</u>		
	Opening Stock	35307906	32700892
	Closing Stock	48838766	35307906
	<b>change in inventory of finished goods</b>	<b>(13530860)</b>	<b>(2607014)</b>
25	<b>CHANGES IN INVENTORIES OF WORK IN PROCESS</b>		
	Opening Stock	15557011	32899536
	Closing Stock	8903867	15557011
	<b>change in inventory of work in process</b>	<b>6653144</b>	<b>17342525</b>



	Particulars	31-Mar-20	31-Mar-19
26	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salary, Wages & Bonus	13889260	15323763
	Directors Remuneration	0	0
	Contribution to provident and other fund	101171	130136
	Gratuity Expenses (Note 38c)	(261449)	12499
	Staff Welfare Expenses	1395520	605897
	<b>TOTAL</b>	<b>15124502</b>	<b>16072295</b>
27	<b>FINANCE COST</b>		
	Interest on Working Capital Loan	13010486	11723854
	Interest on Term Loan	17023386	14496388
	Other Interest	121781	201949
	Other Bank Charges	1186011	2330938
	<b>TOTAL</b>	<b>31341664</b>	<b>28753129</b>
28	<b>OTHER EXPENSES</b>		
	Advertising & Sales Promotion	0	1851604
	Communication cost	9168	20934
	Consumption of Stores, tools & Packing Material	6718992	11867210
	Freight & Forwarding Charges	362040	321525
	Insurance Expenses	897538	481252
	Legal & consultancy Charges	1460326	1189465
	Office Admin Exp	56642	104319
	Other misc exp	570115	930984
	Power & Fuel	77106615	60888396
	Rates and taxes	7150	780277
	Repairs & Maintenance		
	Machineries	447042	345318
	Others	0	38685
	Processing Charges	0	11500
	Travelling & Conveyance	124414	0
	<b>Total</b>	<b>87760042</b>	<b>78831469</b>
	<u>Payment to auditors includes</u>		
	For Audit fee	100000	100000
	For Taxation Fee	0	0
	<b>Total</b>	<b>100000</b>	<b>100000</b>
	<b>Total Other Expenses</b>	<b>87860042</b>	<b>78931469</b>
29	<b>Tax Expenses</b>		
	<u>Current Tax</u>		
	Provision for current year	954221	846076
	Income Tax of Previous Year	292379	692762
		<b>1246600</b>	<b>1538838</b>
	Deferred Tax	(1702000)	(1976600)
	<b>TOTAL</b>	<b>(455400)</b>	<b>(437762)</b>





	Particulars	31-Mar-20	31-Mar-19
30	<b>EARNING PER SHARE</b>		
	Net profit as per P & L	2265537	946227
	Weighted Avg. No. of Shares	16750000	16750000
	<b>TOTAL AVERAGE</b>	<b>0.14</b>	<b>0.06</b>
31	<b>GRATUITY</b>		
	Every employee who has completed five years or more service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.		
	The Following table summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.		
	<b>Amount in Balance Sheet:-</b>		
	Defined Benefit Obligation (DBO)	139092	400541
	Fair Value of Plan Assets		
	<b>Liability/ (Asset) recognised in the Balance Sheet</b>	<b>139092</b>	<b>400541</b>
	<b>Amount Recognised in the statement of Profit &amp; Loss:-</b>		
	Current Service Cost	139002	155999
	Interest Cost	27231	29872
	Net Actuarial Losses / (Gains)	(427682)	(173372)
	<b>Total Expenses/ (income) included in "Employee Benefit Expenses"</b>	<b>(261449)</b>	<b>12499</b>
	<b>Change in Present Value of Benefit Obligation during the Period</b>		
	Defined Benefit Obligation, Beginning of Period	400541	388042
	Current Service Cost	139002	155999
	Interest Cost	27231	29872
	Actuarial (Gains)/ Losses	(427682)	(173372)
	Actual Benefit Paid	0	0
	<b>Defined Benefit Obligation, End of Period</b>	<b>139092</b>	<b>400541</b>
	The Principal assumptions used in determining gratuity benefit obligations for the company's plan are as below:		
	Discount Rate	6.80%	7.70%
	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand of the employment market.	7.50%	7.50%
	<b>TOTAL</b>	<b>139092</b>	<b>400541</b>
32	<b>VALUE OF STORES RAWMATERIALS AND PACKING MATERIAL CONSUMED</b>		
(i)	Total value of Raw Material consumed during the year		
	Indigenous	349043715	314454457
(ii)	Spares, tools & Packing Material Consumed		
	Indigenous	6718992	11867210



Note No.	Particulars	31-Mar-20	31-Mar-19
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**33 RELATED PARTY DISCLOSURE**
**A. Related Parties under AS - 18 with whom transaction have taken place during the year**

Names of related parties and related party relationship

**Key Managerial Personal**

Maganlal Parvadiya

Kaushik Dave

Chandulal Parvadiya

Paras Parvadiya

Bindiya Ketankumar Parvadiya

**Designation**

Chairman & Wholetime Director

Managing Director (Resigned w.e.f. 08.04.2019)

Wholetime Director

Chief Financial Officer (KMP)

Director

**Relative of Key Managerial Personal**

Niramalaben Parvadiya

Hansaben Parvadiya

Ketan Parvadiya

Divyesh Parvadiya

Yogesh Parvadia

**Entities in which Managing Director & Key managerial Person have significant influence**

Gujarat Ginning & Oil Industries

Paras Cotton

Note : Related party relationship is as identified by the Company and relied upon by the auditors.

**34 RELATED PARTY TRANSACTION**

Name of person	Nature of transaction	2019-20	2018-19
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**(C) Entities in which Managing Director & Key managerial Person have significant influence**

Gujarat Ginning & Oil Industries	Purchase (net of return)	-	19,97,34,180
Paras Cotton	Sales	-	10,34,72,253
Paras Cotton	Purchase (net of return)	-	10,94,83,776

**Balance Outstanding at the end of the year**

Name of person	Nature	2019-20	2018-19
Chandubhai S. Parvadia	Loan	16,31,203	22,81,203
Bindiya K. Parvadia	Loan	13,71,350	13,71,350
Chandubhai S. Parvadia (HUF)	Loan	40,00,000	40,00,000
Divyesh C. Parvadia	Loan	70,000	70,000
Ketanbhai M. Parvadia	Loan	55,98,600	55,98,600
Maganbhai S. Parvadia	Loan	62,62,203	66,12,203
Maganbhai S. Parvadia (HUF)	Loan	45,00,000	45,00,000
Nidhiben P. Parvadia	Loan	20,00,000	20,00,000
Parasbhai Maganbhai Parvadiya	Loan	17,02,314	85,000
Vajiben S. Parvadia	Loan	29,50,000	29,50,000
Yogesh M. Parvadia	Loan	59,000	59,000
Paras Cotton	Trade Receivable	9,72,50,162	10,64,19,673



# GUJARAT HY-SPIN LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

Note No.	Particulars			31-Mar-20	31-Mar-19
35	<u>Consumption</u>	<u>31-03-2020</u>	<u>%</u>	<u>31-03-2019</u>	<u>%</u>
		<u>Amount Rs.</u>		<u>Amount Rs.</u>	
	Imported	-	0.00%		
	Indigenous	34,90,43,715	100.00%	31,44,54,457	100.00%
	Total	34,90,43,715	100.00%	31,44,54,457	100.00%
36	<u>Contingent Liabilities not acknowledged as debt</u>				
	Bank has sanctioned bank guarantee upto Rs. 219.29 lakhs (Pre. Year 219.29) which is issued in favour of PGVCL, Central Government for duty receivable under EPCG and Letter of Credit issued to Machinery Supplier.				
	As at <b>31 March, 2020</b> company has an export obligations of Rs. 5074.13 lakhs (Pre. Year 5074.13 Lakhs) against advance authorization license issued under EPCG Scheme which needs to be fulfilled within 6 years of date of authorisation. This amount pertains to import made at concessional rate of import duty against advance license.				
37	<u>Gujarat Textiles Policy</u>				
a	As per Gujarat Textile Policy, 2012 company is eligible for VAT subsidy in against investment in plant and machinery, subject to payment of VAT collected from customers without set off of Input VAT Credit. However, company has paid VAT on sales by utilisation of Input Tax Credit. Hence, to claim subsidy company first needs to pay VAT without utilisation of Input Tax Credit. Amount of VAT paid through utilisation of Input tax credit upto <b>31.03.2020</b> is Rs.2,84,18,296/-. As condition of policy is not fulfilled, subsidy is not recognised in respect of this amount and no liability is created as at <b>31.03.2020</b> .				
b	After introduction of GST with effect from 01.07.2017, benefit of VAT is subsumed into SGST collected from Customer. During the year company has put the claim of SGST subsidy for the period 01.07.2017 to 31.12.2019 and recognised in Statement of Profit and Loss. The Company has not assessed the Incentive for the Period 01.01.2020 to 31.03.2020, as lockdown and restriction imposed by Government due to Covid-19 Situation.				
38	<u>Other Notes</u>				
	The company has earned profit during the current year & company has regularly paid its loans installments to SBI and now the loan account is standard. The company has also settled an application u/s 9 of IBC 2016 made by its creditors during the year, now the company is regular in payment to its creditors as per agreed terms and condition.				
	The management has initiated various steps such as recovery from debtors, cost rationalization, release of government subsidy, refund of balance with government authority and business plant the company is Company is confident of its ability to continue as a going concern. These financials statements have, accordingly been prepared on going concern basis.				



**GUJARAT HY-SPIN LIMITED**

Notes to the Financial Statements for the year ended 31st March, 2020

Note No.	Particulars	31-Mar-20	31-Mar-19
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39 Note on Covid-19

The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been further extended till May, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made assessment of the impact of COVID-19 on the company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly no adjustments have been made to the financial statements.

40 Other Notes

Previous year figures are regrouped, re arranged & re casted wherever necessary.

**For and on behalf of Board of Directors**

As per our report of even date

**For Finava & Associates**

Chartered Accountants

Firm Reg. No. 117362W

**(Manoj Finava)**

Proprietor

M.No.044511

UDIN:20044511AAAABI4387

Signed at Gondal on 30.07.2020



*Maganlal Parvadiya*

**Maganlal Parvadiya**

Chairman and Wholtime Director

DIN : 03190749

*CSB Parvadiya*  
**Chandulal Parvadiya**

Wholtime Director

DIN : 03197876

*Paras Parvadiya*  
**Paras Parvadiya**  
Chief Financial Officer

## ATTENDANCE SLIP

<b>Regd. Folio</b>	
<b>Name and Address of the Shareholders</b>	

1. I hereby record my/ our presence at the ANNUAL GENERAL MEETING of the company being held on Tuesday, 29<sup>th</sup> September, 2020 at 11:00 A.M. at the Registered office of the company situated at P. O. Box No. 22, Gundala Road, Gondal 360 311, Rajkot, Gujarat

Signature of the shareholder's/ Proxy present

2. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
3. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Notice of the AGM for reference at the meeting.

**Note: Please carry duly filled attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.**

# 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: L17110GJ2011PLC063898

**Name of the Company:** Gujarat Hy spin Limited

**Registered Office:** P. O. Box No. 22, Gundala Road, Gondal-360 311, Rajkot, Gujarat

**Name of the Member (s):**

**Registered Address:**

**Email 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-mail Id:

Signature:

Or failing him

2. Name:

Address:

E-mail Id:

Signature:

Or failing him

3. Name:  
Address:  
E-mail Id:  
Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting/~~Extra Ordinary General Meeting~~ of the company to be held on the 29<sup>th</sup> day of September, 2020 at 11:00 A.M. at the registered office of the Company situated at P. O. Box No. 22, Gundala Road, Gondal-360 311, Rajkot, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt audited financial statement of the company for the year ended on 31<sup>st</sup> March, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Maganlal Parvadiya [DIN: 03190749] who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/S. Finava & Associates, Chartered Accountants, (Membership No. 044511) continuing as a Statutory Auditor of the Company.

Signed \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Signature of shareholder

Affix Revenue Stamp
---------------------------

Signature of Proxy holder(s)

**Note: 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.**