



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: 20/08/2019

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

Subject: Submission of Annual Report of Gujarat Cotex Limited for the financial year ended 31st March, 2019.

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 31/03/2019.

Kindly take the same on record and confirm.

Thanking You,

For Gujarat Cotex Limited

S. J. Parekh

Shaileshkumar Jayantkumar Parekh
Managing Director
(DIN: 01246270)

ANNUAL REPORT
2018-2019



GUJARAT COTEX LIMITED

Where Information, Innovation and Technology are the Key words

AN ISO 9001 - 2015 COMPANY



BOARD OF DIRECTORS

Priyavanda S. Parekh	<i>Chair Person</i>
Shailesh J. Parekh	<i>Managing Director</i>
Chetan S. Parekh	<i>Director</i>
Tarun P. Solanki	<i>Director</i>
Ruchi R. Bhaloriya	<i>Director</i>

COMPANY SECRETARY

Shweta Temani

BANKERS

Allahabad bank
Nanpura Branch,
Surat

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 INDENTITY 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

Contents	Page
Notice	01-03
Board's Report	04-16
Corporate Governance Report	17-22
Independent Auditor's Report	23-26
Balance Sheet	27
Statement of Profit & Loss	28
Notes to Financial Statements	29

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, 12th September, 2019 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, 2019 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, 2019 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 Smt. Priyavanda Sudhir Parekh (DIN: 02644060), 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, Smt. Priyavanda Sudhir Parekh (DIN: 02644060), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS

3. To consider the Shifting of Registered Office of Company from Union Territory of Dadar and Nagar Haveli to the State of Gujarat and in this regard, pass the following resolution as an **Special Resolution**:

Resolved that subject to approval of central government and pursuant to section 13 of the Companies Act, 2013 and other applicable provisions, if any along with rules made under the Companies Act, 2013 the registered office of the company be and is hereby shifted from "Union Territory of Dadar Nagar Haveli" to the "State of Gujarat"

Resolved further that the Clause II Memorandum of Association of Company be substituted by following Clause:-

"The Registered office of Company shall be in State of Gujarat".

4. To consider for alteration of Clause V of Memorandum of Association for Reclassification of the Authorised Share Capital and in this regard, pass the following resolution as an **Ordinary Resolution**:

Resolved that pursuant to the provisions of Section 13 and Section 61 and all other applicable provisions of the Companies Act, 2013, the consent of the members of the company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from Rs. 7,25,00,000/- (Seven Crores Twenty Five Lacs) divided into 72,50,000 (Seventy Two Lacs Fifty Thousand) equity shares of Rs. 10/- (Ten) each to Rs. 7,25,00,000/- (Seven Crores Twenty Five Lacs) divided into 1,45,00,000 (One Crore Forty Five Lacs) equity shares of Rs. 5/- (Five) each and consequently the existing Clause V of the Memorandum of Association of the company be and is hereby altered by substituting the following new Clause V:-

V. The Authorised Share Capital of the company shall be Rs. 7,25,00,000/- (Seven Crores Twenty Five Lacs) divided into 1,45,00,000 (One Crore Forty Five Lacs) equity shares of Rs. 5/- (Five) each.

5. To Re-appoint Shri Tarunkumar Parsottamdas Solanki (DIN: 02310265) as Independent Director and in this regard, pass the following resolution as an **Special Resolution**:

RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Shri Tarunkumar Parsottamdas Solanki (DIN: 02310265) who was appointed as an independent director for a period of five years in the Annual General Meeting held in the year 2014 and being eligible for reappointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Shri Tarunkumar Parsottamdas Solanki for the office of Director, be and is hereby re-appointed as Independent Director of the company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years on the Board of the Company.

By Order of the Board
For Gujarat Cotex Limited

Place: Silvassa

Date: 29.05.2019

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 to 5 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 07/09/2019 to 12/09/2019 (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 09/09/2019 to 5.00 p.m. on 11/09/2019.
 - b. E-voting shall not be allowed beyond 5.00 p.m. on 11/09/2019. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 06/09/2019 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. In case a member is desirous of obtaining a duplicate Ballot Form, he/she may send an e-mail to jayprabha@hotmail.com by mentioning their Folio No. / DP ID and Client ID No. However the duly completed Ballot Form Should reaches the scrutinizer, Mr. Kunjal Dalal C/o Gujarat Cotex Limited, Cassia-702, Garden City, Opposite Samarvani Panchayat, Khanvel Road Silvassa Dadar & Nagar Haveli DN 396230 not later than 11/09/2019 (5.00 p.m.). Ballot Forms received after this date will be treated as invalid.
- 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 09/09/2019 at 9.00 a.m. and ends on 11/09/2019 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 06/09/2019 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.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 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:

For Members holding shares in Demat Form and Physical Form	
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"> 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.
Dividend Bank Details OR 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"> 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).

- (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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
For Gujarat Cotex Limited

Place: Silvassa
Date: 29.05.2019

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

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 Nos. 3 to 5 of the accompanying notice dated 29th May, 2019.

For Item No. 3

Shifting the Registered Office from Union Territory of Dadar and Nagar Haveli to State of Gujarat

The registered office of the company is presently situated at Union Territory of Dadar Nagar Haveli. The company is not having any manufacturing activity at Silvassa and the trading operations are being carried out from corporate office of company at Surat. For smooth functioning it is proposed to shift the registered office at Surat in State of Gujarat.

The directors of the company are residing in Surat in State of Gujarat and it shall be convenient to undertake business activities in Gujarat and to maintain various records and registers in Gujarat.

It is therefore proposed that the registered office of the company be shifted from Silvassa to Surat. The shifting of registered office from one State to Other requires approval of members by way of special resolution hence the resolution is placed before members for consideration. The shifting of registered office shall also be subject to approval of central government.

None of the Directors or Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution.

For Item No. 4

Alteration of Clause V of Memorandum of Association for Reclassification of the Authorised Share Capital

The present Authorised Share Capital of the Company is Rs. 7,25,00,000/- (Seven Crores Twenty Five Lacs) divided into 72,50,000 (Seventy Two Lacs and Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only).

It is proposed to reclassify the Authorised Share Capital of the company from Rs. 7,25,00,000/- (Seven Crores Twenty Five Lacs) divided into 72,50,000 (Seventy Two Lacs and Fifty Thousand) equity shares of Rs. 10/- (Ten) each to Rs. 7,25,00,000/- (Seven Crores Twenty Five Lacs) divided into 1,45,00,000 (One Crore Forty Five Lacs) equity shares of Rs. 5/- (Five) each.

For Reclassification of Authorised Share Capital, it would be necessary to amend Clause V of the Memorandum of Association. The Resolution seeks approval of Members to Reclassify the Share Capital and to amend the said Clause. The Board of Directors recommends the passing of the ordinary resolution for approval of the members.

The Reclassification of Shares shall enable the members to deal in small quantity of shares and increase the liquidity of shares of the company.

None of the Directors / key managerial persons of the Company or their relatives are concerned or interested in the proposed resolution

For Item No. 5

Re-appointment of Shri Tarunkumar Parsottamdas Solanki (DIN: 02310265) as Independent Director of the company

Shri Tarunkumar Parsottamdas Solanki was appointed as director of the company in the Annual General Meeting held on 30/09/2014 for the period of five years in the category of Non - Executive / Independent director. The term of Shri Tarunkumar Parsottamdas Solanki expires on 29/09/2019. The company has received a notice under section 160 of the Companies Act, 2013 from member along with the requisite deposit signifying his intention to propose the candidature of Shri Tarunkumar Parsottamdas Solanki for reappointment as director of the company. The notice is available for inspection by the members of the company at the registered office during business hours on any working day up to the date of the Annual General Meeting.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under.

The board of directors recommends the Special Resolution set out in Item No. 5 of the accompanying notice for approval by the members.

None of the Directors or Key Managerial Personnel and their relatives except the appointee director, is in any way concerned or interested in the Resolution.

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		
Name of directors	Mrs. Priyavanda Sudhir Parekh	Shri Tarunkumar Parsottamdas Solanki
Age	66 Years	59 Years
Qualifications	Graduate	Graduate
Experience	28 years	15 years
Nature of Expertise	General Management	Management and Sales
Inter-se Relationship	Priyavanda Parekh is wife of late Sudhir Parekh who is brother of Mr. Shailesh Parekh, Managing director of the company, Priyavanda Parekh is wife of late Sudhir Parekh who is uncle of Chetan Parekh, director of the company.	Not Applicable since the appointee is independent director.
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	NIL

By Order of the Board
For Gujarat Cotex Limited

Place: Silvassa
 Date: 29.05.2019

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

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

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 31st March 2019.

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 31/03/2019 is enclosed at "Annexure A" of this report. The same is available on www.gujcotex.com.

b) Number of meetings of the Board:

During the year 2018-19, 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 31st March 2019, 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 31st 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. The Board of directors of the company proposes for the re-appointment of Shri Tarunkumar Parsottamdas Solanki as independent directors of the company.

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 Whole Time Director / 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 of the company has increased from Rs. 34,51,95,644/- in the year 2017-18 to Rs. 37,65,13,780/- in the year 2018-19. The company had a profit of Rs. 79,387/- in the year 2017-18 and in the year 2018-19 company had a profit of Rs. 40858/-.

The Company has not issued any share capital or Debentures during the year. 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:-

Particulars	As on 31/03/2019	As on 31/03/2018
Turnover and other income	37,65,15,407.00	34,51,95,659.00
Gross profit/Loss (-) before Financial Charges & depreciation	1,08,87,151.00	468487.00
Interest and Financial Charges	1,05,577.00	46,052.00
Profit/Loss(-) before depreciation	1,07,81,574.00	4,22,435.00
Depreciation	3,28,306.00	3,43,048.00
Profit /Loss(-) After Tax for the year	40,858.00	79,387.00

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.

Disclosures under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.		
Sr. No.	Requirement under Rule 5(1)	Details
(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	66.18%
(iv)	Number of permanent employees on the rolls of the company as on 31 st March, 2019.	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: 29.05.2019

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 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS:	
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	Purva Share Registry India Pvt. Ltd. 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
01	Trading in yarns	99611319	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
Not Applicable					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									

a)	Individual / HUF	343100 0	0	343100 0	48.17	3431000	0	3431000	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
Sub-Total (A) (1):		3431000	0	3431000	48.17	3431000	0	3431000	48.17	0
(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
Sub-Total (A) (2):		0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)		3431000	0	3431000	48.17	3431000	0	3431000	48.17	0

B. Public Shareholding

(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
Sub-Total (B)(1):		0	0	0	0	0	0	0	0	0
(2) Non-Institutions										
a)	Bodies Corp									
i.	Indian	151673	4300	155973	2.19	163175	0	163175	2.29	0.10

ii.	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1120924	3700	1124624	15.79	1156890	2300	1159190	16.28	0.48
ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2106425	48000	2154425	30.25	2039831	48000	2087831	29.32	(0.93)
c)	Others									
	Unclaimed or Suspense or Escrow Account	0	106311	106311	1.49	0	95311	95311	1.34	(0.15)
	LLP	1500	0	1500	0.02	1500	0	1500	0.02	0
	N.R.I	16600	0	16600	0.23	16600	0	16600	0.23	0
	H.U.F	63436	0	63436	0.89	107935	0	107935	1.52	0.62
	Clearing Members	68131	0	68131	0.96	59458	0	59458	0.83	(0.12)
	Sub-Total (B) (2):	3528689	162311	3691000	51.83	3545389	145611	3691000	51.83	0
	Total Public Shareholding (B)= (B)(1)+ (B)(2)	3528689	162311	3691000	51.83	3545389	145611	3691000	51.83	0
C.	Shares Held By Custodian For GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	6959689	162311	7122000	100	6976389	145611	7122000	100	0

ii) Shareholding of Promoter

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	Pledge d / Encumbered to total shares		Shares of the company	Pledged / Encumbered to total shares	during the year
1	Chetan Parekh	815000	11.44	0.00	815000	11.44	0.00	0.00
2	Ketan Parekh	850000	11.93	0.00	850000	11.93	0.00	0.00
3	Sonal Parekh	150000	2.11	0.00	150000	2.11	0.00	0.00
4	Sarla Parekh	150000	2.11	0.00	150000	2.11	0.00	0.00
5	Priyavanda Parekh	1041000	14.62	0.00	1041000	14.62	0.00	0.00
6	Shailesh Parekh	425000	5.97	0.00	425000	5.97	0.00	0.00
	Total	3431000	48.18	0.00	3431000	48.18	0.00	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of Promoter	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
	At the beginning of the year	There is no change in promoter's shareholding during the year.			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / Decrease				
	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

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
01	Rajiv Sureshbhai Sheth				
	At the beginning of the year	169000	2.38	169000	2.38
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	169000	2.38	169000	2.38
02	Mukeshbhai Prantal Doshi				
	At the beginning of the year	150000	2.11	150000	2.11
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	150000	2.11	150000	2.11

03	Sarjukumar Gunvanbhai Patel				
	At the beginning of the year	138000	1.94	138000	1.94
	Increase in Share holding on 01.02.2019	5000	0.07	143000	2.01
	At the end of the year	143000	2.01	143000	2.01
04	Nehal Dhanraj Shah				
	At the beginning of the year	100251	1.41	100251	1.41
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	100251	1.41	100251	1.41
05	Dhyeya M Doshi				
	At the beginning of the year	100025	1.41	100025	1.41
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	100025	1.41	100025	1.41
06	Sunil Pranlal Mehta				
	At the beginning of the year	100000	1.40	100000	1.40
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	100000	1.40	100000	1.40
07	Denish Dhanraj Shah				
	At the beginning of the year	100000	1.40	100000	1.40
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	100000	1.40	100000	1.40
08	Jayant Share Broking Private Ltd				
	At the beginning of the year	67000	0.94	67000	0.94
	Increase in Share holding on 13.04.2018	973	0.01	67973	0.95
	Increase in Share holding on 31.05.2018	2027	0.03	70000	0.98
	Increase in Share holding on 01.06.2018	5000	0.07	75000	1.05
	Increase in Share holding on 21.12.2018	400	0.01	75400	1.06
	Increase in Share holding on 18.01.2019	600	0.01	76000	1.07
	Increase in Share holding on 01.02.2019	4000	0.06	80000	1.12
	At the end of the year	80000	1.12	80000	1.12
09	Dharmesh Sureshbhai Sheth				
	At the beginning of the year	78825	1.10	78825	1.10
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	78825	1.10	78825	1.10
10	Mehta Jalpa K				
	At the beginning of the year	75000	1.05	75000	1.05
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	75000	1.05	75000	1.05
11	Azad C Ramoliya				
	At the beginning of the year	75000	1.05	75000	1.05
	Date wise Increase / Decrease in Share	0	0	0	0

holding during the year				
At the end of the year	75000	1.05	75000	1.05

V) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	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
01	Chetankumar Shaileshkumar Parekh				
	At the beginning of the year	815000	11.44	815000	11.44
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	815000	11.44	815000	11.44
02	Shaileshkumar Jayantkumar Parekh				
	At the beginning of the year	425000	5.97	425000	5.97
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	425000	5.97	425000	5.97
03	Tarunkumar Parsottamdas Solanki				
	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
04	Priyavanda Sudhir Parekh				
	At the beginning of the year	1041000	14.62	1041000	14.62
	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
	At the end of the year	1041000	14.62	1041000	14.62
05	Shweta Naresh Kumar Temani				
	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
06	Ruchi Rohankumar Bharolla				
	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	Unsecured Loans	Deposits	Total Indebtedness
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		deposits			
Indebtedness at the beginning of the financial year					
i)	Principal Amount	0.00	1577000.00	0.00	1577000.00
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
Total (i + ii + iii)		0.00	1577000.00	0.00	1577000.00
Change in Indebtedness during the financial year					
Addition		942124.00	2655513.00	0.00	3597637
Reduction		0.00	0.00	0.00	0.00
Net Change		942124.00	2655513.00	0.00	3597637.00
Indebtedness at the end of the financial year					
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
Total (i + ii + iii)		942124.00	4232513.00	0.00	5174637.00

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	
	Independent Directors			

	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL
	Other Non-Executive Directors	Priyavanda Sudhir Parekh		
	Fee for attending board committee meetings	NIL		NIL
	Commission	NIL		NIL
	Others, please specify	NIL		NIL
	Total (2)	NIL		
	Total (B)=(1+2)	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
	Total	120000.00	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
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			imposed		
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
A. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Place: Silvassa
 Date: 29.05.2019

By Order of the Board
For Gujarat Cotex Limited

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 31st March, 2019

[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 31st March, 2019 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 31st March, 2019 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. *Company has not made timely submission of Voting Result of Annual General Meeting held on 10.09.2018 as required under Regulation 44(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements),*

Regulation 2015.

3. *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: 29.05.2019

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: 29.05.2019

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

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	<ul style="list-style-type: none"> o Loans and advances in the nature of loans to subsidiaries by name and amount: NIL o Loans and advances in the nature of loans to associates by name and amount: NIL o Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL
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:

Particulars	As on 31/03/2019	As on 31/03/2018
Turnover and other income	37,65,15,407.00	34,51,95,659.00
Gross profit/Loss (-) before Financial Charges & depreciation	1,08,87,151.00	468487.00
Interest and Financial Charges	1,05,577.00	46,052.00
Profit/Loss(-) before depreciation	1,07,81,574.00	4,22,435.00
Depreciation	3,28,306.00	3,43,048.00
Profit /Loss(-) After Tax for the year	40,858.00	79,387.00

(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: No shares of the company are held under any demat suspense account.

By Order of the Board
For Gujarat Cotex Limited

Place: Silvassa
Date: 29.05.2019

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 the Standalone Financial Statements

We have audited the accompanying the standalone financial statements of **GUJARAT COTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is 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 cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial control system over financial reporting and the operating effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date and
- c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 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.

FOR M KAPADIA & CO
CHARTERED ACCOUNTANTS
FRN - 133572W

(MEHUL G. KAPADIA – PARTNER)
MEMBERSHIP NO.: 126250
SURAT. 29TH MAY, 2019.

ANNEXURE- A TO INDEPENDENT AUDITORS' REPORT

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 31st March 2019, 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 provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings 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, 2019 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 31-03-2019 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 **FOR** 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, the Company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- 13.** In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14.** In our opinion, 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.

M KAPADIA & CO
CHARTERED ACCOUNTANTS
FRN - 133572W

(MEHUL G. KAPADIA – PARTNER)
MEMBERSHIP NO.: 126250
SURAT. 29TH MAY, 2019.

ANNEXURE- B TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (l) 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, 2019 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 of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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, 2019, 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.

FORM KAPADIA & CO
CHARTERED ACCOUNTANTS
FRN - 133572W

(MEHUL G. KAPADIA – PARTNER)
MEMBERSHIP NO.: 126250
SURAT. 29TH MAY, 2019.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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, 2019.

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 that 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 or 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.

FOR M KAPADIA & CO
CHARTERED ACCOUNTANTS
FRN - 133572W

(MEHUL G. KAPADIA – PARTNER)
MEMBERSHIP NO: 126250
SURAT. 29TH MAY, 2019.

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

BALANCE SHEET AS AT MARCH 31, 2019.

		In Rupees	
		As at	As at
Notes		31st March, 2019	31st March, 2018
ASSETS			
NON-CURRENT ASSETS			
(a)	Property, Plant & Equipment	12,588,621	13,543,979
(b)	Capital Work-in-Progress	0	0
(c)	Intangible Assets	0	0
(d)	Financial Assets		
	(i) Investments	7,500,000	7,475,100
	(ii) Loans	0	0
	(ii) Other	0	0
(e)	Other non-current Assets	9,605,823	3,509,505
CURRENT ASSETS			
(a)	Inventories	1,085,902	0
(b)	Financial Assets		
	(i) Investments	0	0
	(ii) Trade Receivables	204,052,325	159,788,336
	(iii) Cash & Cash Equivalents	1,566,511	3,786,243
	(iv) Loans	0	0
	(v) Other	0	0
(c)	Other Current Assets	234,064	292,581
TOTAL ASSETS		236,633,246	188,395,744
EQUITY AND LIABILITIES			
EQUITY			
(a)	Equity Share Capital	71,220,000	71,220,000
(b)	Other Equity	(89,96,181)	(9,037,039)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a)	Financial Liabilities		
	(i) Borrowings	942,124	0
	(ii) Other Financial Liabilities	0	0
(b)	Provisions	0	0
(c)	Deferred Tax Liabilities (Net)	0	0
(d)	Other non-current liabilities	0	0
CURRENT LIABILITIES			
(a)	Financial Liabilities		
	(i) Borrowings	4,232,513	1,577,000
	(ii) Trade Payables	166,462,228	122,498,794
	(iii) Other Financial Liabilities	0	0
(b)	Other Current Liabilities	2,680,888	2,136,990
(c)	Provisions	0	0
(d)	Current Tax Liabilities (Net)	91,674	0
TOTAL EQUITY AND LIABILITIES		236,633,246	188,395,744

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

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

Priyvanda S. Pare Shailesh J Parekh Chetan S. Parekh
(DIN:02644060) (DIN:01246270) (DIN:01246220)
Chair Person Managing Director Director & CFO

(MEHUL G. KAPADIA - PARTNER)
MEMBERSHIP NO. 126250
SURAT. 29TH MAY, 2019

Shweta N Timani Tarun P SolankRuchi R Bharolia
(PAN:ANKPT0494)(DIN:02310265) (DIN:07294293)
Company Secretar Directordditional Director

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2019

		In Rupees	
	Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I REVENUE FROM OPERATIONS	12	376,513,780	345,195,644
II OTHER INCOME	13	1,627	15
III Total Revenue		376,515,407	345,195,659
IV EXPENDITURE			
Purchase of Stock in Trade		36,47,29,744	343,258,886
Changes in inventories of finished goods, work-in-progress and stock-in-trade	14	(1,085,902)	0
Employee Benefit Expense	15	937,800	564,314
Finance Cost	16	105,577	46,052
Depreciation and Amortization Expense	17	328,306	343,048
Other Expense	18	1,046,614	903,972
Total Expenses		36,60,62,139	345,116,272
V Profit/(Loss) before Exceptional Items & Tax (III - IV)		104,53,268	79,387
VI Exceptional Items			
Loss on sale of land		205,569	0
Prior Period Items	18A	1,01,15,167	0
VII Profit/(Loss) before Tax (V - VI)		1,32,532	79,387
VIII Tax Expenses:			
Current Tax		0	0
Deferred Tax		0	0
Minimum Alternate Tax		91,674	0
VII Profit / (Loss) for the year (V - VI)		40,858	79,387
VIII Other Comprehensive Income		0	0
IX Total Comprehensive Income for the year		40,858	79,387
XIII Earning per share (Face Value Rs.10 each)	19		
Basic		0.01	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

(MEHUL G. KAPADIA - PARTNER)
MEMBERSHIP NO. 126250
SURAT. 29TH MAY, 2019

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

Priyvanda S. Parekh Shailesh J Parekh Chetan S. Parekh
(DIN:02644060) (DIN:01246270) (DIN:01246220)
Chair Person Managing Director Director & CFO

Shweta N Timani Tarun P Solanki Ruchi R Bharolia
(PAN:ANKPT0494L) (DIN:02310265) (DIN:07294293)
Company Secretary Director Additional Director

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

	In Rupees	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A EQUITY SHARE CAPITAL		
Balance at the beginning of the reporting year	71,220,000	71,220,000
Changes in equity share capital during the year	0	0
Balance at the end of the reporting year	71,220,000	71,220,000
B OTHER EQUITY		
Accumulated Debit in Profit & Loss Account		
Opening balance of Retained Earnings / (Loss)	(9,037,039)	(9,114,662)
Add: Profit / (Loss) for the year	40,858	79,387
Add: Other Comprehensive income (net of tax)	0	0
Total Comprehensive Income for the year	40,858	79,387
Less: Loss after tax of Prabhat Infratech for F.Y.2016-17	0	(1,764)
Less: Bad Debts written off during the year	0	0
Closing balance of Profit & Loss A/c.	(89,96,181)	(9,037,039)

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. 29TH MAY, 2019

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

Shailesh J Parekh Chetan S. Parekh
(DIN:01246270) (DIN:01246220)
Managing Director Director & CFO

Tarun P Solanki Ruchi R Bharolia
(DIN:02310265) (DIN:07294293)
Director Additional Director

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

		In Rupees	
		As at March 31 2019	As at March 31 2018
A	CASH FLOW FROM OPERATING ACTIVITIES:		
(a)	Profit / (Loss) from operating activities	40,858	79,387
	Adjustments:		
	Loss of Prabhat Infratech Div of F.Y.2016-17	0	(1,764)
	Depreciation and amortization	328,306	343,048
	Other Income	(1,627)	(15)
	Loss on sale of land	205,569	0
	Interest and other finance costs	119,891	57,824
(b)	Working capital changes:		
	Decrease / (Increase) in inventories	(1,085,902)	0
	Decrease / (Increase) in trade receivables	(44,263,989)	(71,345,121)
	Decrease / (Increase) in loans & advances	0	0
	Decrease / (Increase) in other current assets	0	0
	Increase / (Decrease) in trade payables	43,963,434	75,040,192
	Increase / (Decrease) in other current liabilities	543,898	2,135,955
	Increase / (Decrease) in provisions/tax liabilities	91,674	0
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	(57,887)	6,309,505
B	CASH FLOW FROM INVESTING ACTIVITIES:		
(a)	Proceeds from sale of fixed assets	480,000	0
(b)	Proceeds from sale of investments	0	0
(c)	Purchase of tangible assets/capital work in progress	0	0
(d)	Purchase of intangible assets/assets under development	0	0
(e)	Purchase of investments	(24,900)	0
(f)	Decrease / (Increase) in other non-current assets	(6,096,318)	(3,507,505)
(g)	Dividend Received	15	15
(h)	Interest Received	0	0
(i)	Other Income	1,613	0
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	(5,639,590)	(3,507,490)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
(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	942,124	(201,513)
(e)	Receipt / (Payment) of current liabilities - borrowings	2,655,513	(458,000)
(f)	Dividends paid (including distribution tax)	0	0
(g)	Interest and other finance costs	(119,891)	(57,824)
(h)	Share issue expenses	0	0
	NET CASH GENERATED FROM INVESTING ACTIVITIES (C)	3,477,746	(717,337)
	TOTAL CASH INFLOWS (A+B+C)	-22,19,731	2,084,679
	ADD: CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,786,243	1,701,564
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	15,66,512	3,786,243

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

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

Priyvanda S. Parekh Shailesh J Parekh Chetan S. Parekh
(DIN:02644060) (DIN:01246270) (DIN:01246220)
Chair Person Managing Director Director & CFO

(MEHUL G. KAPADIA - PARTNER)
MEMBERSHIP NO. 126250
SURAT. 29TH MAY, 2019

Shweta N Timani Tarun P Solanki Ruchi R Bharolia
(PAN:ANKPT0494L)(DIN:02310265) (DIN:07294293)
Company Secretary Director Additional Director

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

1 PROPERTY, PLANT & EQUIPMENT	GROSS BLOCK (AT W.D.V.)			DEPRECIATION AND AMORTIZATION			NET BOOK VALUE			
	As at 1st April, 2018	Additions	Withdrawals & adjustments	As at 31st March, 2019	Upto 1st April, 2018	For the year	On withdrawals & adjustments	Upto 31st March, 2019	As at 31st March, 2019	As at 1st April, 2018
Particulars										
Land	1,331,689	0	685,569	646,120	0	0	0	0	646,120	1,331,689
Buildings	12,162,170	0	0	12,162,170	1,066,116	176,427	0	1,242,543	10,919,627	11,096,054
Furniture & Fixtures	1,143,242	0	0	1,143,242	848,616	27,989	0	876,605	266,637	294,626
Vehicles	1,518,483	0	0	1,518,483	782,407	46,667	0	829,074	689,409	736,076
Office Equipment	148,321	0	0	148,321	82,165	12,569	0	94,734	53,587	66,156
Computer Systems	648,111	0	0	648,111	628,733	6,137	0	634,870	13,241	19,378
TOTAL	16,952,016	0	685,569	16,266,447	3,408,037	269,789	0	3,677,826	12,588,621	13,543,979

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Note	Particulars	In Rupees	
		As at 31st March, 2019	As at 31st March, 2018
2	NON-CURRENT INVESTMENTS		
	Investment in Equity Instruments fully paid-up - Unquoted		
	Sonpal Cement Ltd (Formerly known as Amy Urja Vikalp Limited) 433400 Equity Shares of Rs.10 each fully paid	4,334,000	4,334,000
	Gujarat Cotex Finlease Limited 314100 Equity Shares of Rs.10 each fully paid	3,141,000	3,141,000
	Other - Unquoted		
	In shares of The Surat Peoples Coop. Bank Ltd (C.Y.250 Equity Shares & P.Y.1 Equity Share of Rs.100 each fully paid)	25,000	100
		7,500,000	7,475,100
3	OTHER NON-CURRENT ASSETS		
	Unsecured, considered good		
	Advances for Purchase of Capital Goods		
	(i) Advance to related parties	0	1,000,000
	(ii) Advance to others	9,600,000	2,500,000
	Security Deposit		
	With Others	2,000	9,505
	Balance with revenue authorities		
	Goods & Service Tax Receivable	3,823	0
		9,605,823	3,509,505
4	TRADE RECEIVABLES		
	Unsecured, considered good	204,052,325	159,788,336
		204,052,325	159,788,336
5	CASH AND CASH EQUIVALENT		
	Cash on hand:		
	In Indian Rupees	1,478,285	3,611,426
	Bank balance :		
	In Current Accounts	88,226	174,817
		1,566,511	3,786,243
6	OTHER CURRENT ASSETS		
	Unamortized Expense (To the extent not written off or adjusted)		
	Preliminary Expenses	8,090	10,113
	Public Issue Expenses	225,974	282,468
		234,064	292,581
7	EQUITY SHARE CAPITAL		
	AUTHORISED		
	72,50,000 Equity Shares of Rs.10/- each	72,500,000	72,500,000
	ISSUED, SUBSCRIBED AND FULLY PAID UP		
	71,22,000 Equity Shares of Rs. 10/- each fully paid up.	71,220,000	71,220,000
		71,220,000	71,220,000
	7.1 Reconciliation of Share Capital		
	Equity Shares at Beginning of the Year [7122000 Shares]	71,220,000	71,220,000
	Add: Issued During the Year	0	0
	Equity Shares at End of the Year [7122000 Shares]	71,220,000	71,220,000

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Note	Particulars	In Rupees	
		As at 31st March, 2019	As at 31st March, 2018
7.2 Details of share holder holding more than 5% of the ordinary shares in the company			
	Priyavanda Sudhir Parekh AEBPP4567N	1041000 (14.62%)	1041000 (14.62%)
	Ketan Sudhir Parekh AFSP8274L	850000 (11.93%)	850000 (11.93%)
	Chetan Shailesh Parekh AFSP8275M	815000 (11.44%)	815000 (11.44%)
	Shailesh Jayant Parekh AERPP2055D	425000 (05.97%)	425000 (05.97%)
<hr/>			
8	NON-CURRENT BORROWINGS		
	Secured		
	ICICI Bank Ltd - Car Loan (Term loan have been taken against hypothecaion of Motor Car during the year)	552,001	0
	The Surat Peoples Cooperative Bank Ltd -Overdraft Facility (Overdraft facility have been availed during the year against the mortgage of house property of Director - Shaileshbhai J Parekh)	390,123	0
		<hr/>	<hr/>
		942,124	0
<hr/>			
9	CURRENT BORROWINGS		
	Unsecured, considered good		
	Loans and advances from related parties	4,232,513	1,577,000
		<hr/>	<hr/>
		4,232,513	1,577,000
<hr/>			
10	TRADE PAYABLES		
	Creditors for Goods	166,384,750	122,463,787
	Creditors for Expense	77,478	35,007
		<hr/>	<hr/>
		166,462,228	122,498,794
<hr/>			
11	OTHER CURRENT LIABILITIES		
	Statutory Liabilities	3,338	10,440
	Advances from Customers	2,677,550	2,126,550
		<hr/>	<hr/>
		2,680,888	2,136,990

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Note	Particulars	In Rupees	
		As at 31st March, 2019	As at 31st March, 2018
12	REVENUE FROM OPERATIONS		
	Sale of Goods	376,513,780	344,501,744
	Sale of Service (Prabhat Infotech - Education Segment)	0	693,900
		376,513,780	345,195,644
13	OTHER INCOME		
	Dividend Income	15	15
	Vatav Kasar / Discount	1,612	0
		1,627	15
14	CHANGE OF INVENTORIES OF STOCK IN TRADE		
	Opening Stock - in - trade	0	0
	Less: Closing Stock - in - trade	1,085,902	0
		-1,085,902	0
15	EMPLOYEE BENEFITS EXPENSES		
	Salary & Bonus Expense	937,800	564,314
		937,800	564,314
16	FINANCE COST		
	Interest on Bank OD	91,268	37,707
	Interest on Car Loan	14,309	8,345
		105,577	46,052
17	DEPRECIATION AND AMORTIZATION EXPENSE		
	Depreciation on Tangible Assets	269,789	284,531
	Preliminary Expense (written off)	2,023	2,023
	Public Issue Expense (written off)	56,494	56,494
		328,306	343,048
18	OTHER EXPENSE		
	AC Repairing Expense	0	4,000
	Advertisement Expense	3,192	9,616
	Auditor Remuneration	20,000	15,000
	Bank Charges	14,314	11,772
	Computer Expense	5,498	4,600
	Electricity Expense	12,950	12,830
	GST Penalty	201	200
	Interest on TDS	106	0
	Legal, Professional & Consultancy Fees	403,568	431,140
	Office Expense	69,323	19,577
	Printing & Stationery	2,294	9,846
	Professional Tax	2,000	3,000
	Property Tax / Municipal Tax	27,000	27,354
	Repairs & Maintenance Expense	189,289	0
	ROC Fees	5,800	0
	Telephone Expense	11,409	23,970
	Vatav Kasar	0	126,221
	Vehicle Fuel & Repairs & Maintenance Expense	243,527	168,147
	Vehicle Insurance	36,142	36,700
		1,046,614	903,972

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

In Rupees

Note	Particulars	As at 31st March, 2019	As at 31st March, 2018
18A PRIOR PERIOD ITEMS			
	Purchase of goods	1,01,06,167	0
	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	9,000	0
	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		
		1,01,15,167	0
19 EARNING PER SHARE (EPS)			
	Net Profit after Tax as per Profit and Loss Account	40,858	79,387
	Weighted Average number of Equity Shares:	7122000	7122000
	Face Value Per Share	10	10
	Basic Earning per Share	0.01	0.01
	Diluted Earning per Share	0	0

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LT

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

In Rupees

Note	Particulars	As at 31st March, 2019	As at 31st March, 2018
20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT			
20.1 CONTINGENT LIABILITIES AND COMMITMENTS (To the Extent not provided for)			
	<u>Contingent Liabilities:</u>	0	0
	<u>Commitments:</u>	0	0
20.2 DISCLOSURES ON AMOUNT OUTSTANDING TO MICRO, SMALL AND MEDIUM ENTERPRISES Based on available information with the company. (This has been relied upon by the auditors on the information provided by the Management)			
	Principal Amount due and remaining unpaid	0	0
	Interest due on above and unpaid interest	0	0
	Interest paid	0	0
	Payment made beyond the appointed day during the year	0	0
	Interest due and payable for the period of delay	0	0
	Interest accrued and remained unpaid	0	0
	Amount of further interest remaining due and payable	0	0
20.3 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS			
RAW MATERIALS - In Amount			
	Imported	0	0
	Indigenous	0	0
		0	0
RAW MATERIALS - In Percentage			
	Imported	0.00%	0.00%
	Indigenous	0.00%	0.00%
		0.00%	0.00%
20.4 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		0	0
20.5 EXPENDITURE IN FOREIGN CURRENCY		0	0
20.6 EARNING IN FOREIGN EXCHANGE		0	0
21 DETAILS OF PAYMENTS MADE TO AUDITORS			
(a)	As Auditor	20,000	15,000
(b)	As Advisor or In any other capacity In respect of:		
	I) Taxation Matter	0	0
	II) Company Law Matter	0	0
(c)	In any other matter	0	0
		20,000	15,000

GUJARAT COTEX LTD (FORMERLY KNOWN AS OCTAGON INDUSTRIES LT

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Note	Particulars	In Rupees	
		As at 31st March, 2019	As at 31st March, 2018
22	EMPLOYEE BENEFIT PLANS		
	22.1 Defined Contribution Plans		
	Contribution to Provident Fund (Eligible Employees)	0	0
	Contribution to other Funds	0	0
		0	0
	22.2 Defined Benefit Plans		
	The company has not provided any provision for following employees benefits	Not Accertained	Not Accertained
	Gratuity Benefit	Not Accertained	Not Accertained
	Post-employment medical or other benefits	Not Accertained	Not Accertained
	Other Defined benefit plans	Not Accertained	Not Accertained

23 RELATED PARTY DISCLOSURE

23.1 Details of Related Parties (As identified by management)

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Shaileshbhai J Parekh
Relatives of KMP	Ketan Sudhir Parekh
Relatives of KMP	Sarlaben Shaileshbhai Parekh
Relatives of KMP	Sonal Dharmesh Sheth
Relatives of KMP	Priyavnda Sudhir Parekh
Relatives of KMP	Chetan Shaileshbhai Parekh
Company in which KMP / Relatives of KMP can exercise significant influence	Common directors in Gujarat Cotex Ltd and Prabhat Oil Ltd are: Shaileshbhai J Parekh Priyavnda Sudhir Parekh Chetan Shaileshbhai Parekh Sonal D Sheth

23.2 Details of Transactions and balance outstanding with Related Parties during the year

Balance outstanding at the end of the year	(KMP)	Relatives of KMP	Total
Current - Borrowings	0	4,232,513	4,232,513
Other non Current Assets	0	0	0

24 INVENTORIES

Inventories are as taken, valued and certified by the Management

Particulars	Purchased Quantity (Net of Return) In mtrs	Sold Quantity (Net of Return) In mtrs	Stock as on 31.03.2019 In mtrs
Wholesale trading of Fabrics	6819672.25	6802638.50	17,033.75

25 TRADE RECEIVABLES

Exceeding Six months	40,870,751
Other receivables	163,181,574
	204,052,325

GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019:

26. Corporate Information:

GUJARAT COTEX LIMITED is a Public Company domiciled in India and incorporated under the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the business of trading of fabrics during the year. The Company caters to domestic markets.

27. Significant Accounting Policies:

a) Basis of Preparation of Financial Statements: The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (India Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

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

b) Use of Estimates: The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting 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.

c) 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 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.

d) Purchase, cost and expense Recognition:

Purchase, cost and expenses are recognised when incurred and have been classified according to their nature. However, purchase of Rs.10,106,167/- and professional & consultancy fees of Rs.9,000/- pertains to F.Y.2017- 18 and recorded in books in F.Y.2018- 19. As explanation given to us, such prior period purchase and expense are recorded when goods, service and bills are received in F.Y.2018- 19. This purchase and expense are shown as prior period items in financial statements.

PAGE : 21

e) Goods & Service Tax:

GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

The input tax credit of goods and service tax from the above mentioned purchase and service has been recorded in current year financial statements and book. Further, purchase of March' 2019 from the party Trident Texof ab Limited does not reflect in 2A downloaded from GST Portal till Audit Report date.

f) Tangible Assets:

Fixed Assets 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. Sale of immovable property has been executed by deed of conveyance.

g) Depreciation on Tangible Assets:

Depreciation on Fixed Assets has been provided on Written Down Value method as per useful life prescribed in Schedule II of the Companies Act 2013. Depreciation on all fixed assets has been provided except land at opad, since being not a depreciable asset.

h) Amortization of Preliminary and Public Issue Expense:

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

i) 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. Gujarat Cotex Limited does not expect any impact from this amendment.

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

k) Foreign Currency Transaction:

There is no foreign currency transaction.

l) Employee Benefits:

1) 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:

GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

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.

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.

m) Taxes on Income:

- I)** Current income-tax expense is recognised in accordance with the provisions of Income Tax Act, 1961.
- 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 income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available. However, the Company has not

n) Inventories:

The inventories consist of traded goods. Inventories are carried at cost. The cost of traded goods is determined on FIFO basis.

o) 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.

p) Provision for Bad and Doubtful Debts

The Company has not booked any Debt as Bad and Doubtful Debts during the year.

q) Liquidated Damages:

The Company has informed that there are no liquidated damages to Company and hence no provision has been done thereof.

r) Impaired of Fixed Assets:

GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

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

s) Research & Developments:

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

t) Provisions, contingent liabilities and contingent assets:

The Company has not provided for contingent liabilities and assets during the year.

u) Cash Flow Statement :

Cash flows are reported using the indirect method, whereby 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Effective from April 1, 2017, the Company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

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

GUJARAT COTEX LIMITED (FORMERLY KNOWN AS OCTAGON INDUSTRIES LTD)

28. Recent Indian Accounting Standards:

Ministry of Corporate Affairs (“MCA”), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified new and amendments to Ind AS such as Ind AS 116 – Leases, Ind AS 12- Income Taxes (amendments relating to income-tax consequences of dividend and uncertainty over income tax treatment), Ind AS 109- Preparation features with negative compensation, Ind AS 19 – Plan amendment, curtailment or settlement, Ind AS- 23- Borrowing Costs, Ind AS 28- Long term interests in Associates and Joint Ventures and Ind AS- 103- Business combinations and Ind AS 111- Joint Arrangements. However, the Company has not applied these newly and amended Ind AS as they are effective from April, 2019.

SIGNATURE TO 1 to 28

FORM KAPADIA & CO
CHARTERED ACCOUNTANTS
FRN : 133572W

(MEHUL G. KAPADIA- PARTNER)
MEMBERSHIP NO. 128250
SURAT. 29TH MAY, 2019

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

Priyavanda S. Parekh
(DIN:02644060)
Chair Person

Shailesh J Parekh
(DIN:01246270)
Managing Director

Chetan S Parekh
(DIN:01246220)
Director & CFO

Sweta N Timani
(PAN:ANKPT0494L)
Company Secretary

Tarun P Solanki
(DIN:02310265)
Director

Ruchi R Bhardia
(DIN:07294293)
Additional Director



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, 12th September, 2019 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, 12th September, 2019 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:

Sr. No.	Resolution	For	Against
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Ordinary Business:-

- 1 Adoption of Audited Financial Statements and the reports of the Board of Directors and Auditors report.
- 2 Re-appointment of Smt. Priyavanda Sudhir Parekh as director

Special Business:-

- 3 Shifting of Registered Office of Company from Union Territory of Dadar and Nagar Haveli to the State of Gujarat
- 4 Alteration of Clause V of Memorandum of Association for Reclassification of the Authorised Share Capital
- 5 Re-appointment of Shri Tarunkumar Parsottamdas Solanki (DIN: 02310265) as Independent Director of the company

Signed this.....day of.....2019

Signature of Shareholder
 Signature of Proxy holder(s)

Affix Revenue
 Stamp

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

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

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

No.	Item No.	No. of Shares held by me	I assent to the Resolution	I dissent to the resolution
1.	Adoption of Audited Financial Statements and the reports of the Board of Directors and Auditors report. (Ordinary Resolution)			
2.	Re-appointment of Priyavanda Sudhir Parekh as director (Ordinary Resolution)			
3.	Shifting of Registered Office of Company from Union Territory of Dadar and Nagar Haveli to the State of Gujarat (Special Resolution)			
4.	Alteration of Clause V of Memorandum of Association for Reclassification of the Authorised Share Capital (Ordinary Resolution)			
5.	Re-appointment of Shri Tarunkumar Parsottamdas Solanki (DIN: 02310265) as Independent Director of the company (Special Resolution)			

Place:
Date:

Signature of Shareholder