



Regd. Office: Cassia-702, Garden City, Opp. Samarvani Panchayat,  
Khanvel Road, Silvassa 396230

Tele 91-261-2471788

Email : jayprabha@hotmail.com, Website : www.gujcotex.com

Corporate Identity Number : L17119DN1996PLC000116

Date: 05/12/2020

To,  
BSE Ltd.  
P.J. Towers, Dalal Street,  
Mumbai – 400001

**Subject: Submission of Annual Report of Gujarat Cotex Limited for the financial year ended 31<sup>st</sup> March, 2020.**

**Ref.: Scrip Code: 514386, Stock Code: GUJCOTEX**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose herewith Annual Report of Gujarat Cotex Limited for the financial year ended 31/03/2020.

Kindly take the same on record and confirm.

Thanking You,

**For Gujarat Cotex Limited**

Shaileshkumar Jayantkumar Parekh  
Managing Director  
(DIN: 01246270)

**ANNUAL REPORT  
2020-2021**



**GUJARAT COTEX LIMITED**

*Where Information, Innovation and Technology are the Key words*

**AN ISO 9001 - 2015 COMPANY**



## **BOARD OF DIRECTORS**

Priyavadan S. Parekh	Chair Person
Shailesh J. Parekh	Managing Director
Chetan S. Parekh	Director
Tarun P. Solanki	Director
Ruchi R. Bhaloriya	Director

## **COMPANY SECRETARY**

Sheta Temani

## **BANKERS**

The Surat People's Co-op Bank Ltd.  
Timaliyawad Branch, Surat  
ICICI Bank, Athwalines, Parle Point, Surat

## **AUDITORS**

M. Kapadia & Co.  
Chartered Accountants

## **INTERNAL AUDITORS**

M/s. AADIL AIBADA & ASSOCIATES  
Chartered Accountants

## **REGISTERED OFFICE**

Cassia - 702, Garden City,  
Opp. Samarvani Panchayat,  
Khanvel Road, Silvassa-396230

## **CORPORATE OFFICE**

2007, Shankar Plaza, Nanpura,  
Timaliyawad, Surat-395001, Gujarat

## **CORPORATE IDENTITY NUMBER**

L17119DN1996PLC000116

## **Purva Share Registry India Pvt. Ltd.**

9, Shiv Shakti Indl. Estate, J. R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel (E),  
Mumbai-400011

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## **NOTICE**

Notice is hereby given that the Annual General Meeting of Gujarat Cotex Limited (CIN: L17119DN1996PLC000116) will be held at Registered office of the company at Cassia-702, Garden City, Opposite Samarvani Panchayat, Khanvel Road, Silvassa Dadar & Nagar Haveli 396230 on Thursday, 31<sup>st</sup> December, 2020 at 11.00 a.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted

2. To appoint a Director in place of Shri Shaileshkumar Jayantkumar Parekh (DIN: 01246270), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Shaileshkumar Jayantkumar Parekh (DIN: 01246270), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

3. To consider and appoint Shri Chetankumar Shaileshkumar Parekh (DIN: 01246220) as Managing Director of the company and in this regard, pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of Companies Act, 2013, the members of the Company hereby appoint Shri Chetankumar Shaileshkumar Parekh as Managing Director for five years at a Remuneration within the limits set out in Part -II of Schedule V of The Companies Act, 2013 and perquisites within the limits set out in section IV of Part- II of Schedule V of The Companies Act, 2013.



**RESOLVED FURTHER THAT** where in any financial year during the currency of tenure of the Managing Director the Company has no profits or its profits are inadequate, Shri Chetankumar Shaileshkumar Parekh shall be entitled to receive above remuneration including perquisites as minimum remuneration in accordance with the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be applicable from time to time.

**RESOLVED FURTHER THAT** the terms and conditions of the appointment may be altered and varied from time to time by the Committee approved by the Board as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 as may be applicable form time to time.

By Order of the Board  
**For Gujarat Cotex Limited**

Place: Silvassa  
Date: 03/12/2020

Sd/-  
Shaileshkumar  
Jayantkumar Parekh  
Managing Director  
(DIN: 01246270)

Sd/-  
Chetankumar  
Shaileshkumar Parekh  
Director and CFO  
(DIN: 01246220)

**Notes:**

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item no. 3 of the accompanying notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours before the commencement of the meeting.

3. A person can act as a proxy on behalf of Members not exceeding fifty in number 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 of the company carrying voting rights may appoint a

single person as a proxy and such person shall not act as proxy for any other Member.

4. Corporate Members intending to send their authorized representatives to attend the Annual General 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 the representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
5. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
6. Relevant documents referred to in the accompanying notice and explanatory statement are open for inspection by the members at the Company's registered office on all working days of the Company, during business hours up to the date of the meeting.
7. The Register of Members and Share Transfer Books of the company will be closed from 26/12/2020 To 31/12/2020 (both days inclusive).
8. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent of the Company at the following address:

**Purva Share Registry India Pvt. Ltd.**

9, Shiv Shakti Indl. Estate, J. R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel (E), Mumbai 400011

9. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
10. **Information and instructions relating to e-voting are as under:**
  - a. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clause (1) & (2) of clause 44 SEBI (LODR) Regulations, 2015, the Company is pleased to provide members' facility to exercise their right to vote at the Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by CDSL. It may be noted that this e-voting facility is optional. In order to facilitate those Members, who do not wish to use the e-voting facility, the company is enclosing a Ballot form, resolution passed by members through e-voting or ballot forms are deemed

to have been passed as if they have been passed at Annual General Meeting (AGM).

The e-voting facility will be available at the link <https://www.evotingindia.com> during the following voting period:

Commencement of e-voting: From 9.00 a.m. on 28/12/2020 to 5.00 p.m. on 30/12/2020.

- b. E-voting shall not be allowed beyond 5.00 p.m. on 30/12/2020. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 25/12/2020 may cast their vote electronically.
- c. Members can opt for only one mode of voting i.e. either by Ballot Form or e-voting. In case members cast their votes through both modes, voting done by e-voting shall prevail and vote casted through Ballot Form shall be treated as invalid.
- d. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the Meeting shall be able to exercise their rights to vote at the Meeting through ballot paper in case they have not cast their vote by remote e-voting.
- e. The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- f. The Company has appointed Mr. Kunjal Dalal, Proprietor K. Dalal & Co., Practicing Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

#### **11. Shareholder Instructions For E-Voting**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 28/12/2020 at 9.00 a.m. and ends on 30/12/2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25/12/2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your

password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Gujarat Cotex Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - “m - Voting” for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board  
**For Gujarat Cotex Limited**

Place: Silvassa  
Date: 03/12/2020

Sd/-  
Shaileshkumar  
Jayantkumar Parekh  
Managing Director  
(DIN: 01246270)

Sd/-  
Chetankumar Shaileshkumar  
Parekh  
Director and CFO  
(DIN: 01246220)

**Explanatory Statement pursuant to section 102(1) of The Companies Act, 2013:-**

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, setting out all material facts relating to the business at Item No. 3 of the accompanying notice dated 03/12/2020.

**For Item 3**

Item no. 3 deals with appointment of Shri Chetankumar Shaileshkumar Parekh as Managing Director of the Company. As he is actively engaged in management of company and have vast experience in business management. They have been contributing in the development of the company and it shall be in interest of the company to continue to avail their services and appoint him as Managing Director of the company. The term to act as Managing Directors shall be five years.

The remuneration and perquisites payable to him shall be within limits set out under provision of section 196, 197 and Schedule V of The Companies Act, 2013.

The board of directors recommends the Resolution set out in Item No. 3 of the accompanying notice for approval by the members.

None of the Directors or Key Managerial Personnel and their relatives except the appointee directors and Shri Shaileshkumar Jayantkumar Parekh, the relative of directors being appointed is in any way concerned or interested in the Resolution.

By Order of the Board  
**For Gujarat Cotex Limited**

Place: Silvassa  
 Date: 03/12/2020

Sd/- Shaileshkumar Jayantkumar Parekh Managing Director (DIN: 01246270)	Sd/- Chetankumar Shaileshkumar Parekh Director and CFO (DIN: 01246220)
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<b>Information in respect of appointment / re-appointment of directors at Annual General Meeting Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>		
Name of directors	Shri Shaileshkumar Jayantkumar Parekh	Chetankumar Shaileshkumar Parekh
Age	69 Years	41 Years
Qualifications	Graduate	Graduate
Experience	30 Years	18 Years
Nature of Expertise	General Management	General Management
Inter-se Relationship	Mr. Shailesh Parekh is father of Mr. Chetan Parekh, the Director and CFO of the company.	Mr. Chetan Parekh is son of Mr. Shailesh Parekh, the Managing Director of the company.
Name of the listed entity in which person holds directorship and membership of committee of board	NIL	NIL
Shareholding of non-executive directors	Not applicable, since the appointee is executive director	Not applicable, since the appointee is executive director

By Order of the Board  
**For Gujarat Cotex Limited**

Place: Silvassa  
 Date: 03/12/2020

Sd/- Shaileshkumar Jayantkumar Parekh Managing Director (DIN: 01246270)	Sd/- Chetankumar Shaileshkumar Parekh Director and CFO (DIN: 01246220)
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## **BOARD OF DIRECTOR'S REPORT**

To  
The Members,  
**Gujarat Cotex Limited**

Your directors present Annual report on the business and operations of the company to gather with Audited Statement of Accounts of the company for the year ending 31<sup>st</sup> March 2020.

The particulars pursuant to sub section 3 of section 134 of the companies act, 2013 are given below.

**a) The web address, if any, where annual report referred to in sub-section (3) of section 92 has been placed:**

The extract of Annual return is in format MGT-9 for the financial year ended 31/03/2020 is enclosed at "Annexure A" of this report. The same is available on [www.gujcotex.com](http://www.gujcotex.com).

**b) Number of meetings of the Board:**

During the year 2019-20, 5 meetings of Board of Directors were held.

**c) Director's Responsibility Statements:**

The director's state that:

- i) In the preparation of annual accounts for the financial year ended 31<sup>st</sup> March 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) 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 as at 31<sup>st</sup> March and of the profit/loss of the company for that period;
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The director had prepared the annual accounts on a going concern basis;
- v) The director had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**ca) Details of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the central government.**

Auditor has not reported any fraud under sub-section (12) of section 143 of The Companies Act, 2013.

**d) A Statement on Declaration given by Independent Directors under sub-section (6) of section 149.**

The independent Directors have submitted declaration pursuant to Section 149(7) confirming that he meets the criteria of independence pursuant to section 149(6). The statement has been noted by Board of Directors.

**e) If Company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matter provided under sub-section (3) of section 178.**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of director and key managerial personal and their remuneration. The policy is disclosed at "Annexure B" in pursuance of provision to section 178(3) of the companies Act 2013.

The Company does not pay any remuneration to the Non-Executive/Independent Directors of the company other than sitting fees for attending the meeting of the Board/Committee. Remuneration to the Managing Director is governed by the relevant provisions of the Companies Act, 2013.

**f) Explanations or comments by the board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report / by the company secretary in practice in his secretarial audit report.**

The disclosures made by the statutory auditors in the report are self explanatory and no explanation by the board is required.

The Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 in prescribed Form MR-3 is attached to as "Annexure C" to this report. The Company has taken note of Qualification, Reservation etc in the Said report and shall make arrangement for necessary compliance in future.

**g) Particulars of loans, guarantees or investments under section 186 of Companies act, 2013**

Company has not during the year under review (a) given any loan to any person or other body corporate (b) Given any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) Acquired by way of subscription, purchase or otherwise, the securities of any other body

corporate, Exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more and hence the particulars are not required to be included in this report.

**h) Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form (Form AOC-2)**

Company has not entered into transactions referred to in section 188(1) of The Companies Act, 2013 with related party and as such particulars in form AOC-2 are required to be attached to this report.

**i) The state of Company's affairs**

There is no Material change in the state of affairs of the company particularly nature of business being carried out.

The revenue from operations of the company has decreased from Rs. 37,65,13,780/- in the year 2018-19 to Rs. 7,18,06,670/- in the year 2019-20. The company had a profit of Rs. 40,858/- in the year 2018-19 and in the year 2019-20 company had a loss of Rs. 17,21,372/-.

The Company has not issued any share capital or Debentures during the year. The shares of face value of Rs. 10/- each has been split into Rs. 5/- each by the company. There is no change in the status of the company or the accounting year.

**j) The amount, if any, which it proposes to carry to any reserves**

The Directors do not propose to carry any amount to reserves.

**k) The amount, if any, which it recommends should be paid by way of dividend**

The Directors do not recommend any amount to be paid by way of dividend.

**l) Material Changes and commitments, if any, Affecting the Financial Position of the Company which have occurred between the Ends of the financial year of the company to which the financial statements relate and the date of the report.**

There are no material changes and/or commitments affecting financial position of the Company occurred after end of financial year till date of this report.

**m) The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in such manner as may be prescribed.**

Information and details pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to above is given below.

**(A) CONSERVATION OF ENERGY-**

- i) The steps taken or impact on conservation of energy: NIL
- ii) The steps taken by the company for utilizing alternate sources of energy: NIL
- iii) The capital investment on energy conservation equipments: NIL

**(B) TECHNOLOGY ABSORPTION-**

- i) The efforts made towards technology absorption: Not Applicable
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a. The details of technology imported : Not Applicable
  - b. The year of import: Not Applicable
  - c. Whether the technology been fully absorbed: Not Applicable
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable and
- iv) The expenditure incurred on Research and Development: NIL

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-**

Foreign Exchange earned (actual inflows during the year): Rs. NIL  
Foreign Exchange outgo (actual outflows): Rs. NIL

**n) A statement including development and implementation of a Risk Management Policy for the company including identification therein of elements of risk, if any, which in the opinion of the board may threaten the existence of the company;**

The Directors do not foresee any risk that may threaten the existence of the company in normal course. The Directors proposes to develop and implement specific Risk Management Policy on identification of any risk.

**o) The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;**

Since the net worth of the company is below Five Hundred crores, Turnover of the company is below one thousand crores, Net Profit of the company is below five crores. The provision of Section 135 of The Companies Act, 2013 is not applicable to the company and hence the company is not required undertake any corporate Social Responsibility (CSR) initiatives.

- p) In case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;**

Pursuant to provision of the Companies Act, 2013 the board has carried out the annual performance evaluation of its own performance as well as the evaluation of the Audit Committee and Nomination & Remuneration Committee.

The chairman of Board of directors and the chairman of Nomination & remuneration Committee met all the directors individually to get an overview of the functioning of the board and its constituents inter alia on the following board criteria i.e. attendance and level of participation, independence of judgment exercised by independent directors, interpersonal relationship etc.

Based on the valuable inputs received, the directors are encouraged for effective role in company's management.

- q) Such other matters as may be prescribed.**

(Pursuant to rule 8(5) of The Companies (Accounts) Rules, 2014)

- i) The Financial summary or highlights**

The summary of financial Results (standalone) for the year under review is as under:-

<b>Particulars</b>	<b>As on 31/03/2020</b>	<b>As on 31/03/2019</b>
Turnover and other income	7,18,12,308.00	37,65,15,407.00
Gross profit/Loss (-) before Financial Charges & depreciation	(12,21,309.00)	10901465.00
Interest and Financial Charges	1,31,368.00	1,19,891.00
Profit/Loss(-) before depreciation	(13,52,677.00)	1,07,81,574.00
Depreciation	3,28,729.00	3,28,306.00
Profit /Loss(-) After Tax for the year	(17,21,372.00)	40,858.00

- ii) The Change in the nature of business, if any:**

There is no Material change in nature of business of the company.

- iii) The Details of Directors or key managerial personnel who were appointed or have resigned during the year:**

There is no change in Directors and key managerial persons during the year.

**iv) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;**

No company has become or ceases to be subsidiary, joint venture or associate company.

**v) The details relating to deposits, covered under Chapter V of the Act,-**

(a) Accepted during the year: NIL

(b) Remained unpaid or unclaimed as at the end of the year: NIL

(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

(i) At the beginning of the year: Not Applicable

(ii) Maximum during the year: Not Applicable

(iii) At the end of the year: Not Applicable

**vi) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL**

**vii) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future: NIL**

**viii) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on continuous basis covering all major operation. During the year no Reportable Material weakness in the operation was observed.

**ix) A disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.**

Company is not required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

**x) A statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

<b>Disclosures under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.</b>		
<b>Sr. No.</b>	<b>Requirement under Rule 5(1)</b>	<b>Details</b>
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Not Applicable. No Remuneration paid to Managerial Personnel.
(ii)	The percentage increase in remuneration of each director, chief financial officer, Chief Executive officer, company secretary or manager, in the financial year.	No Remuneration has been paid to directors & CFO and their no increase in remuneration paid to company secretary.
(iii)	The percentage increase in the median remuneration of employees in the financial year	No increase in remuneration of the employees.
(iv)	Number of permanent employees on the rolls of the company as on 31 <sup>st</sup> March, 2020.	10
(v)	Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable. No remuneration paid to Managerial Personnel.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	The company affirms remuneration is as per the remuneration policy of the company.

No Employee of the company has been paid Remuneration in excess of limits laid down in rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence statement showing details thereof is not applicable.

### **Audit Committee**

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit committee comprises of 3 directors namely Shri Tarunkumar Parsottamdas Solanki, Shri Shaileshkumar Jayantkumar Parekh and Smt. Ruchi Rohankumar Bharolia. Shri Tarunkumar Parsottamdas Solanki is the Chairman of

the Audit Committee. During the year there was no instance where the board had not accepted the Recommendation of Audit Committee.

### **Vigil Mechanism/Whistle Blower Policy**

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014, the Board of Director has adopted vigil mechanism in the form of Whistle Blower Policy through which, its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The said policy provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors.

Shri Tarunkumar Parsottamdas Solanki, the Chairman of the Audit Committee can be contacted to report any suspected / confirmed incident of fraud/misconduct on:

Email: jayprabha@hotmail.com

Contact no.: 0261-2471788

Your Company hereby affirms that no director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Board of Directors place on records the services of all stakeholders and associates who have co-operated in the working of the Company

By Order of the Board  
**For Gujarat Cotex Limited**

Place: Silvassa  
Date: 18/07/2020

Sd/-  
Shaileshkumar  
Jayantkumar Parekh  
Managing Director  
(DIN: 01246270)

Sd/-  
Chetankumar  
Shaileshkumar Parekh  
Director and CFO  
(DIN: 01246220)

**“Annexure A”**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS:</b>									
i.	CIN			L17119DN1996PLC000116					
ii.	Registration Date			20.11.1996					
iii.	Name of the Company			Gujarat Cotex Limited					
iv.	Category / Sub-Category of the Company			Company Limited By Shares/ Indian Non-Government Company					
v.	Address of the Registered office and contact details			Cassia-702, Garden City, Opposite Samarvani Panchayat, Khanvel Road, Silvassa Dadar & Nagar Haveli 396230					
vi.	Whether listed company			Listed Company					
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any			<b>Purva Share Registry India Pvt. Ltd.</b> 9, Shiv Shakti Indl. Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai 400011 Tel.: 022-23016761 Email address: busicomp@vsnl.com					
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>									
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-									
Sr. No	Name and Description of main products / services			NIC Code of the Product/ service	% to total turnover of the company				
01	Trading in yarns			99611319	100%				
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -</b>									
Sr. No.	Name and Address of the Company			CIN / GLN	Holding/ Subsidiary / Associate	% of Shares Held		Applicable Section	
Not Applicable									
<b>IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)</b>									
<b>i) Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									



a)	Individual / HUF	343100 0	0	343100 0	48.17	6862000	0	6862000	48.17	0
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	0	0	0	0	0	0	0	0	0
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1):</b>		<b>3431000</b>	<b>0</b>	<b>3431000</b>	<b>48.17</b>	<b>6862000</b>	<b>0</b>	<b>6862000</b>	<b>48.17</b>	<b>0</b>
(2) Foreign		0	0	0	0	0	0	0	0	0
a)	NRIs- Individual	0	0	0	0	0	0	0	0	0
b)	Other- Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks/FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2):</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A)= (A)(1)+(A)(2)</b>		<b>3431000</b>	<b>0</b>	<b>3431000</b>	<b>48.17</b>	<b>6862000</b>	<b>0</b>	<b>6862000</b>	<b>48.17</b>	<b>0</b>
<b>B. Public Shareholding</b>										
(1) Institutions										
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	0	0	0	0	0
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2) Non-Institutions										
a)	Bodies Corp									
i.	Indian	163175	0	163175	2.29	325970	0	325970	2.29	0

ii.	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1156890	2300	1159190	16.28	2309178	6600	2315778	16.26	-0.02
ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2039831	48000	2087831	29.32	4199160	96000	4295160	30.15	0.84
c)	Others									
	Unclaimed or Suspense or Escrow Account	0	95311	95311	1.34	0	181622	181622	1.28	-0.06
	LLP	1500	0	1500	0.02	3000	0	3000	0.02	0
	N.R.I	16600	0	16600	0.23	33200	0	33200	0.23	0
	H.U.F	107935	0	107935	1.52	215870	0	215870	1.52	0
	Clearing Members	59458	0	59458	0.83	11400	0	11400	0.08	-0.75
	<b>Sub-Total (B) (2):</b>	<b>3545389</b>	<b>145611</b>	<b>3691000</b>	<b>51.83</b>	<b>7097778</b>	<b>284222</b>	<b>7382000</b>	<b>51.83</b>	<b>0</b>
	<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>3545389</b>	<b>145611</b>	<b>3691000</b>	<b>51.83</b>	<b>7097778</b>	<b>284222</b>	<b>7382000</b>	<b>51.83</b>	<b>0</b>
C.	Shares Held By Custodian For GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>6976389</b>	<b>145611</b>	<b>7122000</b>	<b>100</b>	<b>13959778</b>	<b>284222</b>	<b>14244000</b>	<b>6976389</b>	<b>0</b>

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Share holding at the Beginning of the year			Share holding at the end of the year			% change in share holding
		No. of Shares	% of total	% of Shares	No. of Shares	% of total	% of Shares	

			Shares of the company	Pledged / Encumbered to total shares		Shares of the company	Pledged / Encumbered to total shares	during the year
1	Chetan Parekh	815000	11.44	0.00	1630000	11.44	0.00	0.00
2	Ketan Parekh	850000	11.93	0.00	1700000	11.93	0.00	0.00
3	Sonal Parekh	150000	2.11	0.00	300000	2.11	0.00	0.00
4	Sarla Parekh	150000	2.11	0.00	300000	2.11	0.00	0.00
5	Priyavanda Parekh	1041000	14.62	0.00	2082000	14.62	0.00	0.00
6	Shailesh Parekh	425000	5.97	0.00	850000	5.97	0.00	0.00
<b>Total</b>		<b>3431000</b>	<b>48.18</b>	<b>0.00</b>	<b>6862000</b>	<b>48.18</b>	<b>0.00</b>	<b>0.00</b>

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

Sr. No.	Name of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>01</b>	<b>Chetan Parekh</b>				
	At the beginning of the year	815000	11.44	815000	11.44
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	1630000	11.44	1630000	11.44
<b>02</b>	<b>Ketan Parekh</b>				
	At the beginning of the year	850000	11.93	850000	11.93
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	1700000	11.93	1700000	11.93
<b>03</b>	<b>Sonal Parekh</b>				
	At the beginning of the year	150000	2.11	150000	2.11
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	300000	2.11	300000	2.11
<b>04</b>	<b>Sarla Shalesh Parekh</b>				
	At the beginning of the year	150000	2.11	150000	2.11
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	300000	2.11	300000	2.11
<b>05</b>	<b>Priyavanda Sudhir Parekh</b>				
	At the beginning of the year	1041000	14.62	1041000	14.62

	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	2082000	14.62	2082000	14.62
<b>06</b>	<b>Shailesh Parekh</b>				
	At the beginning of the year	425000	5.97	425000	5.97
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	850000	5.97	850000	5.97
<b>iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):</b>					
Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>01</b>	<b>Rajiv Sureshbhai Sheth</b>				
	At the beginning of the year	169000	2.37	169000	2.37
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	338000	2.37	338000	2.37
<b>02</b>	<b>Mukeshbhai Pranlal Doshi</b>				
	At the beginning of the year	150000	2.11	150000	2.11
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	300000	2.11	300000	2.11
<b>03</b>	<b>Sarjukumar Gunvanbhai Patel</b>				
	At the beginning of the year	143000	2.01	143000	2.01
	Increase in Share holding on dated:-				
	Buy-13/09/2019	5000			
	Buy-30/09/2019	82		148000	2.08
	Buy-04/10/2019	1277		148082	2.08
	Sub-Division -29/11/2019	149359		149359	2.10
	Buy-06/12/2019	100		298718	2.10
	Buy-13/12/2019	500		298818	2.10
	Buy-20/12/2019	500		299818	2.10
	Buy-06/03/2020	516		300334	2.11
	Buy-13/03/2020	3708		304042	2.13
	At the end of the year	304042	2.13	304042	2.13
<b>04</b>	<b>Nehal Dhanraj Shah</b>				
	At the beginning of the year	100251	1.41	100251	1.41
	Number of Shares have increased on account of sub division of share of face	-	-	-	-

	value of Rs. 10/- each in to Rs. 5/- each.				
	At the end of the year	200502	1.41	200502	1.41
<b>05</b>	<b>Dhyeya M Doshi</b>				
	At the beginning of the year	100025	1.41	100025	1.41
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	200050	1.41	200050	1.41
<b>06</b>	<b>Sunil Pranal Mehta</b>				
	At the beginning of the year	100000	1.40	100000	1.40
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	200000	1.40	200000	1.40
<b>07</b>	<b>Denish Dhanraj Shah</b>				
	At the beginning of the year	100000	1.40	100000	1.40
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	200000	1.40	200000	1.40
<b>08</b>	<b>Jayant Share Broking Private Ltd</b>				
	At the beginning of the year	80000	1.12	80000	1.12
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	160000	1.12	160000	1.12
<b>09</b>	<b>Dharmesh Sureshbhai Sheth</b>				
	At the beginning of the year	78825	1.10	78825	1.10
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	157650	1.10	157650	1.10
<b>10</b>	<b>Mehta Jalpa K</b>				
	At the beginning of the year	75000	1.05	75000	1.05
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	150000	1.05	150000	1.05
<b>11</b>	<b>Azad C Ramoliya</b>				
	At the beginning of the year	75000	1.05	75000	1.05
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	150000	1.05	150000	1.05

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>01</b>	<b>Chetankumar Shaileshkumar Parekh</b>				

	<b>(Director and CFO)</b>				
	At the beginning of the year	815000	11.44	815000	11.44
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	1630000	11.44	1630000	11.44
<b>02</b>	<b>Shaileshkumar Jayantkumar Parekh</b>				
	At the beginning of the year	425000	5.97	425000	5.97
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	850000	5.97	850000	5.97
<b>03</b>	<b>Tarunkumar Parsottamdas Solanki</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>04</b>	<b>Priyavanda Sudhir Parekh</b>				
	At the beginning of the year	1041000	14.62	1041000	14.62
	Number of Shares have increased on account of sub division of share of face value of Rs. 10/- each in to Rs. 5/- each.	-	-	-	-
	At the end of the year	2082000	14.62	2082000	14.62
<b>05</b>	<b>Shweta Naresh Kumar Temani</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>06</b>	<b>Ruchi Rohankumar Bharolia</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	0	0	0	0

#### V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding / accrued but not due for Payment**

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	942124.00	4232513.00	0.00	5174637.00
ii)	Interest due but not paid	0.00	0.00	0.00	0.00
iii)	Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i + ii + iii)</b>		<b>942124.00</b>	<b>4232513.00</b>	<b>0.00</b>	<b>5174637.00</b>

<b>Change in Indebtedness during the financial year</b>				
Addition	975783.00	313651.00	0.00	1289434.00
Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>975783.00</b>	<b>313651.00</b>	<b>0.00</b>	<b>1289434.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1917907.00	4546164.00	0.00	6464071.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i + ii + iii)</b>	<b>1917907.00</b>	<b>4546164.00</b>	<b>0.00</b>	<b>6464071.00</b>

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

Sr. No	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Shailesh Kumar J. Parekh		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	NIL		NIL
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NIL		NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL		NIL
2.	Stock Option	NIL		NIL
3.	Sweat Equity	NIL		NIL
4.	Commission - as % of profit - others, specify...	NIL		NIL
5.	Others, please specify	NIL		NIL
	Total (A)	NIL		NIL
	Ceiling as per the Act	84 Lacs		84 Lacs

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Tarunkumar Parsottamdas Solanki	Ruchi Rohankumar Bharolia	
	<b>Independent Directors</b>			
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	<b>Total (1)</b>	NIL	NIL	NIL
	<b>Other Non-Executive Directors</b>	<b>Priyavanda Sudhir Parekh</b>		

	Fee for attending board committee meetings	NIL		NIL
	Commission	NIL		NIL
	Others, please specify	NIL		NIL
	<b>Total (2)</b>	NIL		
	<b>Total (B)=(1+2)</b>	NIL		
	Total Managerial Remuneration	NIL		NIL
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.

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

S.N	Particulars of Remuneration	Key Managerial Personnel	
		Shweta Naresh Kumar Temani (CS)	Chetan Shailesh Parekh (CFO)
1.	Gross salary	120000.00	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	- Others specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total</b>	120000.00	NIL

**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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>A. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL



Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By Order of the Board  
**For Gujarat Cotex Limited**

Place: Silvassa  
Date: 18/07/2020

Sd/-  
Shaileshkumar  
Jayantkumar Parekh  
Managing Director  
(DIN: 01246270)

Sd/-  
Chetankumar  
Shaileshkumar Parekh  
Director and CFO  
(DIN: 01246220)

**“Annexure B”**

**DISCLOSURE OF POLICY FOR REMUNERATION OF DIRECTORS, KEY  
MANAGERIAL PERSONNEL AND OTHER EMPLOYEES  
(Pursuant to subsection 3 and 4 of section 178 of The Companies Act, 2013)**

**Remuneration Policy:**

1. Remuneration to managerial personnel will be recommended to the board by the committee and same shall be subject to approval of shareholders and/or central government where ever required.
2. Remuneration to managerial personnel shall be in accordance with the provisions of the Companies Act, 2013 and other applicable acts.
3. Increment to existing remuneration shall be as per recommendation of committee and within the limits approved by shareholders.

**Remuneration to managerial personnel:**

1. The managerial personnel shall be entitled to monthly remuneration as approved by the board on recommendation of the committee and same shall be in accordance with the provision of the Companies act, 2013 and rules made there under The breakup of pay scale and quantum of perquisites and non-monetary benefits shall also be approved by board on recommendation of the committee.
2. The managerial Personnel shall also be eligible to performance linked incentives as may be determined by board.
3. The managerial personnel may also be paid commission as may be approved by shareholders.
4. The managerial personnel shall be entitled to minimum remuneration in accordance with Schedule V of the Companies Act, 2013 in event of no profit or inadequacy of profit.

**Remuneration to Non-executive / Independent directors:**

1. The remuneration shall be in accordance with the Companies Act, 2013 and rules made there under.
2. The non-executive/independent directors may receive sitting fees for attending the meeting of board of directors or an committee which shall be within the prescribed limit under the act. Non – executive directors shall be reimbursed travelling and incidental expense for attending the meeting.
3. Non- executive directors may also be paid commission subject to approval by the shareholders and within the limit not exceeding 1% of the profit of the company.
4. Non-executive directors shall not be entitled stock options.

“Annexure C”

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For The Financial year Ended on 31<sup>st</sup> March, 2020**

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

To,  
The Members  
**Gujarat Cotex Limited**  
**Cassia-702, Garden City, Opposite Samarvani Panchayat,**  
**Khanvel Road, Silvassa, Dadar & Nagar Haveli 396230**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Cotex Limited (CIN: L17119DN1996PLC000116)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in our 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 here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Gujarat Cotex Limited for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 / 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company. We report that the Company has complied with the provisions of those Acts that are applicable to Company.

As per information given to us no sector specific laws are applicable to the company. We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and general meetings;
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and /or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *except to the extent that:*

1. *Company has not produced copies of advertisements as required under Section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015.*
2. *The website of the company is not updated as required under provisions of The Companies Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015 and under provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

**We further report that:**

The compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

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 the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously.

**We further report that** as per the explanations given to us and the representation made by the Management and relied upon by us there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- i. Public / Right / Preferential issue of shares / debentures / Sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations

**For K. Dalal & Co.**  
Company Secretaries

Place: Surat  
Date: 16/07/2020  
UDIN: F003530B000463319

**Kunjal Dalal**  
Proprietor  
FCS No. 3530 COP No. 3863

Note: This report is to be read with my letter of even date which is annexed as '**Annexure -I**' and forms an integral part of this report.

**'Annexure-I'**

To,  
The Members  
**Gujarat Cotex Limited**  
**Cassia-702, Garden City, Opposite Samarvani Panchayat,**  
**Khanvel Road, Silvassa, Dadar & Nagar Haveli 396230**

Our secretarial audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For K. Dalal & Co.**  
Company Secretaries

Place: Surat

Date: 16/07/2020

**Kunjal Dalal**  
Proprietor  
FCS No. 3530 COP No. 3863

Disclosures pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

### A. Related Party Disclosure

<b>Sr. No.</b>	<b>In the accounts of</b>	<b>Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.</b>
1	Holding Company	<ul style="list-style-type: none"> <li>○ Loans and advances in the nature of loans to subsidiaries by name and amount: NIL</li> <li>○ Loans and advances in the nature of loans to associates by name and amount: NIL</li> <li>○ Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL</li> </ul>
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company: NIL
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan: NIL

### B. Management Discussion And Analysis Report

#### (a) Industry structure and developments:

Company is engaged in business of manufacturing, bleaching, weaving, printing and selling of cloths of all types and other like materials.

#### (b) Opportunities and Threats:

##### Opportunities:

1. Increase in consumption pattern across the country along with the rising demand for high quality premium fabrics.
2. Large and potential domestic and international market. Promising export potential.

##### Threats:

1. Pricing pressure due to opening up of quotas.
2. Enhanced competition from other countries.
3. Rising production cost from increasing wages, power and interest cost.

**(c) Product-wise performance:**

Company operates in single segment of wholesale trading in fabrics and segment wise reporting is not applicable and further the performance is expected to improve.

**(d) Outlook:**

The Company shall continue to explore its policy of expansion based on availability of resources and opportunity.

**(e) Risks and concerns:**

Risk is an inherent part of any business. There are various types of risks, that threat the existence of a company like Strategic Risk, Business Risk, Finance Risk, Finance Risk, Environment Risk, Personnel risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade –off between risk & returns.

Input costs including power and labour, are extraneous factors which make it difficult for the company to face competition.

**(f) Internal control systems and their adequacy:**

The company has adequate internal control systems and is in process of further strengthening the existing internal control systems. The financial statements are reviewed periodically by the management. The company has set up an internal Audit trail whereby deviations, if any, can be brought to the notice of the management quickly and remedial actions are initiated immediately.

**(g) Discussion on financial performance with respect to operational performance:**

<b>Particulars</b>	<b>As on 31/03/2020</b>	<b>As on 31/03/2019</b>
Turnover and other income	7,18,12,308.00	37,65,15,407.00
Gross profit/Loss (-) before Financial Charges & depreciation	(12,21,309.00)	10901465.00
Interest and Financial Charges	1,31,368.00	1,19,891.00
Profit/Loss(-) before depreciation	(13,52,677.00)	1,07,81,574.00
Depreciation	3,28,729.00	3,28,306.00
Profit /Loss(-) After Tax for the year	(17,21,372.00)	40,858.00

**(h) Material developments in Human Resources / Industrial Relations front, including number of people employed:**



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

**Disclosure of Accounting Treatment:** Financial statements have been prepared in accordance with applicable accounting standards, hence Para B(2) of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company.

**C. Corporate Governance Report:** Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para C of Schedule V of SEBI (LODR) relating to Corporate Governance Report is not applicable to the company.

**D. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:** Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para D of Schedule V of SEBI (LODR) relating to Declaration by CEO is not applicable to the company.

**E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report:** Pursuant to Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Para E of Schedule V of SEBI (LODR) relating to Compliance Certificate is not applicable to the company.

**F. Disclosures with respect to demat suspense account/unclaimed suspense account:** 181622 Shares of the company are lying in Suspense Account.

By Order of the Board  
**For Gujarat Cotex Limited**

Place: Silvassa  
Date: 18/07/2020

Sd/-  
Shaileshkumar  
Jayantkumar Parekh  
Managing Director  
(DIN: 01246270)

Sd/-  
Chetankumar  
Shaileshkumar Parekh  
Director and CFO  
(DIN: 01246220)

**INDEPENDENT AUDITORS' REPORT**

TO,  
**THE MEMBERS OF GUJARAT COTEX LIMITED**  
**(Formerly known as OCTAGON INDUSTRIES LIMITED)**

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

**Opinion**

We have audited the accompanying standalone financial statements of **GUJARAT COTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow Statement for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**Revenue recognition**

<b>The key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>The principal products of the Company comprise of textile fabrics that are mainly sold in domestic market. Further, the Company has started new business of purchase and sale of non-agricultural plots of land from the year under audit. However, only purchase of non-agricultural plots of land is done and no sale has been done during the year. Such purchase of non-agricultural plots of land is considered as stock in trade to be sold in the years to come. Revenue is recognised when the customer obtains control of the goods and in case of non-agricultural plots of land, on registration of sale deed. We identified revenue recognition as a key audit matter because the Company and its shareholders focus on revenue as a key performance indicator.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>2. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on all transactions.</li> <li>3. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling.</li> <li>4. We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> <li>5. We tested, on a sample basis, revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</li> </ol>

**Litigations, provisions and contingencies**

<b>The key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>The Company recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. We have identified litigations, provisions and contingencies as a key audit matter because it requires the Company to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. We tested the effectiveness of key controls around the recording and assessment of litigations, provisions and contingent liabilities.</li> <li>2. We obtained Company's assessment of the open cases, if any, and compared the same to the assessment of subject matter experts, wherever necessary, to assess the reasonableness of the provision or contingency.</li> <li>3. We considered the adequacy of the Company's disclosures made in relation to related provisions and contingencies in the financial statements.</li> </ol>



### **Other Information**

The Company's Management and Board of Directors are 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and the 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 these standalone 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 liquidated the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. 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 Act, we give in the



"Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements;
  - d. In our opinion, the aforesaid standalone financial statement comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of 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 effectiveness of such controls 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 Company has not paid any remuneration to its directors during the year.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Company's (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The Annexure Referred to in Paragraph 1 under Report on other Legal and Regulatory Requirements of Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

**1. In respect of the Company's fixed assets:**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) The property, plant and equipment were physically verified during the year by the Management in accordance with regular programme of verification which, in our opinion, provides for physical verification of all property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

**2. In respect of the Company's inventories:**

- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation of the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered under register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, the Company has 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.

5. The company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under Section 148(1) of the Act, in respect of activities carried on by the Company.

**7. According to the information & explanations given to us in respect of statutory dues:**

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31-03-2020 for a period of more than six months from the date they became payable.

- c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not made any default in repayment of loans or borrowings due to banks, financial institutions and debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has not paid or provided any sum of managerial remuneration and hence provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards
14. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of clause 3(xv) of the Order is not applicable to the Company.
16. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.



**ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited internal financial controls over financial reporting of **GUJARAT COTEX LIMITED ("the Company")** as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

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

The Management and the Board of Directors of the Company are 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 (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 control 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**AUDITOR'S CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**  
**Independent Auditor's Certificate on compliance with Corporate Governance**  
**Requirements under SEBI (Listing Obligations and Disclosure Requirements)**  
**Regulations, 2015.**

TO,

**THE MEMBERS OF GUJARAT COTEX LIMITED**  
**(Formerly known as OCTAGON INDUSTRIES LIMITED)**

We have examined the compliance of conditions of Corporate Governance by **Gujarat Cotex Limited**, for the year ended on March 31, 2020.

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with the conditions of the corporate governance stipulated in the SEBI Listing Regulations.

Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the company.

We have carried out an examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the ICAI, the Standards on Auditing specified under Section 143 (10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires the we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

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

The certificate is addressed and provided to the members of the company solely for the purpose to enable the company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.



**GUJARAT COTEX LIMITED**

Where Information, Innovation and Technology are the Key words

**GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

**BALANCE SHEET AS AT MARCH 31, 2020**

	Notes	In Rupees	
		As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant & Equipment	1	1,17,59,308	1,25,88,621
(b) Capital Work-in-Progress		0	0
(c) Intangible Assets		0	0
(d) Financial Assets			
(i) Investments	2	75,00,000	75,00,000
(ii) Loans		0	0
(iii) Other		0	0
(e) Other non-current Assets	3	96,02,000	96,02,000
<b>CURRENT ASSETS</b>			
(a) Inventories		5,49,200	10,85,902
(b) Financial Assets			
(i) Investments		0	0
(ii) Trade Receivables	4	3,43,86,363	20,40,52,325
(iii) Cash & Cash Equivalents	5	27,58,756	15,66,511
(iv) Loans		0	0
(v) Other	6	42,01,222	0
(c) Other Current Assets	7	2,15,550	2,37,887
<b>TOTAL ASSETS</b>		<b>7,09,72,400</b>	<b>23,66,33,246</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	8	7,12,20,000	7,12,20,000
(b) Other Equity		(1,07,17,553)	(89,96,181)
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	9	19,17,907	9,42,124
(ii) Other Financial Liabilities		0	0
(b) Provisions		0	0
(c) Deferred Tax Liabilities (Net)		0	0
(d) Other non-current liabilities		0	0
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	10	45,46,164	42,32,513
(ii) Trade Payables	11	1,28,102	16,64,62,228
(iii) Other Financial Liabilities		0	0
(b) Other Current Liabilities	12	38,77,780	26,80,888
(c) Provisions		0	0
(d) Current Tax Liabilities (Net)		0	91,674
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,09,72,400</b>	<b>23,66,33,246</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date attached herewith

FOR M KAPADIA & CO  
CHARTERED ACCOUNTANTS  
FRN : 133572W

(MEHUL G. KAPADIA - PARTNER)  
MEMBERSHIP NO. 126250  
SURAT. 18TH JULY, 2020.



Priyavanda S. Parekh  
(DIN:02644060)  
Chief Person  
Shweta N Timani  
(PAN:ANKPT0494L)  
Company Secretary

For and on behalf of Board of Directors of  
GUJARAT COTEX LIMITED

S. J. Desai  
Shailesh J Parekh  
(DIN:01246270)  
Managing Director  
Tarun P. Solanki  
(DIN:02310265)  
Director

Chetan S. Parekh  
(DIN:01246220)  
Director & CFO  
Ruchi R Bharola  
(DIN:07294293)  
Additional Director

**GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2020**

		In Rupees		
		Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>I</b>	<b>REVENUE FROM OPERATIONS</b>	13	7,18,06,671	37,65,13,780
<b>II</b>	<b>OTHER INCOME</b>	14	5,637	1,627
<b>III</b>	<b>Total Revenue</b>		<b>7,18,12,308</b>	<b>37,65,15,407</b>
<b>IV</b>	<b>EXPENDITURE</b>			
	Purchase of Stock in Trade		7,08,95,878	36,47,29,744
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	15	5,36,702	(10,85,902)
	Employee Benefit Expense	16	4,42,300	9,37,800
	Finance Cost	17	1,31,368	1,19,891
	Depreciation and Amortization Expense	18	3,28,729	3,28,306
	Other Expense	19	11,58,736	10,32,300
	<b>Total Expenses</b>		<b>7,34,93,714</b>	<b>36,60,62,139</b>
<b>V</b>	<b>Profit/(Loss) before Exceptional Items &amp; Tax (III - IV)</b>		<b>(16,81,406)</b>	<b>1,04,53,268</b>
<b>VI</b>	<b>Exceptional Items</b>			
	Loss on sale of land and office		47,950	2,05,569
	Prior Period Items	20	0	1,01,15,167
<b>VII</b>	<b>Profit/(Loss) before Tax (V - VI)</b>		<b>(17,29,356)</b>	<b>1,32,532</b>
<b>VIII</b>	<b>Tax Expenses:</b>			
	Current Tax		(7,984)	0
	Deferred Tax		0	0
	Minimum Alternate Tax		0	91,674
<b>VII</b>	<b>Profit / (Loss) for the year (V - VI)</b>		<b>(17,21,372)</b>	<b>40,858</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>		0	0
<b>IX</b>	<b>Total Comprehensive Income for the year</b>		<b>(17,21,372)</b>	<b>40,858</b>
<b>XIII</b>	<b>Earning per share (Face Value Rs.10 each)</b>	21		
	Basic		-0.24	0.01
	Diluted		0.00	0.00

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date attached herewith

**FOR M KAPADIA & CO**  
**CHARTERED ACCOUNTANTS**  
**FRN : 133572W**

*(Signature)*  
**(MEHUL G. KAPADIA - PARTNER)**  
**MEMBERSHIP NO. 126250**  
**SURAT. 18TH JULY, 2020.**



**For and on behalf of Board of Directors of**  
**GUJARAT COTEX LIMITED**

<i>(Signature)</i> Priyavanda S. Parekh (DIN:02644060) Chair Person	<i>(Signature)</i> Shailesh J Parekh (DIN:01246270) Managing Director	<i>(Signature)</i> Chetan S. Parekh (DIN:01246220) Director & CFO
<i>(Signature)</i> Shweta N Timani (PAN:ANKPT0494L) Company Secretary	<i>(Signature)</i> Tarun P Solanki (DIN:02310265) Director	<i>(Signature)</i> Ruchi R Bharolia (DIN:07294293) Additional Director

**GUJARAT COTEX LIMITED**

Where Information, Innovation and Technology are the Key words

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020**

	In Rupees	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A EQUITY SHARE CAPITAL</b>		
Balance at the beginning of the reporting year	7,12,20,000	7,12,20,000
Changes in equity share capital during the year	0	0
<b>Balance at the end of the reporting year</b>	<b>7,12,20,000</b>	<b>7,12,20,000</b>
<b>B OTHER EQUITY</b>		
<b>Accumulated Deficit in Profit &amp; Loss Account</b>		
Opening balance of Retained Earnings / (Loss)	(89,96,181)	(90,37,039)
Add: Profit / (Loss) for the year	(17,21,372)	40,858
Add: Other Comprehensive income (net of tax)	0	0
Total Comprehensive Income for the year	(17,21,372)	40,858
<b>Closing balance of Profit &amp; Loss A/c.</b>	<b>(1,07,17,553)</b>	<b>(89,96,181)</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date attached herewith



**FOR M KAPADIA & CO**  
**CHARTERED ACCOUNTANTS**  
**FRN: 133572W**

**(MEHUL G. KAPADIA - PARTNER)**  
**MEMBERSHIP NO. 126250**  
**SURAT. 18TH JULY, 2020.**

Priyvanda S. Parekh  
(DIN:02644060)  
Chair Person  
Shweta N Timani  
(PAN:ANKPT0494L)  
Company Secretary

**For and on behalf of Board of Directors of**  
**GUJARAT COTEX LIMITED**

Shaillesh J Parekh  
(DIN:01246270)  
Managing Director  
Tarun P Solanki  
(DIN:02310265)  
Director  
Chetan S. Parekh  
(DIN:01246220)  
Director & CFO  
Ruchi R Bharolia  
(DIN:07294293)  
Additional Director

**GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020**

		In Rupees	
		As at	As at
		March 31 2020	March 31 2019
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
(a)	Profit / (Loss) from operating activities	(17,21,372)	40,858
	Adjustments:		
	Depreciation and amortization	3,28,729	3,28,306
	Other Income	(5,637)	(1,627)
	Loss on sale of land and office	47,950	2,05,569
	Interest and other finance costs	1,31,368	1,19,891
(b)	Working capital changes:		
	Decrease / (Increase) in inventories	5,36,702	(10,85,902)
	Decrease / (Increase) in trade receivables	16,96,65,962	(4,42,63,989)
	Decrease / (Increase) in other financial current assets	(42,01,222)	0
	Decrease / (Increase) in other current assets	(36,181)	0
	Increase / (Decrease) in trade payables	(16,63,34,126)	4,39,63,434
	Increase / (Decrease) in other current liabilities	11,96,892	5,43,898
	Increase / (Decrease) in provisions/tax liabilities	(91,674)	91,674
	<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>(4,82,608)</b>	<b>(57,888)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
(a)	Proceeds from sale of fixed assets	23,08,000	4,80,000
(b)	Proceeds from sale of investments	0	0
(c)	Purchase of tangible assets/capital work in progress	(17,96,849)	0
(d)	Purchase of intangible assets/assets under development	0	0
(e)	Purchase of investments	-	(24,900)
(f)	Decrease / (Increase) in other non-current assets	-	(60,96,318)
(g)	Dividend Received	2,515	15
(h)	Interest Received	0	0
(i)	Other Income	3,122	1,613
	<b>NET CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>5,16,788</b>	<b>(56,39,590)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(a)	Proceeds from issue of share capital	0	0
(b)	Share application money pending for allotment	0	0
(c)	Share premium reserve	0	0
(d)	Receipt / (Payment) of non-current liabilities - borrowings	9,75,783	9,42,124
(e)	Receipt / (Payment) of current liabilities - borrowings	3,13,651	26,55,513
(f)	Dividends paid (including distribution tax)	0	0
(g)	Interest and other finance costs	(1,31,368)	(1,19,891)
(h)	Share issue expenses	0	0
	<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>11,58,066</b>	<b>34,77,746</b>
	<b>TOTAL CASH INFLOWS (A+B+C)</b>	<b>11,92,246</b>	<b>-22,19,732</b>
	<b>ADD: CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>15,66,511</b>	<b>37,86,243</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>27,58,757</b>	<b>15,66,511</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date attached herewith

**FOR M KAPADIA & CO**  
CHARTERED ACCOUNTANTS  
FRN : 133572W

*(Signature)*  
**(MEHUL G. KAPADIA - PARTNER)**  
MEMBERSHIP NO. 126250  
SURAT.18TH JULY, 2020.



**For and on behalf of Board of Directors of**  
**GUJARAT COTEX LIMITED**

<i>(Signature)</i> Priyvanda S. Parekh (DIN:02644060) Chair Person	<i>(Signature)</i> Shailesh J Parekh (DIN:01246270) Managing Director	<i>(Signature)</i> Chetan S. Parekh (DIN:01246220) Director & CFO
<i>(Signature)</i> Shweta N Timani (PAN:ANKPT0494L) Company Secretary	<i>(Signature)</i> Tarun P Solanki (DIN:02310265) Director	<i>(Signature)</i> Ruchi R Bharolia (DIN:07294293) Additional Director



GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

1 PROPERTY, PLANT & EQUIPMENT

Particulars	GROSS BLOCK (AT W.D.V.)			DEPRECIATION AND AMORTIZATION			NET BOOK VALUE			
	As at 1st April, 2019	Additions	Withdrawals & adjustments	As at 31st March, 2020	Upto 1st April, 2019	For the year	On withdrawals & adjustments	Upto 31st March, 2020	As at 31st March, 2020	As at 1st April, 2019
Land	6,46,120	0	6,46,120	0	0	0	0	0	0	6,46,120
Buildings	1,21,62,170		20,02,250	1,01,59,920	12,42,543	1,58,395	2,92,420	11,08,518	90,51,402	1,09,19,627
Furniture & Fixtures	11,43,242	0	0	11,43,242	8,76,605	25,331	0	9,01,936	2,41,306	2,66,637
Vehicles	15,18,483	17,96,849	0	33,15,332	8,29,074	72,111	0	9,01,185	24,14,147	6,89,409
Office Equipment	1,48,321	0	0	1,48,321	94,734	10,182	0	1,04,916	43,405	53,587
Computer Systems	6,48,111	0	0	6,48,111	6,34,870	4,193	0	6,39,063	9,048	13,241
<b>TOTAL</b>	<b>1,62,66,447</b>	<b>17,96,849</b>	<b>26,48,370</b>	<b>1,54,14,926</b>	<b>36,77,826</b>	<b>2,70,212</b>	<b>2,92,420</b>	<b>36,55,618</b>	<b>1,17,59,308</b>	<b>1,25,88,621</b>



GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)		NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020	
Note	Particulars	In Rupees	
		As at 31st March, 2020	As at 31st March, 2019
<b>2</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>Investment in Equity Instruments fully paid-up - Unquoted</b>		
	Sonpal Cement Ltd (Formerly known as Amy Urja Vikalp Limited)	43,34,000	43,34,000
	433400 Equity Shares of Rs.10 each fully paid		
	Gujarat Cotex Finlease Limited	31,41,000	31,41,000
	314100 Equity Shares of Rs.10 each fully paid		
	<b>Other - Unquoted</b>		
	In shares of The Surat Peoples Coop. Bank Ltd	25,000	25,000
	(C.Y.250 Equity Shares & P.Y.1 Equity Share of Rs.100 each fully paid)		
		<b>75,00,000</b>	<b>75,00,000</b>
<b>3</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	<b>Unsecured, considered good</b>		
	<b>Advances for Purchase of Capital Goods</b>		
	(i) Advance to related parties	0	0
	(ii) Advance to others	96,00,000	96,00,000
	<b>Security Deposit</b>		
	With Others	2,000	2,000
		<b>96,02,000</b>	<b>96,02,000</b>
<b>4</b>	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured, considered good</b>		
	Outstanding for a period exceeding 6 months	3,18,23,735	4,08,70,751
	Outstanding for a period less than 6 months	25,62,628	16,31,81,574
		<b>3,43,86,363</b>	<b>20,40,52,325</b>
<b>5</b>	<b>CASH AND CASH EQUIVALENT</b>		
	<b>Cash on hand:</b>		
	In Indian Rupees	27,01,188	14,78,285
	<b>Bank balance :</b>		
	In Current Accounts	57,568	88,226
		<b>27,58,756</b>	<b>15,66,511</b>
<b>6</b>	<b>OTHER FINANCIAL CURRENT ASSETS</b>		
	<b>Advance to creditors</b>		
	BSE Ltd	5,000	0
	Sandhya Synthetics	41,96,222	0
		<b>42,01,222</b>	<b>0</b>
<b>7</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>Unamortized Expense (To the extent not written off or adjusted)</b>		
	Preliminary Expenses	6,067	8,090
	Public Issue Expenses	1,69,480	2,25,974
	<b>Balance with revenue authorities</b>		
	Goods & Service Tax Receivable	40,003	3,823
		<b>2,15,550</b>	<b>2,37,887</b>
<b>8</b>	<b>EQUITY SHARE CAPITAL</b>		
	<b>AUTHORISED</b>	<b>7,25,00,000</b>	<b>7,25,00,000</b>
	14,500,000 Equity Shares of Rs.5/- each		
	(7,250,000 Equity Shares of Rs.10/- each in year ended on 31.03.2019)		
	<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>	<b>7,12,20,000</b>	<b>7,12,20,000</b>
	14,244,000 Equity Shares of Rs.5/- each fully paid up.		
	(71,22,000 Equity Shares of Rs. 10/- each fully paid up in year ended on 31.03.2019)		
		<b>7,12,20,000</b>	<b>7,12,20,000</b>

**GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Note	Particulars	In Rupees	
		As at 31st March, 2020	As at 31st March, 2019
<b>8.1</b>	<b>Reconciliation of Share Capital</b>		
	Equity Shares at Beginning of the Year [7122000 Shares]	7,12,20,000	7,12,20,000
	Add: Restructured by division during the year [7122000 Shares]	0	0
	Equity Shares at End of the Year [14244000 Shares]	7,12,20,000	7,12,20,000
<b>8.2</b>	<b>Details of share holder holding more than 5% of the ordinary shares in the company</b>		
	Priyavanda Sudhir Parekh AEBPP4567N	2082000 (14.62%)	1041000 (14.62%)
	Ketan Sudhir Parekh AFSP8274L	1700000 (11.93%)	850000 (11.93%)
	Chetan Shailesh Parekh AFSP8275M	1630000 (11.44%)	815000 (11.44%)
	Shailesh Jayant Parekh AERPP2055D	850000 (05.97%)	425000 (05.97%)
<b>9</b>	<b>NON-CURRENT BORROWINGS</b>		
	<b>Secured</b>		
	ICICI Bank Ltd - Car Loan (Elentra) (Term loan have been taken against hypothecaion of Motor Car)	3,82,381	5,52,001
	ICICI Bank Ltd - Car Loan (Kia) (Term loan have been taken against hypothecaion of Motor Car)	15,35,526	0
	The Surat Peoples Cooperative Bank Ltd -Overdraft Facility (Overdraft facility had been availed during the previous year against the mortgage of house property of Director - Shaileshbhai J Parekh)	0	3,90,123
		<b>19,17,907</b>	<b>9,42,124</b>
<b>10</b>	<b>CURRENT BORROWINGS</b>		
	<b>Unsecured, considered good</b>		
	Loans and advances from related parties	45,46,164	42,32,513
		<b>45,46,164</b>	<b>42,32,513</b>
<b>11</b>	<b>TRADE PAYABLES</b>		
	<b>Total outstanding dues of micro enterprises and small enterprises</b>	0	0
	<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>		
	Creditors for Goods	43,808	16,63,84,750
	Creditors for Expense	84,294	77,478
		<b>1,28,102</b>	<b>16,64,62,228</b>
<b>12</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory Liabilities	1,230	3,338
	Advances from Customers	38,76,550	26,77,550
		<b>38,77,780</b>	<b>26,80,888</b>

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Note	Particulars	In Rupees	
		As at 31st March, 2020	As at 31st March, 2019
<b>13</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Goods (Textile Fabrics)	7,18,06,671	37,65,13,780
		<u>7,18,06,671</u>	<u>37,65,13,780</u>
<b>14</b>	<b>OTHER INCOME</b>		
	Dividend Income	2,515	15
	Vatav Kasar / Discount	3,122	1,612
		<u>5,637</u>	<u>1,627</u>
<b>15</b>	<b>CHANGE OF INVENTORIES OF STOCK IN TRADE</b>		
	<b>Textile Fabrics</b>		
	Opening Stock - in - trade	10,85,902	0
Less:	Closing Stock - in - trade	0	10,85,902
	<b>Change of inventories of textile fabrics</b>	<u>10,85,902</u>	<u>(10,85,902)</u>
	<b>Non-Agriculture Land</b>		
	Opening Stock - in - trade	0	0
Less:	Closing Stock - in - trade	5,49,200	0
	<b>Change of inventories of non-agriculture land</b>	<u>(5,49,200)</u>	<u>-</u>
	<b>Net change of inventories of stock in trade</b>	<u>5,36,702</u>	<u>(10,85,902)</u>
<b>16</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salary & Bonus Expense	4,42,300	9,37,800
		<u>4,42,300</u>	<u>9,37,800</u>
<b>17</b>	<b>FINANCE COST</b>		
	Bank Charges	19,671	14,314
	Interest on Bank OD	6,511	91,268
	Interest on Car Loan	1,05,186	14,309
		<u>1,31,368</u>	<u>1,19,891</u>
<b>18</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
	Depreciation on Tangible Assets	2,70,212	2,69,789
	Preliminary Expense (written off)	2,023	2,023
	Public Issue Expense (written off)	56,494	56,494
		<u>3,28,729</u>	<u>3,28,306</u>
<b>19</b>	<b>OTHER EXPENSE</b>		
	Advertisement Expense	27,411	3,192
	AGM Meeting Expense	4,418	0
	Auditor Remuneration	10,000	20,000
	Computer Expense	5,659	5,498
	Donation	83,000	0
	Electricity Expense	12,570	12,950
	GST Penalty	3,230	201
	Interest on TDS	352	106
	Legal, Professional & Consultancy Fees	5,46,324	4,03,568
	Office Expense	25,997	69,323
	Printing & Stationery	5,750	2,294
	Professional Tax	0	2,000
	Property Tax / Municipal Tax	41,530	27,000
	Repairs & Maintenance Expense	1,10,635	1,89,289
	ROC Fees	19,800	5,800
	Telephone Expense	2,044	11,409
	Vehicle Fuel & Repairs & Maintenance Expense	2,36,682	2,43,527
	Vehicle Insurance	23,335	36,142
		<u>11,58,736</u>	<u>10,32,300</u>



**GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Note	Particulars	In Rupees	
		As at 31st March, 2020	As at 31st March, 2019
<b>20</b>	<b>PRIOR PERIOD ITEMS</b>		
	Purchase of goods	0	1,01,06,167
	The purchase of goods was received by the Company with bill in F.Y.2018-19 and hence recorded in F.y.2018-19, however, bill date pertains to F.Y.2017-18		
	Legal, Professional & Consultancy Fees	0	9,000
	The service of consultancy and its bill was received by the Company in F.Y.2018-19 and hence recorded in F.y.2018-19, however, bill date pertains to F.Y.2017-18		
		0	1,01,15,167
<b>21</b>	<b>EARNING PER SHARE (EPS)</b>		
	Net Profit after Tax as per Profit and Loss Account attributable to Eq-	(17,21,372)	40,858
	Weighted Average number of Equity Shares:	7122000	7122000
	Face Value Per Share	10	10
	<b>Basic Earning per Share</b>	<b>(0.24)</b>	<b>0.01</b>
	<b>Diluted Earning per Share</b>	<b>0</b>	<b>0</b>

**GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020:**

**22. Corporate Information:**

GUJARAT COTEX LIMITED is a public limited company incorporated under the Companies Act, 1956 and domiciled in India. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the business of trading of textile fabrics and further started a new business of trading in land or plot during the year. The Company caters to domestic markets. The Board of Directors have approved the standalone financial statements for the year ended March 31, 2020.

**23. Basis of Preparation:**

- a) Statement of compliance:** The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013 and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is usually adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The statements of cash flows have been prepared under indirect method.

- b) Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures.

- c) Basis of measurement**

The standalone financial statements have been prepared under the historical cost convention on accrual basis.

- d) Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual future period's results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.





**GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. As per management's current assessment, no significant impact on carrying amounts of inventories, trade receivables, investments and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**24. Significant Accounting Policies:**

**a) Equity**

The company has reclassified authorised share capital from Rs.72500000/- (Rupees Seven Crore Twenty Five Lakhs) divided into 7250000 (Seventy Two Lakhs and Fifty Thousand) equity shares of Rs.10/- each to Rs.72500000/- divided into 14500000 (One Crore Forty Five Lakhs) equity shares of Rs.5/- each. The company has reclassified issued, subscribed and paid-up share capital from Rs.71220000 (Rupees Seven Crore Twelve Lakhs Twenty Thousand) divided into 7122000 (Seventy One Lakhs Twenty Two Thousand) equity shares of Rs.10/- each to Rs.71220000/- divided into 14244000 (One Crore Forty Two Lakhs Forty Four Thousand) equity shares of Rs.5/- each.

**b) Property, plant and equipment**

Property, plant and equipments are stated at cost of acquisition or construction or cost of improvement inclusive of incidental costs related to acquisition and installation or at revalued amounts wherever such assets have been revalued less accumulated depreciation and impairment loss. Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Other Non-Current Assets. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Company. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss. The sale of immovable property has been executed by deed of conveyance / sale deed. The Company has purchased during the year the land for reselling of the same and hence not considered as part of property, plant and equipment but has been considered as part of inventories.

**c) Depreciation on Property, plant and equipment**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the Company and is recognised in the Statement of Profit and Loss. Depreciation for assets purchased or sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

<b>Asset</b>	<b>Useful life</b>
Land	Land being freehold was not depreciated.
Buildings	60 years
Furniture & Fixtures	10 years
Vehicles	15 years
Office Equipments	5 years
Computer Systems	3 years

**GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

**d) Amortization of Preliminary and Public Issue Expense**

Preliminary and Public Issue Expense are amortized over a period of 10 years.

**e) Leases**

The Company has not acquired any assets on lease, hence new and amended Ind AS 116 regarding Leases is not applicable to the Company.

**f) Impairment of property, plant and equipment**

Consideration is given at each Balance Sheet date to determine whether there is any indication of carrying amount of the Company's property, plant and equipment. If there is any indication of impairment based on internal / external factors, then asset's recoverable amount is estimated.

**g) Research & Developments**

The Company has not incurred any expense related to Research & Development during the year.

**h) Inventories:**

The inventories consist of traded goods viz textile fabrics and land. Stock-in-trade is valued at the lower of net realisable value and cost. The cost of traded goods and land is determined on FIFO basis. The inventories are as taken, valued and certified by the Management.

Particulars	Stock as on 01.04.2019	Purchased quantity (net in returns)	Sale quantity (net in returns)	Stock as on 31.03.2020
Textile fabrics (In metres)	17033.75	1408299.25	1425333.00	NIL
Plots of Land	0	243	0	243

**i) Revenue Recognition:**

- i. The Company recognizes revenue on the sale of products when risks and rewards of the ownership are transferred to the customer. Sales are accounted exclusive of goods and service tax and net of sales return.
- ii. Sales returns are accounted on actual receipt of return goods / settlements of claims.
- iii. Other income like dividend income is recognised when the right to receive payment is established.

**j) Investments:**

Non-current investments are carried at cost. Provision for diminution is not made to recognize a decline in value of non-current investments and is determined separately for each individual investment wherever and whenever necessary.

**k) Foreign Currency Transaction**

There is no foreign currency transaction during the year.

**l) Income Tax**

- i) Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates and tax laws enacted or substantively enacted by the reporting date.



**GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

- ii) Minimum alternate tax (MAT), if any, paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.
- iii) Deferred taxes is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. However, the Company has not provided for any deferred tax asset or liabilities during the year.

**m) Borrowing Cost:**

The amendments in Ind AS 23 clarify that if any specific borrowing remains outstanding after the related asset are ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

**n) Provisions, contingent liabilities and contingent assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit & Loss net of any reimbursement. A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company has not provided for contingent liabilities and assets during the year.

**o) Employee Benefits:**

**i) Short Term Employee Benefits:**

All the employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and the expected cost of bonus are recognised in the period in which an employee renders the related services.

**ii) Post-Employment Benefits:**

**Defined Contribution Plans:** The Company's Statutory Provident Fund, Employees' Super-annuation Fund and Employee State Insurance Scheme are defined contribution plans. The Company has informed and explained that such benefits are not applicable to the Company and hence provisions of such benefits have not been done.



**GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

**Defined Benefit Plan:** The Employees' Group Gratuity Fund is the Company's defined benefit plan for which Company has not taken Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. The Company has informed that any gratuity or any benefits are not applicable to the Company and hence not provided.

iii) **The employees are not paid any benefits other than salary and bonus during the year.**

**p) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and current deposits with banks.

**q) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby net profit / (loss) before 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 and items of income or expenses associated with investing or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**r) Earnings per Share**

Basic earnings per share are computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. However, the Company does not consider any potential equity shares that are dilutive.

**s) Segment Reporting**

The Company has no other segment; hence, nothing is to be required to be reported in accordance with Ind AS 108, Operating Segments.

**t) Creditors under Micro & Small Enterprises**

The Company does not owe to Micro & Small Enterprises. This information as required under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such party have been identified on the basis of information available with the Company and has been relied upon by the auditors.

**u) Auditors remuneration**

Detail of services	Year ended March 31, 2020 (In Rs.)	Year ended March 31, 2019 (In Rs.)
Services as statutory auditors (including quarterly audits)	15,000	20,000
Tax Audit	0	0
Services for tax matters	0	0
Other services	0	0

**v) Related party disclosure**

Sr.No.	List of related parties	Names of related parties
1.	<b>Key Management Personnel (KMP)</b>	
	Chair Person	Priyavanda S. Parekh
	Managing Director	Shailesh J. Parekh
	Director & Chief Financial Officer	Chetan S. Parekh
	Company Secretary	Shweta N. Timani
	Independent Director	Tarun P. Solanki
	Independent Director	Ruchi R. Bharolia



**GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)**

2.	Company in which KMP / relatives of KMP can exercise significant influence	Common directors or relatives of KMP in Gujarat Cotex Ltd & Prabhat Oil Ltd	
	Chair Person	Priyavanda S. Parekh	
	Managing Director	Shailesh J. Parekh	
	Director & Chief Financial Officer	Chetan S. Parekh	
	Relative of KMP	Sonal D. Sheth	
3.	Related party closing balances as on balance sheet date	As at 31.03.2020	As at 31.03.2019
	Chetan S. Parekh (CFO)	4542786	2663513
	Ketan S. Parekh (Relative of KMP)	0	1569000
	Shailesh J. Parekh (MD)	3378	0

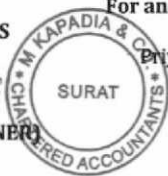
w) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**x) Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**SIGNATURE TO 1 to 24**

FOR M KAPADIA & CO  
CHARTERED ACCOUNTANTS  
FRN : 133572W  
*(Signature)*  
(MEHUL G. KAPADIA-PARTNER)  
MEMBRSHIP NO.126250  
SURAT. 18<sup>TH</sup> JULY, 2020.



**For and on behalf of Board of Directors of GUJARAT COTEX LIMITED**

Priyavanda S. Parekh  
(DIN:02644060)  
Chair Person  
*(Signature)*  
Sweta N Timani  
(PAN:ANKPT0494L)  
Company Secretary

*(Signature)*  
Shailesh J Parekh  
(DIN:01246270)  
Managing Director  
*(Signature)*  
Tarun P Solanki  
(DIN:02310265)  
Director

*(Signature)*  
Chetan S Parekh  
(DIN:01246220)  
Director & CFO  
*(Signature)*  
Ruchi R Bharolia  
(DIN:07294293)  
Additional Director

**Route Map of the venue of Annual General Meeting**



**ATTENDANCE SLIP**

**To be handed over at the entrance of the Meeting Hall of  
Annual General Meeting**

Folio No./ DP ID/Client ID No. : \_\_\_\_\_  
Number of shares held: \_\_\_\_\_  
Name of the attending  
Member/Proxy: \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of **Gujarat Cotex Limited** held on Thursday, 31<sup>st</sup> December, 2020 at 11.00 a.m. at Cassia-702, Garden City, Opposite Samarvani Panchayat, Khanvel Road, Silvassa Dadar & Nagar Haveli 396230.

-----  
Member's/Proxy's Signature  
(To be signed at the time of handing over the slip)

**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 : **L17119DN1996PLC000116**  
Name of the company: **Gujarat Cotex Limited**  
Registered office: **Cassia-702, Garden City, Opposite Samarvani Panchayat,  
Khanvel Road, Silvassa Dadar & Nagar Haveli 396230**

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

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name :

Address :

E-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 of the Company, to be held on the Thursday, 31<sup>st</sup> December, 2020 at 11.00 a.m. at Cassia-702, Garden City, Opposite Samarvani Panchayat, Khanvel Road, Silvassa Dadar & Nagar Haveli 396230 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Sr. No.</b>	<b>Resolution</b>	<b>For</b>	<b>Against</b>
----------------	-------------------	------------	----------------

**Ordinary Business:-**

- 1 Adoption of Audited Financial Statements and the reports of the Board of Directors and Auditors report.
- 2 Re-appointment of Shri Shaileshkumar Jayantkumar Parekh (DIN: 01246270), as director of the company.
- 3 Appointment of Shri Chetankumar Shaileshkumar Parekh (DIN: 01246220) as Managing Director of the company

Signed this.....day of.....2020

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.

**Form No. MGT-12**  
**Polling Paper**

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

**Name of the Company:** Gujarat Cotex Limited  
**Registered office:** Cassia-702, Garden City, Opposite Samarvani Panchayat, Khanvel Road, Silvassa Dadar & Nagar Haveli 396230

**BALLOT PAPER**

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

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

<b>No.</b>	<b>Item No.</b>	<b>No. of Shares held by me</b>	<b>I assent to the Resolution</b>	<b>I dissent to the resolution</b>
1.	Adoption of Audited Financial Statements and the reports of the Board of Directors and Auditors report. (Ordinary Resolution)			
2.	Re-appointment of Shri Shaileshkumar Jayantkumar Parekh (DIN: 01246270), as director of the company. (Ordinary Resolution)			
3.	Appointment of Shri Chetankumar Shaileshkumar Parekh (DIN: 01246220) as Managing Director of the company			

Place:  
Date:

**Signature of Shareholder**

**To,**

*If undelivered, please return to:*



**GUJARAT COTEX LIMITED**

*Where Information, Innovation and Technology are the Key words*

CIN : L17119DN1996PLC000116

Registered Office:

Cassic, 702 Garden City, Opp. Samarwani Panchayat, Khanvel Road, Silvassa - 396230