



# ANNUAL REPORT

2021-22

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## *2021-2022*

Action is the Foundational key to Success

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*Accelerating Growth  
with Sustainability*





## Dear Valued Shareowners,

The adverse impact of a mix of the pandemic, armed conflict and climate change has exposed the fragility of the global system that we had largely considered as having competently learned how to manage itself. It has now dawned on governments across the world that the implications of this multidimensional crisis are hard to predict, may complicate further and that signs of its damaging effects — uncontrolled inflation, disrupted food supplies, increased human displacement, exposed healthcare machinery, stalled education levels and faltering job creation ecosystems — are evident and testing the resilience of every nation.

The overarching takeaway is that despite global instability, India has fared better than almost any other major nation. While there were situations over the past 24 months when it appeared that events were getting out of control, we must give credit where credit is due — India was able to bounce back each time, a testimony to our nation's resilience. In my view, utopian as some may call it, India's resilience comes from its historic culture that has been shaped across thousands of years — a model of co-existence that actually works and the philosophy of 'vasudhaiva kutumbakam', which means that the world is one family.

Each and every GSEC Family member directly or indirectly participated in the fight against COVID. Each and every GSEC Family member went beyond their call of duty. It is heartening to see that together we have overcome the worst.

Amidst all these, India continues to be one of the fastest-growing major economies in the world backed by healthy domestic consumption. Successful implementation of the Government's structural initiatives towards improving the ease of doing business such as enhancing transparency, speeding up approvals, resolving policy issues and fostering more significant levels of value addition also played a crucial role in sustaining performance. Further, the Indian rupee suffered because of the crude price shock and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. Notwithstanding unforeseen global events or local political surprises these projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. At the overall level, it makes me feel proud to share with you the performance we have been able to deliver notwithstanding difficult business conditions. Our industry beating growth, on our market position, is definitely an achievement that every stakeholder of this organisation should be proud of.

Despite challenging economic and geopolitical conditions, our Company has continued to maintain its top performance across its businesses of Air Cargo operations and trading of a diverse basket of products which include Commodities and Fabrics.

During the year under review, pursuant to the Insolvency and Bankruptcy Code, 2016, the Resolution Professional of M/s. Diamond Power Infrastructure Limited (DPIL) has filed Resolution Plan with Hon'ble NCLT, Ahmedabad Bench which was submitted by your Company in consortium with Mr. Rakesh Shah in the month of January, 2022. The same was approved by the Committee of Creditors of DPIL with 89.46% voting. The Hon'ble NCLT, Ahmedabad bench has approved the said Resolution Plan vide its order dated 20th June, 2022. Your Company is in process of to complete the necessary formalities for reviving the business of DPIL on going concern basis in near future.

Seeing the trend continue, we have concentrated our efforts on bringing in more efficiency through investment in human capital, process improvements, cost optimization and technology enhancements to ensure that we will remain competitive in a volatile and uncertain global environment.

We will continue to look for new opportunity to add value to our shareholders.

### Financial Performance

The consolidated financial performance for the 12 months ended March 31, 2022, is as follows:

- Total income from operations at Rs. 47709.35 Lacs for the year ended March 31, 2022
- EBITDA at Rs. 3713.68 Lacs for the year ended March 31, 2022
- EBIT of Rs. 3489.03 Lacs for the year ended March 31, 2022
- PAT of Rs. 2449.29 Lacs for the year ended March 31, 2022
- EPS for the year ended March 31, 2022 was Rs. 32.47 for a face value of Rs.10/- per share

Overall, our focus continues to be on driving the Company's Revenue and Profitability growth, increasing Return on Capital Employed and asset utilizations and improving cash flows across all our businesses.

On behalf of the Board, I would like to thank all our shareholders for your continued trust in us. I am also grateful to the Central and State Governments, lenders, suppliers and customers for their consistent and resolute support. I thank our dedicated employees who have worked relentlessly towards achieving the organizational goals. I also thank all my colleagues on the Board for their oversight in this crucial phase of our growth, their support and encouragement.

Sincerely,  
RAKESH SHAH  
Chairman & Managing Director

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shri Rakesh Shah	Chairman & Managing Director
Shri Samir Mankad	CEO & Whole-Time Director
Shri Shaishav Shah	Joint Managing Director
Smt Raji Shah	Non-executive Director
Shri Sandip Parikh	Independent Director
* Shri Shailesh Patwari (resigned W.e.f. 06.08.2022)	Independent Director
# Shri Maheswar Sahu (appointed W.e.f. 28.06.2022)	Independent Director

## CHIEF FINANCIAL OFFICER:

Shri Dinesh Shah

## COMPANY SECRETARY:

Shri Darshil Shah

## BOARD COMMITTEES:

### Audit Committee:-

Shri Sandip Parikh	Chairman
Shri Samir Mankad	Member
*Shri Shailesh Patwari	Member
#Shri Maheswar Sahu	Member

### Nomination and Remuneration Committee:-

Shri Sandip Parikh	Chairman
Smt Raji Shah	Member
*Shri Shailesh Patwari	Member
#Shri Maheswar Sahu	Member

### Share Transfer and Grievances Committee:-

Shri Sandip Parikh	Chairman
Shri Rakesh Shah	Member
Shri Samir Mankad	Member

## Statutory Auditors:-

M/s. BJS & Associates,  
Chartered Accountants,  
Ahmedabad

## Internal Auditors:-

M/s. Dharmesh Parikh & Co.,  
Chartered Accountants,  
Ahmedabad

## Corporate Law Advisors:-

M/s. Umesh Parikh & Associates  
Company Secretaries,  
Ahmedabad

## BANKERS:

State Bank of India

## Registered Office

Gujarat Chambers Building, Ashram Road,  
Ahmedabad-380009.  
Phone: 079-2655 4100/2657 5757  
Fax: 079-26584040  
E-Mail: cs@gsecl.co.in  
CIN: U52100GJ1965PLC001347

## Registrar & Transfer Agents:

Bigshare Services Private Limited  
A/802, Samudra Complex,  
Near Girish Cold Drink Cross Road,  
Off C G Road, Ahmedabad-380009.  
Phone: 079- 40024135  
E-Mail: bssahd@bigshareonline.com  
Website: www.bigshareonline.com

# BOARD OF DIRECTORS

**RAKESH SHAH**  
Chairman & Managing Director



**SHAISHAV SHAH**  
Joint Managing Director



**SAMIR MANKAD**  
CEO & Whole Time Director



**RAJI SHAH**  
Director



**MAHESWAR SAHU**  
Director

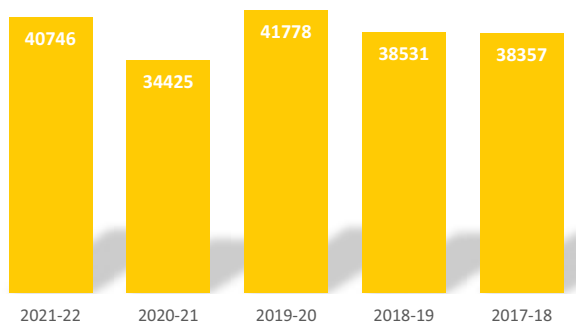


**SANDIP PARIKH**  
Director

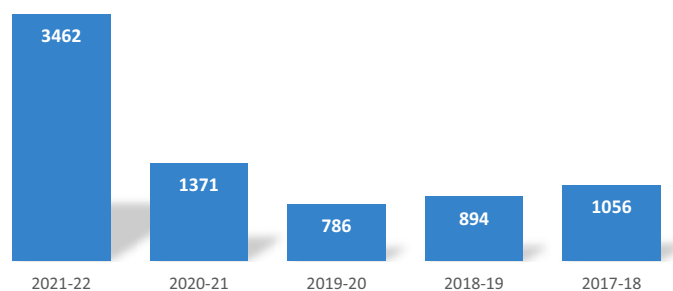
# FIVE YEAR FINANCIAL HIGHLIGHTS

## STANDALONE

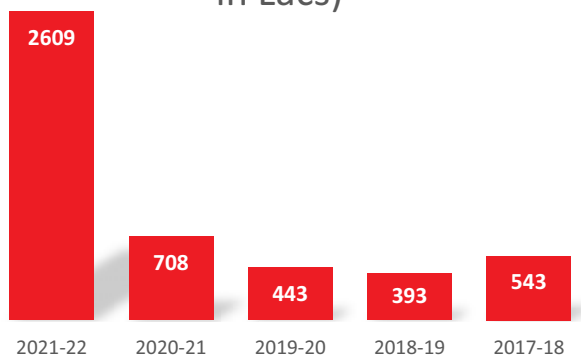
Revenue ( in Lacs)



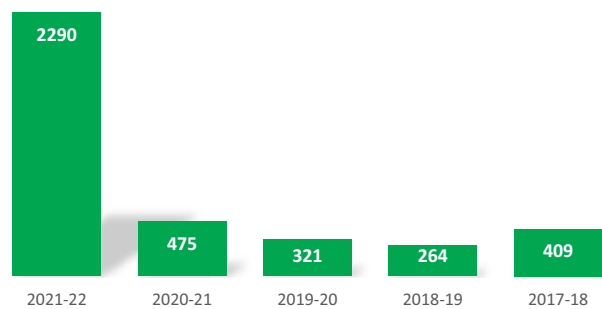
EBIDTA ( in Lacs)



Profit / ( Loss ) Before Tax ( in Lacs)



Profit / ( Loss ) After Tax ( in Lacs)





## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present herewith the 56th Annual Report of your Company together with the Audited Financial Statement and the Auditors' Report for the financial year ended, 31st March, 2022.

### STANDALONE FINANCIAL AND OPERATIONAL HIGHLIGHTS AND STATE OF AFFAIRS OF THE COMPANY:

(Rs. in Lacs)

Particulars	2021-22	2020-21
Net Revenue from Operations	37371.86	33248.51
Other Operating Revenue	0.00	0.00
<b>Revenue from Operations</b>	<b>37371.86</b>	<b>33248.51</b>
Other Income	3374.10	1176.73
<b>Total Revenue</b>	<b>40745.96</b>	<b>34425.23</b>
<b>Profit before financial charges, Depreciation and taxation</b>	<b>3461.88</b>	<b>1371.42</b>
Less: Financial charges	629.03	459.51
Less: Depreciation and amortization expenses	223.82	204.39
<b>Profit before exceptional and prior period items and tax</b>	<b>2609.03</b>	<b>707.53</b>
Less: Exceptional items	0.00	0.00
Less: Prior period items	0.00	0.00
<b>Profit before tax</b>	<b>2609.03</b>	<b>707.53</b>
Less: Current Tax	322.48	131.62
Less: Deferred Tax Liability	3.84	100.43
Less: Provision for tax of earlier years	0.00	0.00
<b>Profit after taxation</b>	<b>2290.39</b>	<b>475.47</b>
<b>Earnings Per Equity Share (in Rs.)</b>	<b>30.34</b>	<b>6.30</b>

#### PERFORMANCE REVIEW:

During the financial year under review, your Company recorded a total revenue of Rs. 40745.96 Lacs as compared to Rs. 34425.23 Lacs during the previous financial year ended March 31, 2021. The Profit before exceptional and prior period items and tax of your Company for the financial year ended March 31, 2022 stood at Rs. 2609.03 Lacs as against the previous financial year ended March 31, 2021 was Rs. 707.53 Lacs. Accordingly, Net profit after tax stood at Rs. 2290.39 Lacs as against the previous financial year ended March 31, 2021 was Rs. 475.47 Lacs which reflects a incline of 381.71% over the corresponding Profit for the financial year ended March 31, 2022.

#### DIVIDEND:

In order to conserve the reserves, the Company has not recommended any dividend for the year ended March 31, 2022.

#### TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2022.

### **SHARE CAPITAL STRUCTURE OF THE COMPANY:**

The paid up capital of the company as on March 31, 2022 was Rs. 7,55,00,000/- divided in to 75,50,000 Equity shares of Rs. 10/- Each. There was no change in the Equity shares capital of the company during the financial year ended March 31, 2022.

### **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

Subsequent to the end of the financial year on March 31, 2022 till date, there has been no material change and/or commitment which may affect the financial position of the Company.

### **DIRECTORS AND SENIOR MANAGERIAL PERSONNEL:**

The Board of Directors is duly constituted in accordance with the provisions of Companies Act, 2013.

In accordance with Section 152 of the Companies Act, 2013, Mr. Shaishav Shah (DIN: 00019293) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **CHANGES IN DIRECTORS:-**

During the Year, Mr. Shaishav Shah (DIN: 00019293) was appointed as Managing Director (Designated as Joint MD) of the Company by the Board for the period of 3 years w.e.f. 20.08.2021 and subsequently his appointment was approved by the members in the Annual General Meeting.

After the closure of the Financial Year, Shri Shailesh Patwari, Independent Director of the company resigned as an Independent w.e.f. 06.08.2022.

The Board of Directors has re-appointed Mr. Rakesh Shah as a Managing Director w.e.f. 1st April, 2022 for the further term of 3 years.

Shri Maheshwar Sahu has been appointed as an Additional Director (Independent Category) w.e.f. 6th August, 2022.

The Company has received notice from a shareholder in terms of Section 160 of the Companies Act, 2013 proposing the appointment of Shri Maheshwar Sahu as a Director of the Company at the ensuing Annual General Meeting.

The Board recommends appointment of Shri Rakesh Shah and Shri Maheshwar Sahu. Necessary resolutions have been proposed by the Board of Directors for approval of Members.

### **Statement of Declaration given by the Independent Directors under Section 149(7):-**

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in section 149 (6).

The Independent Directors have confirmed and declared that they are not dis-qualified to act as an Independent Director as specified under Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfils all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

### **REMUNERATION POLICY:**

The remuneration policy of the Company is annexed to the report as **Annexure - F**.

### **DEPOSITS:**

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the year under review.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

During the year under review, the following changes have taken place in Subsidiaries, Joint Venture and Associate Companies:-

## **SUBSIDIARY COMPANIES FORMED/ACQUIRED**

1. GSEC Air Services Private Limited
2. Aviground Facilities Private Limited
3. Aviserve Facilities Private Limited

## **ASSOCIATE COMPANY**

1. GSEC-Indo-Thai Ground Handling Private Limited
2. GSEC Bird Airport Services Pvt Ltd
3. Smartmeters Technologies Private Limited

In the Previous Year, Smartmeters Technologies Private Limited was wholly owned subsidiary of the Company. However, in the Financial Year it has become the associates Company of the GSEC Limited.

During the year under review, the Company has disinvested its entire stake from GSEC Green Energy Private Limited and therefore ceased as wholly owned subsidiary of the Company w.e.f. 31st July, 2021.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under, the Company has prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of this Annual Report is annexed herewith as **Annexure - A**.

## **MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETING:**

The details of the number of meetings of the Board held during the Financial Year 2021-22 forms part of the Corporate Governance Report which forms part of this Annual Report is annexed herewith as **Annexure - G**.

### **Independent Directors' Meeting**

The Independent Directors met on 15th March, 2022, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **Board Evaluation**

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

## **COMMITTEES OF THE BOARD:**

The Board of Directors has following Committees:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer and Grievances Committee

The details of the Committees along with their composition, number of meetings and attendance of the members at the meetings are provided in the Corporate Governance Report which is annexed to the Report.

**ANNUAL RETURN:**

The Annual Return of the Company as on 31st March, 2022 is available on the website of the Company at [www.gsecl.co.in](http://www.gsecl.co.in).

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year under review all the related party transactions entered into by the Company were on arms' length basis and in ordinary course of business.

There are no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of the related party transactions are provided in Form AOC – 2 under **Annexure-B**.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of the Loans and Guarantees given during the year under review falling under Section 186 of the Companies Act, 2013 is given in **Annexure-C**, which forms part of this report. The details of Investments are as mentioned in the notes of financial statements. During the year under review, the company has not provided any security falling within in purview of Section 186.

**PARTICULARS OF EMPLOYEES:**

No employee was drawing salary in excess of the limits prescribed under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

In terms of provisions of Section 136(1) of the Act, the Annual Report excluding the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the members of the Company. The said information is open for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

**AUDITORS:****Statutory Auditors:-**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. BJS & Associates & Co., Chartered Accountants (Registration No. 113268W), were appointed as Statutory Auditors of the Company to hold office till conclusion of the 58th Annual general Meeting to be held in the calendar year 2024.

The Notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations on adverse remarks or disclaimers given by Statutory Auditors' of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**Secretarial Audit:-**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Umesh Parikh and Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure-D**.

**Internal Audit:-**

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, M/s. Dharmesh Parikh & Co, Chartered Accountant, were appointed as the Internal Auditor of your Company

for the financial year 2021-22. Further the Board of director of the company re-appointed as M/s. Dharmesh Parikh & Co as the Internal Auditor of your Company for the financial year 2022-23.

**EXPLANATION OR COMMENTS ON AUDITORS' REPORT AND/OR SECRETARIAL AUDIT REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory in their Audit Reports which requires clarification from the Management of the Company.

**SECRETARIAL STANDARDS:**

The Board to the best of their knowledge confirms that the Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and made applicable by Ministry of Corporate Affairs.

**MAINTENANCE OF COST RECORDS:**

The Company is not required to maintain any cost records prescribed under section 148 of the Companies Act, 2013 and rules made thereunder.

**INTERNAL FINANCIAL CONTROL SYSTEM:**

The Board has laid down the Internal Control System with adequate internal financial controls, commensurate with the size, scale and complexity of operations which operates effectively. The scope and authority of the Internal Audit (IA) function is well defined.

**RISK MANAGEMENT POLICY:**

The Management regularly reviews the risk and take appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Company has setup a Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

In the opinion of the Board, there has been no identification of any element of risk which may threaten the existence or going concern of the Company.

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaint during the year under review.

**SIGNIFICANT AND MATERIAL ORDERS:**

There is no significant and/or material order passed by any Regulator(s) or Court(s) or Tribunal(s) during the year which would impact the going concern status of the Company and its operations.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 is given in the **Annexure-E**.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company states that:-

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts ongoing concern basis;
- (e) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**ACKNOWLEDGEMENTS:**

Your Directors are thankful to the Bankers, various Government agencies, suppliers, customers, Investors and all others stakeholders for their wholehearted support during the year and look forward to their continued support in the years ahead. Your Directors further appreciate and acknowledge the contributions made by the employees at all levels and other business associates for their commitment and dedication towards the operations of the Company.

**Place : Ahmedabad  
Date : 17th September, 2022**

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

**RAKESH SHAH  
Chairman & Managing Director  
DIN: 00421920**

## ANNEXURE – A

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

##### Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Thousand)

SL. No.	Particulars	1	2	3	4	5
	Name of the subsidiary	<b>GSEC Logistics Limited</b>	<b>GSEC Air Services Private Limited</b>	<b>Electrify Energy Private Limited</b>	<b>Aviground Facilities Private Limited</b>	<b>Aviserve Facilities Private Limited</b>
1	The date since when subsidiary was Acquired	07.09.2006	02.01.2012	16.09.2020	30.11.2021	30.11.2021
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR
4	Share capital	500.00	100.00	1,30,000.00	100.00	100.00
5	Reserves & surplus	4307.08	208.38	(2,877.28)	20.00	(18.00)
6	Total assets	51,957.14	9503.42	4,46,610.12	72.17	164.33
7	Total Liabilities	35,666.79	9195.03	3,19,487.40	70.97	163.52
8	Investments	NIL	NIL	952.36	Nil	Nil
9	Turnover	NIL	8591.51	2,29,675.13	2248.67	5224.26
10	Profit before taxation	3616.87	230.62	(1451.67)	0.36	(3.00)
11	Provision for taxation	968.35	6.11	17.37	Nil	Nil
12	Profit after taxation	2648.52	224.51	(1469.04)	0.36	(3.00)
13	Proposed Divided	NIL	NIL	Nil	Nil	Nil
14	% of Shareholding	100%	100%	100%	51%	51%

#### Notes:

- Names of subsidiaries which are yet to commence operations: Not Applicable.
- Names of subsidiaries which have been liquidated or sold during the year: Revigreen Energy Private Limited (Formally GSEC Green Energy Private Limited)

**Part “B”: Associates & Jointly Controlled Entities**

(Information in respect of each Associates & joint Controlled to be presented with amounts in Rs. Thousand)

SL. No.	Particulars	1	2	3	4	5
	Name of Associates or Joint Ventures	<b>Safire Technologies Private Limited</b>	<b>Smartmeters Technologies Private Limited</b>	<b>GSEC Bird Airport Services Private Limited</b>	<b>GSEC-Indo-Thai Ground Handling Private Limited</b>	<b>P C Snehal GSEC LLP</b>
1	Latest audited Balance Sheet Date	31.03.2021 *	31.03.2022	31.03.2022	31.03.2022	31.03.2022
2	Date on which the Associate or Joint Venture was associated or acquired	09.11.2019	20.08.2021	20.03.2021	14.01.2022	25.03.2021
3	Shares of Associate or Joint Ventures held by the company on the year end	35%	50%	26%	26%	50%
	No.	3500	1,28,00,000	2600	2600	--
	Amount of Investment in Associates or Joint Venture	Rs. 35.00	1,28,000.00	26000	26000	50000
	Extent of Holding (in percentage)	35%	50%	26%	26%	50%
4	Description of how there is significant influence	Due to Percentage of stake in the Company	Due to Percentage of stake in the Company	Due to Percentage of stake in the Company	Due to Percentage of stake in the Company	Due to Percentage of stake in the LLP
5	Reason why the associate/Joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.	N.A.
6	Net worth attributable to shareholding as per latest audited Balance Sheet	4262.61	2,55,889.00	(18,087.04)	972.60	87000
7	Profit or Loss for the year	2549.91	995.00	(18,187.04)	(23.80)	(5000)
i.	Considered in Consolidation	(892.47)	497.50	(4728.63)	(6.19)	(2500)
ii.	Not Considered in Consolidation	(1657.44)	497.50	(13,458.40)	(17.61)	(2500)

**Notes:**

- Names of Associates & Jointly Controlled Entities which are yet to commence operations: GSEC-Indo-Thai Ground Handling Private Limited
- Names of Associates & Jointly Controlled Entities which have been liquidated or sold during the year: Not Applicable.
- Audit of the Company yet to be done

**As per our attached report or even date**

**For BJS & Associates**  
Chartered Accountants  
Firm Registration No. 113268W

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

Place : Ahmedabad  
Date : 17th September, 2022

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

**RAKESH SHAH**  
Chairman & Managing Director  
DIN:00421920

**DINESH SHAH**  
Chief Financial Officer  
M. No. 38650

Place : Ahmedabad  
Date : 17th September, 2022

**SAMIR MANKAD**  
CEO & Whole-Time Director  
DIN: 00421878

**DARSHIL SHAH**  
Company Secretary  
M. No. A37483

## ANNEXURE – B

### Form AOC-2

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

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

- 1 Details of material contracts or arrangements or transactions not at arm's length basis: None of the transactions with related parties fall in this category.
- 2 Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Lacs)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Priti R. Shah (Relative of Directors)	Lease/Rent Agreement	As per Agreement	Rs. 23.13	As per Note Below	As per Note Below
Shaishav R. Shah (Whole-Time Director)	Lease/Rent Agreement	As per Agreement	Rs. 3.04	As per Note Below	As per Note Below
Steel Konnect India Pvt Ltd (Step-down Subsidiary)	Purchase	2021-22	Rs. 2178.83	As per Note	As per Below

**Note:** Above mentioned transaction are done at arm's length price and at prevailing market rate. Appropriate approvals whenever required have been taken for related party transactions. No amount was paid as advance.

Place : Ahmedabad  
Date : 17th September, 2022

For and on behalf of the Board of Directors,

**RAKESH SHAH**  
Chairman & Managing Director  
DIN: 00421920

## ANNEXURE - C

### Particulars of Loans and Guarantees

Loan and Guarantee made during the Financial Year 2021-22 (Rs. in Lacs)

Name of Entity	Relation	Amount	Particulars	Purpose
GSEC Green Energy Private Limited	WOS	70.72	Loan	Business
GSEC Aviation Limited	Sister Concern	366.34	Loan	Business
GSEC Logistics Limited	WOS	13.32	Loan	Business

Place : Ahmedabad  
Date : 17th September, 2022

For and on behalf of the Board of Directors,

**RAKESH SHAH**  
Chairman & Managing Director  
DIN: 00421920

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED March 31, 2020**

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

To,  
The Members,  
**GSEC LIMITED**  
**CIN- U52100GJ1965PLC001347**  
Gujarat Chambers Building,  
Ashram Road, Ahmedabad - 380009.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GSEC Limited** (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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not Applicable;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (Not Applicable as the shares of the Company are not listed on any Stock Exchange)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 16th August 2021);
- (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 (up to 9th June 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June 2021);
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August 2021);

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges. (Not Applicable as the shares of the Company are not listed on any Stock Exchange)

During the audit period under review the Company has complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above and based on the legal opinion taken by Company it is confirmed by the management that provision of Corporate Social Responsibility was not applicable to the Company.

**We further report that:**

Having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the Air cargo activities and Trading activities:

1. Foreign Trade Policy
2. Major Port Trusts Act, 1963
3. The Airports Economic Regulatory Authority of India Act, 2008

**We further report that:**

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

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meetings and agenda and detailed notes on agenda were sent well 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 meetings of Board of Directors/Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance report, we are of the opinion of that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

**We further report that:**

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

**We further report that :**

During the Audit period under review there were no instances of:

- a) Public issue / Right issue of Shares / Debentures / Sweat Equity etc;
- b) Redemption / Buy – Back of Securities;
- c) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;
- d) Merger / amalgamation / Reconstruction etc;
- e) Foreign Technical Collaboration.

**Place : Ahmedabad**

**Date : September 02, 2022**

**For Umesh Parikh & Associates  
Company Secretaries**

**Umesh G. Parikh  
Practicing Company Secretary  
(Proprietor)**

**FCS No.: 4152 C. P. No.: 2413**

**UDIN: F004152D000901290**

**Note:-**

1. This report is to be read with our letter of even date which is annexed as Annexure –A and forms an integral part of this report.

## Annexure A

To,  
The Members,  
**GSEC LIMITED**  
**CIN- U52100GJ1965PLC001347**

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain responsible assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever 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 provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Ahmedabad**  
**Date : September 02, 2022**

**For Umesh Parikh & Associates**  
**Company Secretaries**

**Umesh G. Parikh**  
**Practicing Company Secretary**  
**(Proprietor)**  
**FCS No.: 4152 C. P. No.: 2413**  
**UDIN: F004152D000901290**

## ANNEXURE - E

### Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo (Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014).

<b>(A) Conservation of energy:</b>		
(i)	the steps taken or impact on conservation of energy;	In order to conserve resources, the Company has taken measures and applied control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. On account of measures taken, it reduces the energy consumption.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	N.A.
(iii)	the capital investment on energy conservation equipments	N.A.
<b>(B) Technology absorption:</b>		
(i)	the efforts made towards technology absorption;	There is no technology absorption and Company not incurred any Research and development has expenditure.
	The benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	N.A.
	(a) the details of technology imported;	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.
<b>(C) Foreign Exchange Earning and Outgo:</b>		
(i)	Foreign Exchange Earning	During the year under review, earnings in Foreign Currency amounted to Nil (Previous year Rs. Nil)
(ii)	Foreign Exchange Outgo	During the year under review, outgo in Foreign Currency amounted to Rs. 13.40 Crores (Previous year Rs. 20.29 lakh)

Place : Ahmedabad  
Date : 17th September, 2022

For and on behalf of the Board of Directors,

**RAKESH SHAH**  
Chairman & Managing Director  
DIN: 00421920

## ANNEXURE - F

### Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Senior Employees of GSEC limited.

#### I TERMS OF REFERENCE TO THE NOMINATION AND REMUNERATION COMMITTEE:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
2. To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
4. To recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees.”

#### II APPLICATION:

This Policy applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of GSEC Limited (‘the Company’). The policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel and Senior Management Personnel in accordance with provisions of Companies Act, 2013 (‘the Act’) including the rules made thereunder as may be applicable.

#### III OBJECTIVITY:

The Company aims to achieve balance of merits, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management Personnel.

#### I. DEFINITIONS:

1. “Board” means Board of Directors of the Company.
2. “Committee” means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board from time to time.
3. “Key Managerial Personnel” (KMP) means:
  - a) Chief Executive Officer or Managing Director or the Manager,
  - b) Whole-time Director
  - c) Chief Financial Officer
  - d) Company Secretary and
  - e) Such other officers as may be prescribed under the Act from time to time
4. “Senior Management Personnel” (SMP) means personnel of the Company who are members of the core management team, excluding Board of Directors and are one level below the Executive Directors including all Functional Heads.
5. “Company Policy” means the policy of Human Resource Department of the Company as laid down from time to time.

#### II. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP:

1. The Committee shall consider criteria such as qualifications, skills, expertise and experience of the person to be appointed as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.



2. The age of person to be appointed as a Non-Executive Director shall not be less than 21 years and more than 75 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 75 years.
3. The age of person to be appointed as an Executive Director shall not be less than 21 years and not more than 70 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 70 years.
4. The Company should ensure that the person so appointed as Director is not disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
5. The Director/ Independent Director / KMP / SMP shall be appointed as per the provisions and procedure laid down under the Companies Act, 2013 including rules made thereunder, as may be applicable or any other enactment for the time being in force.
6. The Committee may recommend to the Board for removal of a Director on account of any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground. The Committee may also recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of the applicable Act, rules and regulations.
7. Term and tenure of a Director shall be in accordance with the provisions of the Companies Act, 2013 rules made thereunder as may be applicable and amended from time to time.

### III. REMUNERATION OF DIRECTORS, KMP AND SMP:

#### A) DIRECTORS –

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors on the basis of recommendation of the Committee subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and in compliance with the provisions of the listing agreement as applicable from time to time.

The remuneration of Directors shall be approved by the shareholders of the Company as and when required.

#### (I) EXECUTIVE DIRECTORS –

The Company shall enter into a contract with every Executive Director, which will set out the terms and conditions of appointment and tenure, as recommended by the Committee and approved by the Board.

The Board may vary any terms or conditions of the contract from time to time within the tenure subject to such approvals as may be required under the Act.

The remuneration components shall include inter alia:

##### A. Fixed salary:

Each Executive Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be recommended by the Committee and decided by the Board and performance evaluation of each Executive Director from time to time, subject to overall limits as prescribed under the Act.

The salary may be reviewed;

- i) From time to time as thought fit by the Committee.
- ii) Annually within the limits as set by the Company within the overall limit as fixed by the shareholders of the Company.

**B. Commission:**

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each Director shall be recommended by the Committee on the basis of the performance evaluation of the Director undertaken by the Committee and the Board.

**C. Separation / Retirement benefits:**

Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof,
- (b) Gratuity payable at a rate not exceeding one month's salary for each completed year of service and
- (c) Encashment of leave at the end of the tenure. In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

**D. Non-monetary Benefits:**

Executive Director shall be eligible to the following non-monetary benefits which shall, subject to the terms and conditions of the appointment of Executive Director by the shareholders of the Company, not be included in the computation of the limit/ceiling on remuneration:

Executive Directors may be entitled to club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bills, fully furnished accommodation (in case of use of own residential property for accommodation) or house rent allowance in lieu thereof, soft and hard furnishings, reimbursement of house maintenance expenditure, gas, electricity bill, water and other utilities and repairs at residence, medical expenditure, including hospitalization expenses for self and family, leave travel assistance and entertainment expenses.

Executive Director may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance or any other benefit as per Company policy.

Executive Director may be entitled to such other additional benefits as per the Company Policy.

**(II) NON-EXECUTIVE DIRECTORS –**

The Company shall issue a letter of appointment to every Non-Executive Independent Director. The components of payment of remuneration to Non-Executive Directors shall include:

**A. Sitting Fees:**

Sitting fees shall be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act. Committee shall include Audit Committee, Nomination and Remuneration Committee Share Transfer and Shareholders' Grievances Committee or such other Committees as may be constituted by the Board from time to time.

**B. Commission:**

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the Committee on the basis of annual performance evaluation of the director.

**C. Professional Fees:**

Non Independent Directors may be paid fees for services of professional nature, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession. Such professional fees shall not be considered as remuneration for the purpose of Act.

Independent Directors may be paid the fees for providing services of professional nature on an arm's length basis, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession.

**B) KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL –**

The Company shall issue an appointment letter to every KMP and SMP. The remuneration components payable to KMP/ SMP may be:

**A. Fixed Salary:**

Each KMP / SMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein. The same shall be reviewed annually based on the Company's annual appraisal policy.

**B. Variable Pay:**

Apportion of the overall salary may be paid as variable pay to every KMP/SMP. This shall be as per the Performance Linked Pay Scheme of the Company, which is designed to bring about increase in overall organizational effectiveness through alignment of Company, Functional and Individual objectives.

**C. Perquisites / Other Benefits Perquisites / Other Benefits:**

These are to be benchmarked with Industry practices from time to time keeping an overall salary structure in mind. These may include petrol reimbursement, vehicle maintenance, telephone, reimbursement of mobile phone bills, leave travel assistance and reimbursement of medical expenditure for self and family and such other benefits as per the Company Policy.

KMP / SMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance and such other benefits as per Company policy.

**D. Annual Pay Revision / Promotion Evaluation of KMP / SMP:**

This shall be based on appraisal against stated Objectives / Goals of the individual which in turn shall be aligned to the Functional and Enterprise Score Card. Key Result Areas (KRAs) are set at the beginning of the year in consultation with the Executive Director. Pay revisions / promotions will be achievement oriented and will also have reference to Industry benchmarks, where appropriate.

**e. Separation / Retirement benefits:**

Separation / retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

**C) DIRECTORS AND OFFICERS LIABILITY INSURANCE–**

The Company will take Directors and Officers Liability Insurance or such insurance of like nature for indemnifying any of the Directors, KMP and SMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company.

The premium paid on such insurance shall not be treated as part of remuneration payable to Managing Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary. Provided that if any such person is proved to be guilty, the premium paid shall be treated as part of the remuneration.

**D) STOCK OPTIONS –**

The Committee may recommend issue of stock options to Directors (other than Independent Directors and Promoter Directors), KMP / SMP, which may be granted by the Board subject to the compliance of the provisions of applicable laws.

**IV CRITERIA FOR EVALUATION OF BOARD:**

The evaluation of Board shall be carried out annually as per the provisions of the Companies Act, 2013 and rules made thereunder as may be applicable. Performance evaluation of each Director will be based on the criteria as laid down from time to time by the Nomination and Remuneration Committee.

Criteria for performance evaluation shall include aspects such as attendance for the meetings, participation and independence during the meetings, interaction with Management, Role and accountability to the Board, knowledge and proficiency and any other factor as may be decided by the Nomination and Remuneration Committee. Further, performance evaluation of an Executive Director will also be based on business achievements of the Company.

**V AMENDMENT:**

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of the Companies Act, 2013 and rules made thereunder as may be applicable.

**Place : Ahmedabad  
Date : 17th September, 2022**

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

**RAKESH SHAH  
Chairman & Managing Director  
DIN: 00421920**

**CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies whose shares are listed on any Stock Exchange in India are required to attach the Corporate Governance Report in its Annual Report. We believe Good Corporate Governance is a sine qua non for the company and hence though the company's shares are not listed with any Stock Exchange, your directors have thought it advisable to follow certain aspects of corporate governance as per Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a good corporate practice.

**1 COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Corporate governance reflects Company's culture, policies, relationship with its stakeholders, its commitment to values and its ethical business conduct. At GSEC Limited ("the Company"), it is our firm conviction that good corporate governance emerges from the application of best management practices and compliance with the laws coupled with integrity, transparency, accountability and business ethics and hence we follow fair, transparent and ethical governance processes and practices embedded into the culture of our organisation and the GSEC Group, which ensures that the interest of all the stakeholders are considered in a balanced and transparent manner.

**2 BOARD OF DIRECTORS:****Composition:-**

The Company has a fundamentally strong Board with an optimum mix of Executive and Non- Executive Directors including a Woman Director.

The Board consists of eminent individuals with considerable professional expertise and experience in finance, legal, commercial, strategy and planning, business administration and other related fields, who not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board. The Board's roles, functions, responsibilities and accountability are clearly defined. The day to day management of the Company is entrusted with the Senior Management Personnel of the Company and is headed by the Chairman and Managing Director who are functioning under the overall supervision, direction and control of the Board.

As on 31st March, 2022, the Board of Directors comprised of 6 (Six) Directors including One Executive Chairman cum Managing Director, Joint Managing Director, Whole-time Directors, Non- Executive Director and Two Non-Executive Independent Directors. The Board of Directors believes that its current composition is appropriate to maintain independence of the Board of Directors and separate its functions of governance and management. The composition of the Board during the year under review was in conformity with the provisions of the Companies Act, 2013 and as amended from time to time (the 'Act') and the Listing Regulations.

**Board Meetings:-**

The Board of Directors meets at least four times in a year with a maximum time gap of not more than one hundred & twenty days between two consecutive meetings. Additional meetings of the Board of Directors are held as and when deemed necessary by the Board of Directors. Board Meetings are generally held at the Registered Office of the Company.

During the year under review, the Board of Directors met 5 (five) times (1) 22.05.2021, (2) 20.08.2021, (3) 30.10.2021 (4) 30.11.2021 and (5) 15.03.2022. The necessary quorum was present at all the meetings.

The names and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting are given below:



Sr. No.	Names of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Companies#
1	Shri Rakesh Shah	Executive Director (Chairman & Managing Director)	5/5	Yes	9
2	Shri Samir Mankad	Executive Director (CEO & Whole-Time Director)	5/5	Yes	8
3	Shri Shaishav Shah	Executive Director (Joint Managing Director)	5/5	Yes	15
4	Smt. Raji Shah	Non-Executive Director	5/5	Yes	5
5	Shri Sandip Parikh	Non-Executive Independent Director	5/5	Yes	6
6	Shri Shailesh Patwari (Resigned w.e.f. 06.08.2022)	Non-Executive Independent Director	5/5	Yes	10

**# As per the latest notices of disclosure received from the respective Directors.**

The tenure of the Independent Directors of the Company is within the time limit prescribed under the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs in this regards from time to time. No Director of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he/she is a Director.

Due to pre-occupancy Shri Shailesh Patwari resigned as an Independent Director w.e.f. 06.08.2022.

**Disclosure of relationships between director's inter-se:-**

Shri Rakesh Shah, Chairman and Managing Director is father of Shri Shaishav Shah, Joint Managing Director and father in law of Smt. Raji Shah Non-Executive Director of the company.

Shri Shaishav Shah Joint Managing Director is spouse of Smt. Raji Shah, Non-Executive Director.

**3 AUDIT COMMITTEE:**

**Composition & Members of the Committee:-**

Your Company has an Audit Committee at the Board level, which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. The Audit Committee of the Company comprised of three members as on March 31, 2022.

During the year, One Committee Meeting was held on 30.10.2021.

Constitution of the audit committee and attendance details during the financial year ended March 31, 2022 are given below:

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Sandip Parikh	Non-Executive Independent Director (Chairman of the Committee)	1/1
2	Shri Samir Mankad	Executive Whole-time Director	1/1
3	Shri Shailesh Patwari	Non-Executive Independent Director	1/1

**Brief description of Terms of Reference:**

- (i) oversee the financial reporting process
- (ii) recommend the appointment/re-appointment of auditors
- (iii) decide the audit fees, discuss the nature and scope of audit and ascertain area of concern,
- (iv) review the annual and quarterly financial statements
- (v) review the changes in accounting policies etc
- (vi) review the adequacy of internal audit functions and discuss with them significant findings,
- (vii) review the disclosure of related party transactions,
- (viii) Compliance relating to financial statements etc.
- (ix) Scrutiny of Intercorporate Loan and Investment.

**4 NOMINATION AND REMUNERATION COMMITTEE****Composition & Members of the Committee:-**

The Nomination and Remuneration Committee of the Company comprise of two members as on March 31, 2022, the composition of which is furnished hereunder:

During the year, Two Committee Meeting was held on 20.08.2021 and 15.03.2022.

<b>Sr. No.</b>	<b>Name of the Director / Member</b>	<b>Category</b>	<b>Meetings and attendance during the year</b>
1	Shri Sandip Parikh (Chairman of the Committee w.e.f. 06.12.2018)	Non-Executive Independent Director	2/2
2	Shri Shailesh Patwari	Non-Executive Independent Director	2/2
3	Smt Raji Shah	Non Executive Director	1/1

**The terms of reference of the Nomination and Remuneration Committee are as outlined in the Companies Act, 2013 which inter alia includes following:**

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
2. To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director
4. To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

**Performance Evaluation of Independent Directors:**

The Performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board/ Committee meetings attended, time devoted to the Company, his participation in the Board/ Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

Details of remuneration paid to the executive directors for the year ended 31.03.2022 are as below:

Name	Position held During the period	Total Remuneration including perks and benefits (Rs. in Lacs)
Shri Rakesh R. Shah	Chairman & Managing Director	72.00
Shri Samir H. Mankad	CEO & Whole-Time Director	31.62
Shri Shaishav R. Shah	Joint Managing Director	24.18
Smt. Raji S. Shah	Non-Executive Director (w.e.f. 01.12.2021)	24.32

The Company has paid following sitting fees to the Non-executive Directors during the year under review.

Name of Director	Sitting fees paid (In Rs.)	No. of Shares held
Shri Sandip Parikh	58,334/-	Nil
Shri Shailesh Patwari	-	Nil

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board/Committee attended by him, for which such sum is payable which is within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Besides above, the Company does not pay any other commission or remuneration to its Non-Executive Directors.

The Company did not have any other pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

#### INDEPENDENT DIRECTORS:

As per the provisions of the Schedule IV of the Companies Act, 2013 the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non-Independent Directors. The Independent Directors at their meeting held on 15th March, 2022 has reviewed the performance of the Non-Independent Directors (Including the Chairperson) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management.

The Independent Directors were satisfied with the performance of the Executive Directors of the Company and with the flow of information between the Company and the Management.

#### 5 SHARE TRANSFER AND GRIEVANCES COMMITTEE:

##### Composition & Members of the Committee:-

The Board of Directors of the Company has constituted Share Transfer and Grievances Committee which looks in to the matters relating to transfer of shares and other related matter.

The Share Transfer and Grievances Committee of the Company comprised of three members as on March 31, 2022 the composition of which is furnished hereunder.

During the year, No Committee Meeting was held.

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Sandip Parikh (Chairman of the Committee)	Non-Executive Independent Director	-
2	Shri Rakesh Shah	Executive Managing Director	-
3	Shri Samir Mankad	Executive Whole-Time Director	-

As a measure of good corporate governance and to focus on the Shareholders' request as to the transfer of shares, the committee deals with issue of approval of transfer/ transmission of shares, deletion/ transposition of names in the shares, matters relating to splitting, sub-division, consolidation of shares and to issue fresh share certificate etc. The Committee also deals with the matter relating to investor / shareholders grievances.

No complaints have been received during the year under review.

## 6 GENERAL BODY MEETINGS:

### Annual General Meetings:-

Date, Time and venue of the General Meetings held during the last 3 years.

Financial year ended	Date	Time	Venue
31.03.2021	30.11.2021	11.00 a.m.	held through VC/ OAVM as the place of meeting as 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009
31.03.2020	30.12.2020	11.00 a.m.	held through VC/ OAVM as the place of meeting as 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009
31.03.2019	26.09.2019	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009.

### Details of Special Resolutions passed in the previous three Annual General Meetings:

Date of the AGM	Subject Matter of the Special Resolution
30.11.2021	1. Appointment of Shri Sandip Parikh (Din: 00030990) as an Independent Director of the Company.
30.12.2020	1. Re-Appointment of Mr. Samir Hanskumar Mankad (DIN: 00421878) as a Whole-Time Director of the Company
	2. Increase in the limit of Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013.
	3. Approval for making Investments / granting loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate etc.
26.09.2019	1. Re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company.
	2. Re-Appointment of Mr. Shaishav Shah (DIN: 00019293) as a Whole-Time Director of the Company.

**Extra Ordinary General Meeting(s):-** No Extra-ordinary General meeting of the members of the Company were held during the year under review.

**Postal Ballot:-** During the year under review, no approval of the Members was sought through postal ballot. None of the business proposed to be transacted at the ensuing AGM requires passing of special resolution through Postal Ballot.

## 7 DISCLOSURES:

In preparation of financial statements, the Company has followed the Accounting Standards as applicable to the Company. The significant accounting policies that are consistently applied have been set out in the

Notes to the Accounts. Apart from Accounting Standards we have also initiated a good corporate and compliance practice of following certain Secretarial Standard(s) issued by the Institute of Company Secretaries of India.

Related Party Transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Board. These transactions are not likely to have any conflict with the Company's interest.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risk.

## 8 GENERAL SHAREHOLDER INFORMATION:

<b>Date, time and venue of AGM</b>	Thursday, 15th December, 2022, at 11.00 a.m. at 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009
Record Date	8th day of December, 2022.
Listing on Stock Exchanges	N.A.
Listing Fees	N.A.
ISIN NO.	INE825P01010
Stock Exchange's Script Code	N.A.

## 9 DEMATERIALIZATION OF SHARES, REGISTRAR & TRANSFER AGENT & SHARE TRANSFER SYSTEM:

### (a) Registrar and Share Transfer Agent:-

Name	M/s. Bigshare Services Private Limited
Address	A/802 Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drink Cross Road, Off C G Road, Ahmedabad-380009.
Contact Details	Phone: 079 - 40024135
E mail	bssahd@bigshareonline.com

### (b) Share Transfer System:-

Transfer of shares in physical form has been delegated by the Board to the Registrar and Share Transfer Agent, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. It may be noted that vide MCA Notification dated 10.09.2018, transfer of shares in physical mode has been stopped w.e.f. 02.10.2018.

### (c) Dematerialisation of shares:-

All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depository i.e. National Securities Depository Ltd (NSDL) within 15 days.

### (d) Secretarial Audit for Reconciliation of Capital:-

As stipulated under the Companies Act, Practicing Company Secretaries carry out Secretarial Audit to reconcile the total paid up capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical capital. This audit is carried out every half-year. The audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**10 INVESTORS CORRESPONDENCE:**

For any queries, requests and other correspondence, the Shareholders are requested to contact:-

<b>Registered Office:</b>	<b>Registrar and Share Transfer Agent:</b>
<b>GSEC Limited,</b> 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad - 380 009. Phone: 079 - 26575757, 079 - 26585757 Fax: 079-26584040 E Mail: info@gsecl.co.in	<b>Bigshare Services Private Limited</b> A/802 Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drink Cross Road, Off C G Road, Ahmedabad - 380009. Phone: 079 - 40024135 E Mail: bssahd@bigshareonline.com

Complaints/grievances may also be addressed to - [cs@gsecl.co.in](mailto:cs@gsecl.co.in)

**Place : Ahmedabad**  
**Date : 17th September, 2022**

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

**RAKESH SHAH**  
**Chairman & Managing Director**  
**DIN: 00421920**

# INDEPENDENT AUDITOR'S REPORT

**To the Members of GSEC Limited**

**Report on the Standalone Financial Statements**

## **Opinion**

We have audited the accompanying standalone financial statements of GSEC Limited ('the Company'), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022 and its profit and its cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

## **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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



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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a) As detailed in Note 22(iv) of the notes to the standalone financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
    - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - (ii) The management has also represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign

entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause d(i) and d(ii), contain any material misstatement.
- e) The Company has not declared or paid any dividend during the year in contravention of the provisions of the section 123 of companies Act, 2013

**For BJS & Associates  
Chartered Accountants  
Firm Registration Number: 113268W**

**CA BIPIN SHAH  
Partner  
Membership Number: 10712  
UDIN : 22010712AWOARR1257**

**Place : Ahmedabad  
Date : 17.09.2022**

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) In respect of its Property, Plant and Equipment and Intangible Assets:
    - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.
    - (B) The Company does not have Intangible Assets, therefore reporting under this clause is not applicable.
    - (b) During the period, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
    - (c) According to the information and explanations given to us and the records examined by us, title deeds in respect of immovable properties disclosed as Property, Plant & Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) in the financial statements are in the name of the Company as at the balance sheet date.
    - (d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have Intangible Assets during the year.
    - (e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
  - (ii) (a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories has been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits of eight crore rupees, from SBI AHMEDABAD - MID CORPRATE (60438) on the basis of security of current assets. In our opinion and according to the information and explanations given to us, monthly returns and statements, comprising stock statements, book debt statements, Trade payable and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company and no Significant Discrepancies were observed.
- (iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties: -

(a) (A) Details of loans:

Parties	Aggregate during the year (incl of interest receivable)	Closing balance
Subsidiary/JV/Associates	14,67,13,733	12,60,94,987
Other than Subsidiary/JV/Associates	4,91,51,523	12,50,06,483
<b>Total (i+ii)</b>	<b>19,58,65,255.19</b>	<b>25,11,01,470.40</b>

(B) Details of guarantee:

- (a) Bank Guarantee given by State Bank of India (SME Law Garden Branch, Ahmedabad, Gujarat) of 40.00 Crores in favour of Bank of India Mid corporate branch Vadodara agreeing to undertake obligations in respect of the Resolution Plan for Diamond Power Infrastructure Limited (DPIL) for which Term Deposit (40770891932) of 40.00 Crores held as Margin for Bank Guarantee issued with Guarantor Bank on 08.02.2022.
- (b) According to the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;
- (c) schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular;
- (d) According to the information and explanation given to us, no amount is overdue in this respect;
- (e) According to the information and explanation given to us, in respect of any loan or advance in the nature of loan granted which has fallen due during the year, none has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
- (f) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, required details in respect thereof are as below:

The aggregate amount	Percentage thereof to the total loans granted	Aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013
25,11,01,470	79.22%	25,11,01,470

- (iv) Based on information and explanation given to us Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act and accordingly the compliance under Section 185 is not applicable to the company and Section 186 of the Act is applicable and all the conditions under the section are complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amount which are deemed to be deposit from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the clause 3 (v) of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services

rendered by the Company. Therefore, the clause 3 (v) of the Order is not applicable to the Company.

(vii) In respect of Statutory dues:

- (a) According to the records of the Company examined by us, undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and any other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it. Disputed dues which are not deposited in full are disclosed below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. In Lacs)
VAT Tax Act, Gujarat	Value Added Tax	Tribunal	2007-08 and 2008-09	862.39
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2009-10	1.62
Income Tax (Assessment)	Income Tax	CIT (Appeals)	2011-12	14.21

- (viii) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (c) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to the lender.
- (d) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (e) In our opinion, and according to the information and explanations given and records examined by us, the company has not borrowed any term loans during the year. Therefore, the clause 3 (ix) (c) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at year end i.e., March 31, 2022, we report that no any short-term funds have been used for long-term purposes.
- (g) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (h) According to the information and explanations given to us and procedures performed by us, we report the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies,

- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(x)(a) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. therefore clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section 12 of section 143 of the Act has been submitted filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and accordingly, provisions of clause 3(xi) c of the order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Indian accounting standards.
- (xiv) (a) In our opinion, and according to the information and explanations given to us, internal audit system commensurate with the size and nature of the business is statutorily required.
- (b) As the internal audit system is applicable internal audit report is regularly being issued.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them under section 192 of the Act.
- (xvi) (a) In our Opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) and 3(vi)(d) of the Order are not applicable
- (xvii) In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management business

plans, promoters undertaking to infuse funds, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) With respect to CSR contribution under section 135 of the Act:

According to the information and explanations given to us, CSR provisions under Section 135 are not applicable to the company.

**For BJS & Associates  
Chartered Accountants  
Firm Registration Number: 113268W**

**CA BIPIN SHAH  
Partner  
Membership Number: 10712  
UDIN : 22010712AWOARR1257**

**Place : Ahmedabad  
Date : 17.09.2022**

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of GSEC Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BJS & Associates  
Chartered Accountants  
Firm Registration Number: 113268W**

**CA BIPIN SHAH  
Partner  
Membership Number: 10712  
UDIN : 22010712AWOARR1257**

**Place : Ahmedabad  
Date : 17.09.2022**

## Balance Sheet as at 31st March, 2022

(Amount in Lakhs)

Particulars	Notes	31st March, 2022	31st March, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	5537.05	3246.66
<b>2 Non-current liabilities</b>			
(a) Long-Term Borrowings		0.00	0.00
(b) Deferred Tax Liabilities (Net)		0.00	0.77
(c) Other Long Term Liabilities		0.00	0.00
(d) Long-Term Provisions	3	9.17	0.00
<b>3 Current liabilities</b>			
(a) Short-Term Borrowings	4	6882.81	1574.96
(b) Trade Payables	5	2347.07	1375.08
(c) Other Current Liabilities	6	877.19	377.92
(d) Short-Term Provisions	7	43.58	55.72
<b>TOTAL</b>		<b>16451.87</b>	<b>7386.11</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property Plant and Equipment and Intangible Assets			
(i) Property Plant and Equipment	8	1584.08	1674.13
(b) Non-Current Investments	9	3103.61	548.36
(c) Deferred Tax Assets (Net)		3.07	0.00
(d) Long-Term Loans and Advances	10	1093.01	399.10
<b>2 Current Assets</b>			
(a) Current Investments		0.00	0.00
(b) Inventories	11	13.21	13.21
(c) Trade Receivables	12	2422.71	977.43
(d) Cash and Bank Balance	13	5330.71	102.71
(e) Short-Term Loans and Advances	14	2839.98	3670.26
(f) Other Current Assets	15	61.48	0.92
<b>TOTAL</b>		<b>16451.87</b>	<b>7386.11</b>
Significant Accounting Policies			
The accompanying notes are integral parts of the Financial Statements			

**As per our attached report or even date**      **For and on behalf of Board of Directors**

**For BJS & Associates**  
Chartered Accountants  
Firm Registration No. 113268W

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

Date : 17.09.2022  
Place : Ahmedabad  
UDIN : 22010712AWOARR1257

**RAKESH SHAH**  
Chairman & Managing Director  
DIN:00421920

**DARSHIL SHAH**  
Company Secretary  
M. No. A37483

Date : 17.09.2022  
Place : Ahmedabad

**SAMIR MANKAD**  
Whole-Time Director  
DIN: 00421878

**DINESH SHAH**  
Chief Financial Officer  
M. No. 38650

## Profit and Loss Statement for the year ended 31st March, 2022

(Amount in Lakhs)

Particulars	Notes	2021-22	2020-21
<b>I. Revenue From Operations</b>			
Sale of Traded Goods (Gross)		34175.18	30583.22
Less : Excise Duty		0.00	0.00
<b>Sale of Trading Goods (Net)</b>		<b>34175.18</b>	<b>30583.22</b>
Sale of Services		3196.68	2665.29
Other Operating Revenues		0.00	0.00
<b>II. Other Income</b>	16	3374.10	1176.73
<b>III. Total Revenue</b>	(I+II)	<b>40745.96</b>	<b>34425.23</b>
<b>IV. Expenses:</b>			
Purchase of Traded Goods		34106.28	30218.86
Changes in Inventories of Stock-in Trade	17	0.00	0.00
Employee Benefits Expense	18	640.04	520.01
Finance Costs	19	629.03	459.51
Depreciation and Amortization Expense	20	223.82	204.39
Other Expenses	21	2537.77	2314.94
<b>Total Expenses</b>		<b>38136.93</b>	<b>33717.70</b>
<b>V. Profit Before Exceptional Items And Tax</b>	(III-IV)	<b>2609.03</b>	<b>707.53</b>
VI. Exceptional Items		0.00	0.00
<b>VII. Profit Before Tax</b>	(V-VI)	<b>2609.03</b>	<b>707.53</b>
VIII. Tax Expense:			
(1) Current Tax		322.48	131.62
(2) Deferred Tax		-3.84	100.43
(3) Tax Adjustment of Earlier Years		0.00	0.00
<b>IX. Profit for the Year</b>	(VII-VIII)	<b>2290.39</b>	<b>475.47</b>
<b>X. Earnings Per Equity Share (in Rs.)</b>		<b>30.34</b>	<b>6.30</b>
<b>Significant Accounting Policies</b>			
The accompanying notes are integral parts of the Financial Statements			

As per our attached report or even date For and on behalf of Board of Directors

**For BJS & Associates**  
Chartered Accountants  
Firm Registration No. 113268W

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

Date : 17.09.2022  
Place : Ahmedabad  
UDIN : 22010712AWOARR1257

**RAKESH SHAH**  
Chairman & Managing Director  
DIN:00421920

**DARSHIL SHAH**  
Company Secretary  
M. No. A37483

Date : 17.09.2022  
Place : Ahmedabad

**SAMIR MANKAD**  
Whole-Time Director  
DIN: 00421878

**DINESH SHAH**  
Chief Financial Officer  
M. No. 38650

## Cash Flow Statement For The Year Ended 31st March, 2022

(Amount in Lakhs)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	2609.03	707.53
<b>Adjustments For:</b>		
Depreciation	223.82	204.39
Interest Paid	629.03	459.51
Interest received	-673.69	-138.61
(Profit)/Loss on Sale of Investments	-2646.14	-990.85
(Profit)/Loss on Sale of Fixed Assets	-25.89	-0.81
Dividend Received	-6.16	-0.14
Profit on redemption of Mutual fund	0.00	-13.39
<b>Operating Profit before working capital changes</b>	<b>110.00</b>	<b>227.63</b>
<b>Movements in working capital</b>		
<b>Adjustment for Decrease (Increase) in operating assets</b>		
(Increase) in Trade and other Receivables	-1445.28	1165.03
(Increase) in Short Term Loans and Advances	830.29	-1899.47
Decrease in other Current Assets	-60.56	0.12
Increase in Trade Payables	971.99	-84.13
(Decrease) in other Current Liabilities	499.27	-15.92
Increase in Short Term Provisions	-2.97	21.55
<b>Net Cash Flow from Operating Activities before tax and Exceptional Items (A)</b>	<b>792.73</b>	<b>-812.82</b>
Taxes Paid	-317.41	-159.93
<b>Net cash generated from operating activities before exceptional items</b>	<b>585.32</b>	<b>-745.13</b>
Exceptional Items	0.00	0.00
<b>Net cash generated from operating activities</b>	<b>585.32</b>	<b>-745.13</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
(Increase)/Decrease in Margin Money	-5267.54	11.88
Purchase of Fixed Assets	-162.88	-140.49
Purchase of Investments	-4289.82	-451.25
Sale Proceeds of Fixed Assets	55.00	1.73
Sale of Investments	4380.71	1084.85
Interest received	673.69	138.61
Dividend Received on Investments	6.16	0.14
Purchase of Mutual Fund		-780.00
Redemption of mutual Fund		798.39
Long Term Loans and Advances	-698.98	-77.14
<b>Net cash flow from investing activities</b>	<b>-5303.67</b>	<b>586.73</b>

(Amount in Lakhs)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Short term Borrowing (Net off repayment)	5307.85	588.59
Unclaimed Dividend Paid	0.36	0.00
Interest paid	-629.03	-459.51
<b>Net cash flow from financing activities</b>	<b>4679.18</b>	<b>129.08</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-39.17</b>	<b>-29.32</b>
Cash and cash equivalents at the beginning of the year	40.45	69.77
Cash and cash equivalents at the end of the year	1.28	40.45

As per our attached report or even date For and on behalf of Board of Directors

For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W

CA BIPIN J SHAH  
Partner  
Membership No. 10712

Date : 17.09.2022  
Place : Ahmedabad  
UDIN : 22010712AWOARR1257

RAKESH SHAH  
Chairman & Managing Director  
DIN:00421920

DARSHIL SHAH  
Company Secretary  
M. No. A37483

Date : 17.09.2022  
Place : Ahmedabad

SAMIR MANKAD  
Whole-Time Director  
DIN: 00421878

DINESH SHAH  
Chief Financial Officer  
M. No. 38650

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 1 Share Capital

(Amount in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	10,030,000	1003.00	10,030,000	1003.00
<b>Issued</b>				
Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
<b>Total</b>	<b>7,550,000</b>	<b>755.00</b>	<b>7,550,000</b>	<b>755.00</b>

#### 1.1 The reconciliation of the number of shares outstanding is set out below:

Particulars	Equity Shares			
	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount in Lacs	Number	Amount in Lacs
Shares outstanding at the beginning of the year	7,550,000	755.00	7,550,000.00	755.00
Shares Issued during the year	0.00	0.00	0.00	0.00
Shares bought back during the year	0.00	0.00	0.00	0.00
Any other movement (please specify)	0.00	0.00	0.00	0.00
Shares outstanding at the end of the year	7,550,000	755.00	7,550,000.00	755.00

#### 1.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company, after distribution of all preferential amounts.

#### 1.3 Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31st March, 2022	As at 31st March, 2021
<b>Equity Shares</b>			
Komal Infotech Private Ltd.	Holding Company	4,783,910	4,783,910

#### 1.4 Details of Shareholders holding more than 5% shares

Particulars	Equity Shares			
	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	636,090	8.42	636,090	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

As per records of company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 1 Share Capital (Contd.....) (Amount in Lakhs)

#### 1.5 Share holding by promoters

Shares held by promoters at the end of the year			% Change during the year
Name	No of shares	% of total shares	
Komal Infotech Private Ltd.	4,783,910	63.36%	0.00%
Priti R. Shah	1,447,670	19.17%	0.00%
Rakesh R. Shah	636,090	8.43%	0.00%
Shaishav R. Shah	487,270	6.45%	0.00%
<b>Total</b>	<b>7,354,940</b>	<b>97.42%</b>	<b>0.00%</b>

### Note 2 Reserves & Surplus (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a. Securities Premium Account</b>		
As per Last Balance Sheet	337.00	337.00
<b>b. General Reserves</b>		
As per Last Balance Sheet	168.23	168.23
<b>c. Surplus/Deficit in statement of Profit and Loss</b>		
As per Last Balance Sheet	2741.43	2265.96
Add : Profit For the Year	2290.39	475.47
Less: Proposed Dividend	0.00	0.00
Less:Tax on Proposed Dividend	0.00	0.00
	<b>5031.82</b>	<b>2741.43</b>
<b>Total</b>	<b>5537.05</b>	<b>3246.66</b>

### Note 3 Long-term Provisions (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Provision for Employee Benefits*</b>		
Gratuity (Funded)		
Leave Encashment (Unfunded)	9.17	0.00
<b>Total</b>	<b>9.17</b>	<b>0.00</b>
<b>(b) Other Provision</b>		
Others	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Total (a+b)</b>	<b>9.17</b>	<b>0.00</b>

\* Long Term and Short Term classification is done based on actuarial valuation certificate.

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 4 Short-Term Borrowings

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a) Secured Loans</b>		
Working capital facilities from State Bank of India (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors & their relatives)	501.38	0.00
	<b>501.38</b>	<b>0.00</b>
<b>b) Unsecured Loans</b>		
<b>(i) Loans from Related Parties</b>		
Komal Infotech Pvt. Ltd.	44.44	12.82
Kalpavruksha Worldwide Pvt. Ltd.	1081.10	758.40
Electrify Energy Private Limited	771.24	0.00
	<b>1896.77</b>	<b>771.22</b>
<b>(ii) Deposits</b>		
Director's Deposit	1833.07	803.74
Others	2651.59	0.00
	<b>6381.43</b>	<b>1574.96</b>
<b>Total (a+b)</b>	<b>6882.81</b>	<b>1574.96</b>

### Note 5 Trade Payables

Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables (Expenses and Purchases)	2347.07	1375.08
<b>Total</b>	<b>2347.07</b>	<b>1375.08</b>

#### Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Trade Payable Aging Schedule*	As at 31st March, 2022	As at 31st March, 2021
<b>(i) MSME</b>		
<b>(ii) Others</b>		
Outstanding for Less Than 1 Year	2290.67	1348.12
Outstanding for 1 – 2 Years	31.69	16.63
Outstanding for 2 – 3 Years	14.98	4.16
Outstanding for More Than 3 Years	9.74	6.18
	<b>2347.07</b>	<b>1375.08</b>
<b>(iii) Disputed MSME</b>		
<b>(iv) Disputed Others</b>		

\* Where no due date of payment is specified, the disclosure has been made from the date of transaction.



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 6 Other Current Liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Unclaimed dividends	2.14	2.51
(b) Statutory Dues Payables	88.93	164.84
(c) Trade/Security Deposit (Including Predeposit at ACC)	151.07	140.40
(d) Advance from Customers	573.51	3.55
(e) Other Liabilities	61.53	66.62
<b>Total</b>	<b>877.19</b>	<b>377.92</b>

### Note 7 Short-term Provisions

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Provision for Employee Benefits*</b>		
Gratuity (Funded)	1.73	9.30
Leave Encashment (Unfunded)	0.54	16.05
<b>Total</b>	<b>2.27</b>	<b>25.34</b>
<b>(b) Other Provision</b>		
Others	41.31	30.38
<b>Total</b>	<b>41.31</b>	<b>30.38</b>
<b>Total (a+b)</b>	<b>43.58</b>	<b>55.72</b>

\* Long Term and Short Term classification is done based on actuarial valuation certificate.

### Note 8 Fixed Assets

(Amount in Lakhs)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at April 1, 2021	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2022	Balance as at April 1, 2021	Balance as at	On disposals	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
<b>Property Plant And Equipment</b>										
Land - Freehold	20.93	0.00	0.00	20.93	0.00	0.00	0.00	0.00	20.93	20.93
Buildings	1517.88	1.33	0.00	1519.21	439.80	52.59	0.00	492.40	1026.81	1078.07
Plant and Equipment	585.33	8.98	0.00	594.32	363.23	41.16	0.00	404.39	189.92	222.10
Furniture and Fixtures	471.18	28.83	0.00	500.01	375.98	26.11	0.00	402.09	97.93	95.21
Vehicles	598.06	14.41	262.92	349.55	508.04	26.05	233.81	300.28	49.27	90.02
Office Equipment	678.13	103.02	0.00	781.15	529.32	72.20	0.00	601.53	179.63	148.81
Computers	165.73	6.31	0.00	172.04	151.36	4.77	0.00	156.13	15.91	14.36
A.C Machines & Plant	67.06	0.00	0.00	67.06	62.43	0.93	0.00	63.36	3.70	4.63
<b>Total</b>	<b>4104.30</b>	<b>162.88</b>	<b>262.92</b>	<b>4004.26</b>	<b>2430.17</b>	<b>223.82</b>	<b>233.81</b>	<b>2420.18</b>	<b>1584.08</b>	<b>1674.13</b>
<b>Previous Year</b>	<b>3966.98</b>	<b>140.49</b>	<b>3.17</b>	<b>4104.30</b>	<b>2228.03</b>	<b>204.39</b>	<b>2.24</b>	<b>2430.17</b>	<b>1674.13</b>	<b>1738.95</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 9 Non-Current Investments

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Trade Investments (Valued At Cost)</b>		
<b>Unquoted Investments:</b>		
<b>Non Traded Unquoted, fully paid-up</b>		
<b>In Subsidiaries</b>		
50000 Equity Shares of GSEC Logistics Limited of Rs. 10 each (P.Y. 50000 Shares of Rs. 10 Each)	5.00	5.00
10000 Equity Shares of GSEC Green Energy Private Limited of Rs. 10 each (P.Y. 10000 Shares of Rs. 10 Each)	0.00	1.00
10000 Equity Shares of GSEC Air Services Private Limited of Rs. 10 each (P.Y. 0 Shares)	1.00	-
10000000 Equity Shares of Electrify Energy Private Limited of Rs. 10 each (P.Y. 100000 Shares of Rs. 10 each)	1000.00	10.00
5100 Equity Shares of Avi Serve Facilities Private Limited of Rs. 10 each (P.Y. 0 Shares)	0.51	-
5100 Equity Shares of Aviground Facilities Private Limited of Rs. 10 each (P.Y. 0 Shares)	0.51	-
<b>In Associate Companies</b>		
12800000 Equity Shares of Smartmeters Technologies Private Limited of Rs. 10 each (P.Y. 10000 Shares of Rs. 10 each)	1280.00	1.00
5200 Equity Shares of GSEC Bird Airport Services Private Limited of Rs. 10 each (P.Y. 0 Shares)	0.52	-
3500 Equity Shares of Safire Technologies Private Limited of Rs. 10 each (P.Y. 3500 Shares)	5.25	5.25
Investment in P C Snehal GSEC LLP (P.Y. 0 Shares)	0.50	-
Investment in GSEC INDO THAI Ground Handling Pvt. Ltd. (P.Y. 0 Shares)	2.60	-
	<b>2295.89</b>	<b>22.25</b>
<b>Traded Quoted Investments:</b>		
25000 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited (P.Y. 50000 Shares of Re. 1 Each)	25.97	25.97
100000 Equity Shares fully paid up of Rs. 2 each of Adani Port and SEZ Limited (P.Y. 0 Shares)	660.00	0.00
160000 Equity Shares fully paid up of Rs. 1 each of Adani Transmission Limited (P.Y. 0 Shares)		379.08
1000 Equity Shares fully paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 1000 Shares of Rs. 10 each))	3.89	3.89
66 Equity Shares Partly paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 6670 Shares of Rs. 10 each)	0.93	0.23
75000 Equity Shares fully paid up of Rs. 2/- each of Bodal Chemicals Limited (P.Y. 0 Shares)	45.75	45.75

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 9 Non-Current Investments (Contd.....) (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Traded Quoted Investments:</b>		
50000 Equity Shares fully paid up of Re. 1/- each of Infibeam Avenue Limited (P.Y. 50000 Shares of Re. 1 Each )	32.23	32.23
100000 Equity Shares fully paid up of Re. 1/- each of Neela Infrastructure Limited (P.Y. 100000 Shares of Re. 1 Each )	5.86	5.86
100000 Equity Shares fully paid up of Re. 1/- each of Neela Spaces Limited Limited (P.Y.100000 Shares of Re. 1 each)	5.86	5.86
Equity Shares fully paid up of Re. 1/- each of Dishman Carbogen Amcis Ltd. (P.Y.0 Shares)	0.00	0.00
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares of Rs. 10 Each)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares of Rs. 10 Each)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares of Re. 1 Each)	0.00	0.00
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares of Re. 1 Each)	0.69	0.69
<b>UNQUOTED INVESTMENTS</b>		
<b>667 Equity Shares of GITCO OF Rs.100 each</b> (P.Y. 667 Shares of Rs. 100 each)	0.67	0.67
<b>Investments in Government Securities-Unquoted</b>		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
	<b>782.00</b>	<b>500.39</b>
<b>INVESTMENT IN PROPERTY</b>		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
<b>Total</b>	<b>3103.61</b>	<b>548.36</b>
Aggregate amount of Unquoted Investments in Lakhs	2,296.56	22.92
Aggregate amount of Quoted Investments (Market Value) in Lakhs	1,225.00	1,571.17

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 10 Long Term Loans & Advances (Unsecured, Considered Good)

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advance	30.00	30.00
Deposit and Balance with Government Authorities	3.81	3.81
Deposit with Others	595.16	23.15
Advance Income Tax (Net of Provisions)	12.49	17.56
Other Loans and Advances	451.55	324.57
<b>Total</b>	<b>1093.01</b>	<b>399.10</b>

Advance income tax and provisions for taxation have been disclosed on net basis where a legal right to set off exists and the Company intends to settle the assets and liability on a net basis.

### Note 11 Inventories (At Cost or net Realisable Value whichever is lower)

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Traded Goods	13.21	13.21
<b>Total</b>	<b>13.21</b>	<b>13.21</b>

### Note 12 Trade Receivables

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured- Considered good</b>		
Outstanding for period exceeding six months	52.18	53.44
Other Receivables	2370.53	924.00
	<b>2422.71</b>	<b>977.43</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for period exceeding six months	0.00	0.00
Other Receivables	0.00	0.00
	0.00	0.00
Less: Provision for doubtful debts	0.00	0.00
<b>Total</b>	<b>2422.71</b>	<b>977.43</b>
<b>Trade Receivable Aging Schedule*</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>(i) Undisputed Considered Good</b>		
Outstanding for Less Than 6 months	2370.53	924.00
Outstanding for 6 months - 1 year		-
Outstanding for 1 – 2 Years	4.02	18.92
Outstanding for 2 – 3 Years	14.43	31.15
Outstanding for More Than 3 Years	33.73	3.37
	<b>2422.71</b>	<b>977.43</b>
<b>(ii) Undisputed Considered Doubtful</b>		
<b>(iii) Disputed Considered Good</b>		
<b>(iv) Disputed Considered Doubtful</b>		

\* Where no due date of payment is specified, the disclosure has been made from the date of transaction.

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 13 Cash & Bank Balance

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(I) Cash &amp; Cash Equivalents</b>		
Cash On Hand	1.28	2.70
<b>Balances with Banks</b>		
- In Current Accounts/Cash Credit Account	0.00	37.75
<b>(II) Other Bank Balance</b>		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	5327.28	59.75
- Unpaid Dividend Accounts	2.15	2.51
<b>Total</b>	<b>5330.71</b>	<b>102.71</b>

### Note 14 Short-term Loans and Advances

(Unsecured and Considered Good)

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans and Advances to Subsidiaries	2671.32	1711.83
Loans to Employees	3.35	1.14
Prepaid Expenses	9.67	15.53
<b>Balances with Government Authorities</b>		
GST Credit Receivable	83.95	73.76
Sales Tax Credit Receivable	25.00	25.00
Other Loans and Advances	46.68	1843.01
<b>Total</b>	<b>2839.98</b>	<b>3670.26</b>

### Note 15 Other Current Assets

(Unsecured and Considered Good)

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but Not Due	61.48	0.92
<b>Total</b>	<b>61.48</b>	<b>0.92</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 16 Other Income

(Amount in Lakhs)

Particulars	2021-22	2020-21
<b>Interest Income</b>		
- Interest on Others	673.69	138.61
<b>Other non-operating income :</b>		
Dividend Income From Non- Current	6.16	0.14
Profit on Sale of Mutual Fund	0.00	14.34
Profit on sale of Shares	2646.14	990.85
Profit on Sale of Fixed Assets	25.89	0.81
MISC. Dr/Cr/Written Back	1.54	0.00
Excess Provision for Earlier Year	3.45	0.00
Misc. Income	14.92	29.47
Rent Income	2.31	2.52
<b>Total</b>	<b>3374.10</b>	<b>1176.73</b>

### Note 17 Change in Inventories of Finished Goods

(Amount in Lakhs)

Particulars	2021-22	2020-21
<b>Inventories (at close)</b>		
Finished goods / Stock in trade	13.21	13.21
<b>Inventories (at commencement)</b>		
Finished goods / Stock in trade	13.21	13.21
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### Note 18 Employee Benefits

(Amount in Lakhs)

Particulars	2021-22	2020-21
(a) Salaries and incentives	436.19	327.15
(b) Remuneration to Directors	152.12	152.59
(c) Contributions to -		
(i) Provident and other fund	10.83	20.10
(ii) Gratuity fund	0.10	4.94
(d) Staff welfare expenses	40.80	15.23
<b>Total</b>	<b>640.04</b>	<b>520.01</b>

### Note 19 Finance Cost

(Amount in Lakhs)

Particulars	2021-22	2020-21
Interest Expense	593.23	420.11
Bank Charges	31.27	21.96
Other Borrowing Costs	4.54	17.44
<b>Total</b>	<b>629.03</b>	<b>459.51</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 20 Other Expenses

(Amount in Lakhs)

Particulars	2021-22	2020-21s
Rent and License Fees	200.49	301.05
Land Lease Rent for Guest House	9.24	9.24
Rates and Taxes	16.06	39.69
Insurance	27.13	38.78
Employer/Employee Insurance	215.77	166.65
Electricity	53.89	47.81
Stationery and Printing	4.35	5.28
Postage and Telephone	13.99	16.83
Repair & Maintenance Charges		
- Building	176.13	168.29
- Others	249.57	157.71
Auditors Remuneration:		
- Audit Fee	0.85	0.85
- Tax Audit Fee & Others	0.30	0.30
Professional Fees and Legal Expenses	240.63	458.90
Vehicle & Conveyance Expenses	17.40	15.99
Advertisement & Publicity Expenses	1.00	1.55
Travelling Expenses	217.49	79.06
Guest House Expenses	18.88	18.01
Miscellaneous Expenses	61.21	71.20
Director fees & travelling	0.58	1.01
Sales Promotion	14.76	13.33
Security Expenses	63.03	56.68
Royalty	790.96	567.00
Packing Materials	103.26	66.32
Donation	4.52	0.18
Bad Debts Written Off	1.33	0.00
Commission and Agency Commssion	0.00	0.58
Cargo Handling Expenses	0.00	0.50
Foreign Exchange Difference	29.23	0.00
Advances Written Off	5.72	0.00
Deputation Charges to Custom Department	0.00	12.15
<b>Total</b>	<b>2537.77</b>	<b>2314.94</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### The Company and Nature of its Operations:

GSEC Limited, which was a Government Company formerly known as Gujarat State Export Corporation Limited, is primarily engaged in the activities of Export - Import facilities and trading business. The Company has a custodian of Air Cargo Complexes at Ahmedabad and it operates the Air Cargo complex under an Operations and Maintenance Arrangement at Indore, Raipur and Visakhapatnam. The Company also deals in various other products/commodities including but not limited to Chemicals, Commodities, Febrics, Petroleum Products etc.

### NOTE - 21 : NOTES FORMING PART OF ACCOUNTS:

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis for preparations of financial statements:

The financial statements are prepared in accordance with the generally accepted accounting principles ("GAAP") in India under the historical cost convention on an accrual basis and are in conformity with mandatory accounting standards, as prescribed under the Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### 2. Method of Accounting:

The books of accounts are maintained on accrual basis except income from Demurrage and Handling Charges on uncleared cargo at Air Cargo Complex, which are accounted on Cash Basis.

##### 3. Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction. Cost includes taxes, duties and other identifiable direct expenses.

##### 4. Depreciation:

(a) Depreciation on tangible assets is provided on written down value method over the useful lives of the assets as prescribed in Schedule II of the Companies Act, 2013.

Wherever the useful lives of the assets are mentioned in Schedule-II is over on or before 31-3-2014 from their acquisition year, after retaining 5% of the cost value as realizable value. The excess Written down value of such Assets are charged to Profit & Loss Account.

Where the details of the assets acquired prior to 01-4-2004 were not available, the year of acquisition of such Assets are taken a certified by Management.

(b) Depreciation is provided on pro-rata basis from the date of addition to fixed assets during the year.

##### 5. Investments:

Long term investment is stated at Cost of Acquisition. Provision for diminution in the value of Long-Term Investment is made only if such decline is other than temporary.

Current investments are carried at the lower of cost and Quoted / Fair value.

##### 6. Inventories:

Inventories are valued at cost or market value whichever is lower.

##### 7. Sales:

Revenue from Sale of Products is recognized on dispatch or appropriation of goods in accordance with the terms of sales and it's exclusive of GST (Goods and Service Tax) and other duties and charges.

##### 8. Taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing difference, between taxable income and accounting income that



originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized only to that extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

**9. Foreign Currency Transaction:**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Transactions outstanding at the year-end are translated at exchange rates prevailing at the year-end and the loss so determined and also the realized exchange gains/losses are recognized in the Profit & Loss Account.

**10. Retirement Benefits:**

Gratuity which is defined benefits is accrued based on actuarial valuation as at Balance Sheet date. The present value of the obligation which is defined benefit is accrued and provided for based on actuarial valuation as at Balance Sheet date at the end of the financial year.

Retirement benefits in the form of provident fund whether in pursuance of law or Otherwise which is defined contribution scheme is accounted on the accrual basis and charged to profit and loss account.

**NOTE - 22 : OTHER NOTES FORMING PART OF ACCOUNTS:**

**(i) Details of Payments to Auditor**

**(Amount in Lakhs)**

Particulars	2021-22	2020-21
a. auditor	1.00	1.00
b. for taxation matters	0.15	0.15
c. Certification	0.02	0.02
<b>Total</b>	<b>1.17</b>	<b>1.17</b>

- (ii) Salaries and wages of Rs. 152.12 Lakhs (Previous Year Rs 152.59 Lakhs) being the remuneration to Chairman and Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.
- (iii) Balance of debtors, creditors, loans and advances are subject to confirmation by the parties concerned and adjustment, if any.
- (iv) Contingent Liabilities not provided for :
- Claims against the company not acknowledged as debt of Rs. 61.86 Lakhs (Previous Year Rs. 61.86 Lakhs)
  - Higher demand of Rs. 34.76 Lakhs including Interest for non payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However, the work at Air Cargo Complex – Indore continues and Company has deposited Rs. 35 Lakhs in 2013-14 under protest.
  - Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of Rs. 887.39 Lakhs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited Rs. 25 Lakhs under protest.
  - Bank Guarantee given by State Bank of India (SME Law Garden Branch, Ahmedabad, Gujarat) of 40.00 Crores in favour of Bank of India Mid corporate branch Vadodara agreeing to undertake obligations in respect of the Resolution Plan for Diamond Power Infrastructure Limited (DPIL) for which Term Deposit (40770891932) of 40.00 Crores held as Margin for Bank Guarantee issued with Guarantor Bank on 08.02.2022.

**(vi) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)****Employees Benefits:**

Defined Benefits Plans as per Actuarial Valuation on March 31, 2022.

**(Amount in Lakhs)**

Sr. No.	Particulars	Gratuity	
		31.03.2022	31.03.2021
<b>(1)</b>	<b>The amounts recognized in the Balance Sheet as at the end of the year</b>		
	Present Value of Funded Obligation	(58.32)	(62.66)
	Fair Value of Plan Assets	56.59	53.36
	Present Value of Unfunded Obligation	-	-
	Net ( Assets) / liability	(1.73)	(9.30)
<b>(2)</b>	<b>The amounts recognized in Profit and Loss Account for the year</b>		
	Current Service Cost	5.92	8.29
	Interest Cost	0.63	0.85
	Expected Return on Plan Assets		
	Actuarial (Gains)/Losses	(7.26)	(4.20)
	Past Service Cost		
	Total Expenses	(0.72)	4.94
<b>(3)</b>	<b>The Changes in Obligations during the year</b>		
	Present value of Defined benefit Obligation at the beginning of the year	62.66	59.70
	Current Service Cost	5.92	8.29
	Interest Cost	4.26	4.10
	Actuarial (Gains)/Losses	(7.67)	(4.55)
	Benefit Payments	(6.85)	(4.87)
	Past Service Cost	-	-
	Present value of Defined Benefit Obligation at the end of the year	58.32	62.67
<b>(4)</b>	<b>The changes in Plan Assets during the year</b>		
	Plan Assets at the beginning of the year	53.36	47.34
	Actuarial gains and (losses)	(0.35)	(0.35)
	Contribution by Employer	6.85	8.00
	Actual Benefit Paid	(0.40)	(4.87)
	Plan assets at the end of the year	56.59	53.36
	Actual return on Plan Assets	3.63	3.25
<b>Sr. No.</b>	<b>Particulars</b>	<b>Gratuity (Funded)</b>	
<b>(5)</b>	Actuarial Assumption :		
	Discount Rate	7.25%	
	TurnoverRate		
	Mortality		
	Salary Escalation Rate	7.00%	
	Retirement age	58 & 60 Years	

**(vii) Related Party Disclosure**

As per Accounting Standard 18 (AS-18) Related Party disclosure issued by ICAI the disclosure of transaction with related parties as defined in AS-18 are given below :

**A. Name of Related Parties & Description of Relationship with whom Transactions were made during the year.**

Name of Related Party	Relationship
Komal Infotech Pvt. Ltd.	Holding Company
GSEC Logistics Ltd	Subsidiary Company
GSEC Green Energy Pvt. Limited	Subsidiary Company (sold W.e.f from July 2021)
Electrify Energy Private Limited	Subsidiary Company
Smartmeters Technologies Private Limited	JV Company
Safire Technologies Pvt. Ltd.	Associate Company
GSEC Aviation Limited	Sister Company
GSEC Monarch and Deccan Aviation Pvt. Ltd.	Sister Company
Kalpavruksha Worldwide Pvt Ltd	
(Formerly Kalpavruksha Estate and Finance Pvt.Ltd.)	Sister Company
Vishwa Imports LLP	Sister Company
PC Snehal GSEC LLP	Joint Venture
Aviground Facilities Pvt Ltd	Subsidiary Company
Aviserve Facilities Pvt Ltd	Subsidiary Company
GSEC Air Services Pvt Ltd	Subsidiary Company
GSEC Bird Airport Services Pvt Ltd	Associate Company
GSEC Indo Thai Ground Handling Pvt Ltd	Associate Company
Steel Konnect India Pvt Ltd	Fellow Subsidiary
Priti R. Shah	Relative of Director
<b>Key Management Personnel</b>	(i) Rakesh R. Shah (ii) Shaishav R. Shah (iii) Samir H. Mankad (iv) Raji Shah (v) Darshil Shah (vi) Dinesh Shah

**B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)****(Amount in Lakhs)**

Nature of Transaction	Fellow Subsidiary	Holding Company	Subsidiary Company				Key Management Personnel			
	Steel Konnect India Pvt Ltd	Komal Infotech Pvt.Ltd.	GSEC Logistics Ltd.	GSEC Green Energy Pvt.Ltd.	Smart-meters Technologies Pvt.Ltd.	Electrify Energy Pvt.Ltd.	Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah
Rent Paid		0	0	0	0	0	3.04	0	0	
Interest Paid		1.82	0	0	0	4.64	17.01	46.40	0	
Interest Received		0	0	0	44.86	0	0	0	0	
Remuneration		0	0	0	0	0	72.00	22.85	24.50	
Outstanding as on 31.03.2022	396.92	44.44	355.67	160.40	641.03	771.23	879.45	953.62	0	
Loan Taken	401.69	75.00	0	0	0	1030.00	1100.00	2699.28	0	
Loan Granted		0	13.32	70.72	1333.67	0	0	0	0	
Loan Repaid		45.02	0	0	0	255.11	357.11	2469.90	0	
Loan Repaid by	24.10	0	34.00	51.61	1879.00	0	0	0	0	
Purchase	2178.83									

**B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)**

(Amount in Lakhs)

Nature of Transaction	Sister Company		Associates Company	Relative of the Director	Sister Company
	GSEC Aviation Limited	Kalpavruksha Worldwide Private Limited	Safire Technologies Private Limited	Priti R. Shah Private Limited	GSEC Monarch and Deccan Aviaton Pvt Ltd
Rent Paid	0	0	0	23.13	
Interest Paid	0	97.95	0	0	
Interest Received	75.19	0	0	0	
Remuneration	0	0	0	0	
Outstanding as on 31.03.2022	1157.67	1081.10	223.10	0	84.89
Loan Taken	0	4725.00	0	0	
Loan Granted	366.34	0	0	0	50.00
Loan Repaid	0	4490.46	0	0	
Loan Repaid by	213.91	0	202.90	0	

(viii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2022 amounting to Rs. 5.04 Lakhs {2020-21 Rs. (100.43 Lakhs)} has been arrived at as follows.

(Amount in Lakhs)

Deferred Tax Assets arising from:	2021-22	2020-21
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	(8.44)	(91.97)
Gratuity & Leave Encashment	12.28	(8.46)
Bonus Provision	0.00	0.00
Others	0.00	0.00
Net deferred Tax Assets/(Liability)	3.84	(100.43)

The tax impact for the above purpose has been arrived by applying a tax Rate of 27.94% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

(ix) Earning per Share (EPS):

(Amount in Lakhs)

Particulars	2021-22	2020-21
Net profit/(Loss) after Tax	2290.39	475.47
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In Rs.)	30.34	6.30

(x) Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013.

(Amount in Lakhs)

Particulars		2021-22	2020-21
a.	C.I.F. value of imports of: Trading Goods	1313.54	-
	Spare parts	-	-
	Capital Goods	-	-
d.	Expenditure in Foreign Currency on Foreign Travel	26.56	20.29
e.	Expenditure in Foreign Currency on purchase of capital items	-	-
f.	Consumption of:		
	i. Raw Materials	-	-
	ii. Store and Spares Parts	-	-
g.	Remittance in Foreign Currency On accounts of Agency Commission	-	-
h.	Earning in Foreign Exchange (Value of Goods Exported)		

(xi) Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person, that are

- (a) repayable on demand or  
(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter		
Directors		
KMPs		
Related Parties	25,11,04,470*	79.22%

\* This amount excludes the loan given to GSEC Green energy private limited which ceased to be a subsidiary during the year

- (xi) Company has taken borrowings from State Bank of India basis of security of current assets. Company has regularly filed monthly returns or statements of current assets with the Bank. However, there are not significant differences in Current Assets except Ageing and in some cases of Air Cargo Debtors.
- (xii) Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure

**(xiii) Ratio Analysis**

Sr. No.	Description of Ratio	Ratio		Numerator	Denominator	Variance	Reason
		Ratio 21-22	Ratio 20-21				
1	Current Ratio	1.02	1.36	Total current assets	Total current liabilities	-25%	Due to increase in short term borrowings and current liabilities current liabilities have increased that leads to decrease in ratio
2	Debt Equity Ratio	1.09	0.39	Total Borrowings	Total equity	178%	Due to substantial increase in short term borrowings compared to last year
3	Debt Service Coverage Ratio	0.50	0.85	Earning for Debt Service = PAT + Non-cash expenses + Interest	Debt service = Interest and lease payments + Principal repayments	-41%	Borrowings have registered increase of 330% (53 Cr.) whereas reserves have improved by 250% (21 Cr.) leading to increase in debt equity ratio
4	Return on Equity	0.36	0.12	Profit for the year less Preference dividend (if any)	Average total equity	206%	Increase in other income from shares is major contributing factor in increase in ratio
5	Inventory to Turnover Ratio	2,587.70	2,315.72	Sale of Goods	Average Inventory	12%	
6	Trade Receivables to Turnover Ratio	21.98	21.31	Revenue from operations	Average trade receivables	3%	
7	Trade Payables to Turnover Ratio	24.92	29.72	Cost of Purchase	Average trade payables	-16%	
8	Net Capital to Turnover Ratio	184.57	26.34	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	601%	Due to increase in short term borrowings and current liabilities working capital at the year end has reduced Increase in other income from
9	Net Profit Ratio	0.06	0.01	Profit for the year	Revenue from operations	329%	shares is major contributing factor in increase in Net profit ratio
10	Return on Capital Employed	0.54	0.29	Profit before tax and finance costs	Net worth plus Long term borrowings	84%	EBIT has almost tripled due to increase in other income from shares whereas capital employed has increased only by 50%.
11	Return on Investment	0.36	0.12	Income generated from invested funds	Average invested funds	206%	Increase in other income from shares is major contributing factor in increase in ratio

- (xiv) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lakhs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.
- (xv) Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure.

**Financial information about the primary business segment for the year ended 31st March, 2022**  
(Amount in Lakhs)

S. N.	Particulars	Cargo Handling Service		Trading & other Activities		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>A.</b>	<b>Revenue</b>						
	Services/Sales Revenue	3196.68	2665.29	34175.18	30583.22	37371.86	33248.50
	Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Revenue</b>	<b>3196.68</b>	<b>2665.29</b>	<b>34175.18</b>	<b>30583.22</b>	<b>37371.86</b>	<b>33248.50</b>
<b>B.</b>	<b>Result</b>						
	Segment Result Profit/Loss	<b>1533.66</b>	<b>1430.77</b>	<b>68.90</b>	<b>364.36</b>	<b>1602.56</b>	<b>1795.13</b>
	Other Income excluding Interest Income					2700.41	1038.11
	Other Unallocable Expenses					1774.40	1844.22
	Operating Profit					2528.57	989.02
	Interest Income					673.69	138.61
	Interest Expenses					593.23	420.11
	Profit Before Tax					2609.03	707.53
	Provision For Income Tax (including Deferred Tax)					318.64	232.05
	<b>Net Profit</b>					<b>2290.39</b>	<b>320.63</b>
<b>C.</b>	<b>Other Information</b>						
	Capital Employed						
	Segment Assets	1424.03	1480.42	2261.99	850.00	3686.03	2330.42
	Segment Liabilities	246.14	527.23	2355.83	900.44	2601.97	1427.68
	Other Unallocable Corporate Assets and Liabilities	0.00	0.00			5207.44	3098.91
	<b>Total Capital Employed</b>					<b>6291.50</b>	<b>4001.66</b>
	Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	58.42	47.52	104.47	92.97	162.89	140.49
	Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>58.42</b>	<b>47.52</b>	<b>104.47</b>	<b>92.97</b>	<b>162.89</b>	<b>140.49</b>
<b>D.</b>	<b>Segment Depreciation</b>	145.80	153.36	78.01	51.02	223.82	204.39
<b>E.</b>	<b>Non Cash Expenses other than Depreciation</b>	0.00	0.00	7.05	0.00	7.05	0.00

**For BJS & Associates**  
Chartered Accountants  
Firm Registration No. 113268W

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

Date : 17.09.2022  
Place : Ahmedabad  
UDIN : 22010712AWOARR1257

**RAKESH SHAH**  
Chairman & Managing Director  
DIN:00421920

**DARSHIL SHAH**  
Company Secretary  
M. No. A37483

Date : 17.09.2022  
Place : Ahmedabad

**SAMIR MANKAD**  
Whole-Time Director  
DIN: 00421878

**DINESH SHAH**  
Chief Financial Officer  
M. No. 38650

# INDEPENDENT AUDITOR'S REPORT

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**To the Members of GSEC Limited**

**Report on the Consolidated Financial Statements**

## **Opinion**

We have audited the accompanying Consolidated financial statements of GSEC Limited ('the holding Company'), and its subsidiaries (together referred to as 'The Group') and its associates which comprise the consolidated balance sheet as at 31 March 2022, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors referred to below in the other matters section, the aforesaid Consolidated 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, of the state of affairs of the Company as at 31 March 2022 and its consolidated profit and its consolidated cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

## **Information other than the financial statements and auditors' report thereon**

The Holding Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the standalone financial statements, consolidated financial statement and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the



purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

#### **Auditor's Responsibility for the audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit financial statement of 4 Subsidiaries, whose financial statements reflect total assets of Rs. 4026.16 lakh and net assets of (31.24) lakhs as at 31st March 2022, total revenue of Rs. 9855.60, net loss of Rs. 12.77 lakhs and net cashflow amounting to Rs. 328.17 Lakhs for the year ended on that date, 1 Joint Venture whose financial statements reflect holding Company's proportionate share in its assets of 3359.61 Lakh, liabilities of 2080.11 Lakh, net profit of 4.97 Lakh for the year ended on that date, and 2 Associates which reflect group's share of net loss of 1.60 Lakhs as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and the jointly controlled entity is based solely on the reports of the other auditors.

We did not audit financial statement of 2 Associates which reflect group's share of net profit of 3.97 Lakhs as considered in the consolidated financial statements. These financial statements are unaudited and approved by the respective Board of Directors of these companies and have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of these associates is based solely on such approved unaudited financial statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2022 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 with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, associate companies and joint

ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the ‘Other matter’ paragraph:
- i) The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its Consolidated Financial Statements – Refer Note 24(iv) to the Consolidated Financial Statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2022;
  - iv)
    - a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, except disclosed in notes to accounts, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, except disclosed in notes to accounts, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

**For BJS & Associates  
Chartered Accountants  
Firm Registration Number: 113268W**

**CA BIPIN SHAH  
Partner  
Membership Number: 10712  
UDIN: 22010712BERGOB3754**

**Place : Ahmedabad  
Date: 17/09/2022**

## **Annexure - A TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company

**For BJS & Associates  
Chartered Accountants  
Firm Registration Number: 113268W**

**CA BIPIN SHAH  
Partner**

**Place : Ahmedabad  
Date: 17/09/2022**

**Membership Number: 10712  
UDIN: 22010712BERGOB3754**

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## **Annexure - B TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of GSEC Limited ('the holding Company'), and its subsidiaries (together referred to as 'The Group') and its associates and its joint ventures as of 31 March 2022 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

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

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

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

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

### **Opinion**

In our opinion, the Respective Companies 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 31 March 2022, 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.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to these 4 subsidiaries, 3 associates and 1 joint ventures, which are entities incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

**For BJS & Associates  
Chartered Accountants  
Firm Registration Number: 113268W**

**CA BIPIN SHAH  
Partner  
Membership Number: 10712  
UDIN: 22010712BERGOB3754**

**Place : Ahmedabad  
Date: 17/09/2022**

## Consolidated Balance Sheet as at 31st March, 2022

(Amount in Lakhs)

Particulars	Notes	31st March, 2022	31st March, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	5550.18	3108.41
<b>2 Minority Interest</b>		300.99	0.00
<b>3 Non-current liabilities</b>			
(a) Long-Term Borrowings	3	1184.78	0.00
(b) Deferred Tax Liabilities (Net)		0.00	0.00
(c) Other Long Term Liabilities	4	286.03	0.00
(d) Long-Term Provisions	5	12.08	0.00
<b>4 Current liabilities</b>			
(a) Short-Term Borrowings	6	6317.38	1883.85
(b) Trade Payables	7	2558.98	1657.84
(c) Other Current Liabilities	8	4330.84	937.01
(d) Short-Term Provisions	9	44.55	59.52
<b>TOTAL</b>		<b>21340.81</b>	<b>8401.62</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property Plant and Equipment and Intangible Assets			
(i) Property Plant and Equipment	10	2235.82	2420.35
(ii) Intangible Assets		10.67	0.08
(iii) Capital Work in Progress		2655.56	676.06
(iv) Intangible Asset under development		18.31	0.00
(b) Goodwill arising on consolidation		0.12	0.00
(c) Non-Current Investments	11	823.24	526.11
(d) Deferred Tax Assets (Net)		2.84	4.80
(e) Long-Term Loans and Advances	12	1413.52	1284.52
<b>2 Current Assets</b>			
(a) Current Investments		0.00	0.00
(b) Inventories	13	61.45	22.90
(c) Trade Receivables	14	2504.05	1345.77
(d) Cash and Bank Balance	15	5825.44	127.61
(e) Short-Term Loans and Advances	16	5727.94	1991.46
(f) Other Current Assets	17	61.83	1.97
<b>TOTAL</b>		<b>21340.81</b>	<b>8401.62</b>

Significant Accounting Policies

The accompanying notes are integral parts of the Financial Statements.

**As per our attached report or even date For and on behalf of Board of Directors**

**For BJS & Associates**  
Chartered Accountants  
Firm Registration No. 113268W

**CA BIPIN J SHAH**  
Partner  
Membership No. 10712

Date : 17/09/2022  
Place : Ahmedabad  
UDIN: 22010712BERGOB3754

**RAKESH SHAH**  
Chairman & Managing Director  
DIN:00421920

**DARSHIL SHAH**  
Company Secretary  
M. No. A37483

Date : 17/09/2022  
Place : Ahmedabad

**SAMIR MANKAD**  
Whole-Time Director  
DIN: 00421878

**DINESH SHAH**  
Chief Financial Officer  
M. No. 38650

## Consolidated Profit and Loss Statement for the year ended 31st March,2022

(Amount in Lakhs)

Particulars	Notes	2021-22	2020-21
<b>I. Revenue From Operations</b>			
Sale of Traded Goods (Gross)		44426.75	31060.61
Less: Excise duty		0.00	0.00
<b>Sale of Trading Goods (Net)</b>		<b>44426.75</b>	<b>31060.61</b>
Sale of Services		3282.60	2671.29
Other Operating Revenues		0.00	0.00
<b>II. Other Income</b>	18	3642.79	1177.91
<b>III. Total Revenue</b>	(I+II)	<b>51352.14</b>	<b>34909.80</b>
<b>IV. Expenses:</b>			
Purchase of Traded Goods		44388.39	30694.05
Changes in Inventories of Stock-in Trade	19	-43.39	-9.70
Employee Benefits Expense	20	661.66	520.01
Finance Costs	21	706.39	459.69
Depreciation and Amortization Expense	10	224.65	211.13
Other Expenses	22	2631.80	2366.90
<b>Total Expenses</b>		<b>48569.50</b>	<b>34242.07</b>
<b>V. Profit Before Exceptional Items And Tax (III-IV)</b>		<b>2782.64</b>	<b>667.73</b>
VI. Exceptional Items		0.00	0.00
<b>VII. Profit before tax (V- VI)</b>		<b>2782.64</b>	<b>667.73</b>
VIII. Tax Expense:			
(1) Current Tax		333.88	133.77
(2) Deferred Tax		-0.82	94.86
(3) Tax Adjustment of Earlier Years		0.28	0.00
<b>IX Profit for the Year (VII-VIII)</b>		<b>2449.29</b>	<b>439.10</b>
(-) Profit/(loss) attributable to minority Interest		0.16	
(-) Pre-acq profit/(loss) adjusted against Capital Res/Goodwill		0.24	
(+) Share of Profit/(loss) from Associates		2.36	-5.59
<b>X. Net Profit for the Year of the Group</b>		<b>2451.25</b>	<b>433.51</b>
<b>X Earnings per equity share (in Rs.) :</b>		<b>32.47</b>	<b>5.74</b>
Significant Accounting Policies			
The accompanying notes are integral parts of the Financial Statements			

As per our attached report or even date

For and on behalf of Board of Directors

For BJS & Associates

Chartered Accountants

Firm Registration No. 113268W

CA BIPIN J SHAH

Partner

Membership No. 10712

Date : 17/09/2022

Place : Ahmedabad

UDIN: 22010712BERGOB3754

**RAKESH SHAH**

Chairman & Managing Director

DIN:00421920

**DARSHIL SHAH**

Company Secretary

M. No. A37483

Date : 17/09/2022

Place : Ahmedabad

**SAMIR MANKAD**

Whole-Time Director

DIN: 00421878

**DINESH SHAH**

Chief Financial Officer

M. No. 38650

## Consolidated Cash Flow Statement For The Year Ended 31st March, 2022

(Amount in Lakhs)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	2782.64	667.28
<b>Adjustments For:</b>		
Depreciation	224.65	211.13
Interest Paid	692.34	459.69
Interest received	-787.40	-138.93
(Profit)/Loss on Sale of Investments	-2785.95	-990.85
(Profit)/Loss on Sale of Fixed Assets	-25.89	-0.81
Dividend Received	-6.16	-0.14
Rent Income	-9.98	-
Profit on redemption of Mutual fund	0.00	-13.39
Others	-0.55	-
<b>Operating Profit before working capital changes</b>	<b>83.71</b>	<b>193.98</b>
<b>Movements in working capital</b>		
<b>Adjustment for Decrease (Increase) in operating assets</b>		
Decrease in Inventories	-43.39	-9.70
(Increase) in Trade and other Receivables	-1398.49	925.51
(Increase) in Short Term Loans and Advances	323.95	-731.02
Decrease in other Current Assets	-3651.10	0.12
Decrease in other Non Current Assets	71.85	
Increase in Trade Payables	1296.95	198.55
(Decrease) in other Current Liabilities	3675.23	530.78
(Decrease) in other Non Current Liabilities	1.04	
Increase in Provisions	-1.86	24.24
<b>Net Cash Flow from Operating Activities before tax and Exceptional Items (A)</b>	<b>274.18</b>	<b>938.49</b>
Taxes Paid	-353.41	-159.93
<b>Net cash generated from operating activities before exceptional items</b>	<b>4.48</b>	<b>972.53</b>
Exceptional Items	0.00	0.00
<b>Net cash generated from operating activities</b>	<b>4.48</b>	<b>972.53</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
(Increase)/Decrease in Margin Money	-5267.54	11.88
Purchase of Fixed Assets	-2459.44	-1074.61
Purchase of Investments	-2067.16	-440.25
Sale Proceeds of Fixed Assets	55.00	1.73
Sale of Investments	4380.71	1084.05
Interest received	787.40	138.93
Dividend Received on Investments	6.16	0.14
Rent Received	9.98	-



(Amount in Lakhs)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Purchase of Mutual Fund		-780.00
Redemption of mutual Fund		798.39
Long Term Loans and Advances	-732.53	-931.96
<b>Net cash flow from investing activities</b>	<b>-5287.42</b>	<b>-1191.69</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Long term Borrowing (Net off repayment)	1130.51	0.00
Short term Borrowing (Net off repayment)	4945.68	670.69
Unclaimed Dividend Paid	0.36	0.00
Interest paid	-692.34	-459.69
Issue of share capital	300.00	0.00
<b>Net cash flow from financing activities</b>	<b>5684.21</b>	<b>211.00</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>401.27</b>	<b>-8.15</b>
Cash and cash equivalents at the beginning of the year	<b>65.36</b>	<b>73.51</b>
Cash and cash equivalents at the end of the year	<b>466.63</b>	<b>65.36</b>

As per our attached report or even date For and on behalf of Board of Directors

For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W

CA BIPIN J SHAH  
Partner  
Membership No. 10712

Date : 17/09/2022  
Place : Ahmedabad  
UDIN: 22010712BERGOB3754

**RAKESH SHAH**  
Chairman & Managing Director  
DIN:00421920

**DARSHIL SHAH**  
Company Secretary  
M. No. A37483

Date : 17/09/2022  
Place : Ahmedabad

**SAMIR MANKAD**  
Whole-Time Director  
DIN: 00421878

**DINESH SHAH**  
Chief Financial Officer  
M. No. 38650

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 1 Share Capital

(Amount in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of Rs.10 each	10,030,000	1003.00	10,030,000	1003.00
<b>Issued</b> Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
<b>Subscribed &amp; fully Paid up</b> Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
<b>Total</b>	<b>7,550,000</b>	<b>755.00</b>	<b>7,550,000</b>	<b>755.00</b>

#### 1.1 The reconciliation of the number of shares outstanding is set out below:

Particulars	Equity Shares			
	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount in Lacs	Number	Amount in Lacs
Shares outstanding at the beginning of the year	7,550,000	755.00	7,550,000.00	755.00
Shares Issued during the year	0.00	0.00	0.00	0.00
Shares bought back during the year	0.00	0.00	0.00	0.00
Any other movement (please specify)	0.00	0.00	0.00	0.00
Shares outstanding at the end of the year	7,550,000	755.00	7,550,000.00	755.00

#### 1.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company, after distribution of all preferential amounts.

#### 1.3 Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31st March, 2022	As at 31st March, 2021
<b>Equity Shares</b> Komal Infotech Private Ltd.	Holding Company	4,783,910	4,783,910

#### 1.4 Details of Shareholders holding more than 5% shares

Particulars	Equity Shares			
	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	636,090	8.42	636,090	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

As per records of company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 1 Share Capital (Contd.....) (Amount in Lakhs)

#### 1.5 Share holding by promoters

Shares held by promoters at the end of the year			% Change during the year
Name	No of shares	% of total shares	
Komal Infotech Private Ltd.	4,783,910	63.36%	0.00%
Priti R. Shah	1,447,670	19.17%	0.00%
Rakesh R. Shah	636,090	8.43%	0.00%
Shaishav R. Shah	487,270	6.45%	0.00%
<b>Total</b>	<b>7,354,940</b>	<b>97.42%</b>	<b>0.00%</b>

### Note 2 Reserves & Surplus (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a. Securities Premium Account</b>		
As per Last Balance Sheet	337.00	337.00
<b>Total</b>	<b>337.00</b>	<b>337.00</b>
<b>b. Capital Reserves</b>		
As per Last Balance Sheet	15.00	15.00
Add: for Acquisition during the year		
Less: For sale of subsidiary during the year	15.00	0.00
<b>Total</b>	<b>0.00</b>	<b>15.00</b>
<b>c. Capital Reserve on consolidation</b>		
As per Last Balance Sheet	0.00	0.00
Add: for Acquisition during the year	5.52	0.00
Less: For sale of subsidiary during the year		
<b>Total</b>	<b>5.52</b>	<b>0.00</b>
<b>d. General Reserves</b>		
As per Last Balance Sheet	168.23	168.23
<b>e. Surplus/Deficit in statement of Profit and Loss</b>		
As per Last Balance Sheet	2588.18	2154.67
Add : Profit For the Year	2451.25	433.51
Less: Proposed Dividend	0.00	0.00
Less: Tax on Proposed Dividend	0.00	0.00
<b>Total</b>	<b>5039.42</b>	<b>2588.18</b>
<b>Total</b>	<b>5550.18</b>	<b>3108.41</b>

### Note 3 Long-Term Borrowings (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Secured Loans</b>		
Term Loans from Banks (Secured against registered mortgage/Hypothecation of Entire Project Assets. (both present and future on pari passu basis with the Banks)	1184.78	0.00
<b>b) Unsecured Loans</b>	0.00	0.00
<b>Total</b>	<b>1184.78</b>	<b>0.00</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 4 Other Long term liabilities (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Payable on purchase of property, plant and equipment	256.48	0.00
Retention Money Payable	29.55	0.00
<b>Total</b>	<b>286.03</b>	<b>0.00</b>

### Note 5 Long-term Provisions (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Provision for Employee Benefits*</b>		
Gratuity (Funded)	1.86	0.00
Leave Encashment (Unfunded)	10.22	0.00
<b>Total</b>	<b>12.08</b>	<b>0.00</b>
<b>(b) Other Provision</b>		
Others		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Total (a+b)</b>	<b>12.08</b>	<b>0.00</b>

\* Long Term and Short Term classification is done based on actuarial valuation certificate.

### Note 6 Short-Term Borrowings (Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a) Secured Loans</b>		
Working capital facilities from Bank (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors & their relatives)	659.72	0.00
	<b>659.72</b>	<b>0.00</b>
<b>b) Unsecured Loans</b>		
(i) Loans repayable on demand	0.00	82.87
<b>(ii) Loans from Related Parties</b>		
Komal Infotech Pvt Ltd	44.44	12.82
Kalpavruksha Worldwide Pvt. Ltd.	1081.10	758.40
Loan / Deposits from Directors	1879.54	1029.76
Others	2652.59	0.00
<b>Total</b>	<b>5657.66</b>	<b>1800.98</b>
<b>Total (a+b)</b>	<b>6317.38</b>	<b>1883.85</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 7 Trade Payables

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables (Expenses and Purchases)	2558.98	1657.84
<b>Total</b>	<b>2558.98</b>	<b>1657.84</b>

#### Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Trade Payable Aging Schedule*	As at 31st March, 2022	As at 31st March, 2021
(i) MSME		
(ii) Others		
Outstanding for Less Than 1 Year	2502.36	1630.82
Outstanding for 1 – 2 Years	31.90	16.69
Outstanding for 2 – 3 Years	14.98	4.16
Outstanding for More Than 3 Years	9.74	6.18
	<b>2558.98</b>	<b>1657.84</b>
(iii) Disputed MSME		
(iv) Disputed Others		

\* Where no due date of payment is specified, the disclosure has been made from the date of transaction.

### Note 8 Other Current Liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Unclaimed dividends	2.14	2.51
(b) Statutory Dues Payables	338.69	176.72
(c) Trade/Security Deposit (Including Predeposit at ACC)	152.11	150.40
(d) Advance from Customers	3721.41	304.02
(e) Other Liabilities	116.49	303.36
<b>Total</b>	<b>4330.84</b>	<b>937.01</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 9 Short-term Provisions

Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Provision for Employee Benefits*</b>		
Gratuity (Funded)	1.74	11.55
Leave Encashment (Unfunded)	0.63	17.58
<b>Total</b>	<b>2.36</b>	<b>29.14</b>
<b>(b) Other Provision</b>		
Other provisions including unpaid expense	42.18	30.38
<b>Total</b>	<b>42.18</b>	<b>30.38</b>
<b>Total</b>	<b>44.55</b>	<b>59.52</b>

\* Long Term and Short Term classification is done based on actuarial valuation certificate.

### Note 10 Property Plant And Equipment and Intangible Asset

(Amount in Lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at April 1, 2021	Additions	Disposal	Adjustments	Balance as at March 31, 2022	Balance as at April 1, 2021	Depreciation charge for the year - Approx	Adjustments	On disposals	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
<b>a Property Plant And Equipment</b>												
Land-Freehold	621.00	101.15	0.05	-112.76	609.34	0.00	0.00	0.00	0.00	0.00	609.34	621.00
Buildings	1681.04	1.33	163.16	0.00	1519.21	496.63	57.77	0.00	62.01	492.40	1026.81	1184.41
Plant and Equipment	616.62	46.09	26.87	-2.04	633.80	385.20	42.65	0.06	22.72	405.08	228.72	231.41
Furniture and Fixtures	483.84	28.92	4.57	-4.04	504.15	380.88	26.42	0.30	4.39	402.61	101.54	102.97
Vehicles	598.56	15.74	262.92	0.00	351.38	508.51	26.17	0.00	233.81	300.88	50.50	90.04
Office Equipment	723.13	105.67	40.90	-2.05	785.86	568.97	72.47	0.40	38.85	602.18	183.67	154.16
Computers	187.89	17.02	0.00	-11.25	193.66	156.16	8.36	2.40	0.00	162.12	31.54	31.73
A.C Machines & Plant	67.06	0.00	0.00	0.00	67.06	62.43	0.93	0.00	0.00	63.36	3.70	4.63
<b>Total (i)</b>	<b>4979.14</b>	<b>315.93</b>	<b>498.46</b>	<b>-132.15</b>	<b>4664.46</b>	<b>2558.79</b>	<b>234.78</b>	<b>3.16</b>	<b>361.77</b>	<b>2428.63</b>	<b>2235.82</b>	<b>2420.35</b>
<b>b Intangible Assets</b>												
Goodwill												
Trademarks	0.08	0.03		-0.04	0.07		0.03			0.03	0.04	0.08
Software		10.85			10.85		0.22			0.22	10.63	0.00
<b>Total (ii)</b>	<b>0.08</b>	<b>10.88</b>	<b>0.00</b>	<b>-0.04</b>	<b>10.92</b>	<b>0.00</b>	<b>0.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.24</b>	<b>10.67</b>	<b>0.08</b>
<b>c Capital Work In Progress</b>												
	676.06	2317.53		-338.03	2655.56					0.00	2655.56	676.06
<b>Total (iii)</b>	<b>676.06</b>	<b>2317.53</b>	<b>0.00</b>	<b>-338.03</b>	<b>2655.56</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2655.56</b>	<b>676.06</b>
<b>d Intangible assets under Development</b>												
Software Development		18.31			18.31					0.00	18.31	0.00
<b>Total (iv)</b>	<b>0.00</b>	<b>18.31</b>	<b>0.00</b>	<b>0.00</b>	<b>18.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18.31</b>	<b>0.00</b>
<b>Grand Total</b>	<b>5655.27</b>	<b>2662.65</b>	<b>498.46</b>	<b>-470.22</b>	<b>7349.24</b>	<b>2558.79</b>	<b>235.02</b>	<b>3.16</b>	<b>361.77</b>	<b>2428.87</b>	<b>4920.37</b>	<b>3096.49</b>
<b>Previous Year</b>	<b>4577.52</b>	<b>1080.92</b>	<b>3.17</b>	<b>0.00</b>	<b>5655.27</b>	<b>2343.59</b>	<b>217.44</b>	<b>0.00</b>	<b>2.24</b>	<b>2558.79</b>	<b>3096.49</b>	<b>2233.93</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 11 Non-Current Investments

Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Trade Investments (Valued At Cost)</b>		
<b>Unquoted Investments:</b>		
<b>In Associate Companies</b>		
5200 Equity Shares of GSEC Bird Airport Services Private Limited of Rs. 10 each (P.Y. 0 Shares)	0.26	-
3500 Equity Shares of Safire Technologies Private Limited of Rs. 10 each (Including Capital Reserve of Rs. 40290) (P.Y. 3500 Shares)	3.97	0.00
Investment in P C Snehal GSEC LLP (P.Y. 0 Shares)	0.50	-
Investment in GSEC INDO THAI Ground Handling Pvt. Ltd. (P.Y. 0 Shares)	1.26	-
	<b>5.98</b>	<b>0.00</b>
<b>Traded Quoted Investments:</b>		
25000 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited (P.Y.50000 Shares of Re. 1 Each)	25.97	25.97
100000 Equity Shares fully paid up of Rs. 2 each of Adani Port and SEZ Limited (P.Y.0 Shares)	660.00	0.00
160000 Equity Shares fully paid up of Rs. 1 each of Adani Transmission Limited (P.Y.0 Shares)		379.08
1000 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 1000 Shares of Rs. 10 each))	3.89	3.89
66 Equity Shares Partly paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 6670 Shares of Rs. 10 each)	0.93	0.23
75000 Equity Shares fully paid up of Rs. 2/- each of Bodal Chemicals Limited (P.Y. 0 Shares)	45.75	45.75
50000 Equity Shares fully paid up of Re.1/- each of Infibeam Avenue Limited (P.Y. 50000 Shares of Re. 1 Each )	32.23	32.23
100000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 100000 Shares of Re. 1 Each)	5.86	5.86
100000 Equity Shares fully paid up of Re.1/- each of Neela Spaces Limited Limited (P.Y.100000 Shares of Re. 1 each)	5.86	5.86
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares of Rs. 10 Each)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares of Rs. 10 Each)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares of Re. 1 Each)	0.00	0.00
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares of Re. 1 Each)	0.69	0.69

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 11 Non-Current Investments (Contd.....)

Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>UNQUATED INVESTMENTS</b>		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Shares of Rs. 100 each)	0.67	0.67
100 Shares - Kalupur Commercial Co-op. Bank Ltd of 25 each (Previous Year - Nil)	0.01	
<b>Investments in Government Securities-Unquoted</b>		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
<b>Total</b>	<b>782.02</b>	<b>500.39</b>
<b>Investment in Bank Fixed Deposits</b>	<b>9.52</b>	
<b>INVESTMENT IN PROPERTY</b>		
BLOCK D - SILVER ARC APARTMENT	<b>25.72</b>	<b>25.72</b>
<b>Total</b>	<b>823.24</b>	<b>526.11</b>
Aggregate amount of Unquoted Investments in Lakhs	6.65	0.67
Aggregate amount of Quoted Investments (Market Value) in Lakhs	1,225.00	1,571.17

### Note 12 Long Term Loans & Advances (Unsecured, Considered Good)

Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advance	228.65	620.03
Deposit and Balance with Government Authorities	3.81	3.81
Deposit with Others	596.58	276.87
Advance Income Tax (Net of Provisions)	21.35	28.13
Other Loans and Advances	563.14	355.68
<b>Total</b>	<b>1413.52</b>	<b>1284.52</b>
Advance income tax and provisions for taxation have been disclosed on net basis where a legal right to set off exists and the Company intends to settle the assets and liability on a net basis.		

### Note 13 Inventories

(At Cost or net Realisable Value whichever is lower)

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inventories	61.45	22.90
<b>Total</b>	<b>61.45</b>	<b>22.90</b>



## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 14 Trade Receivables

Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured- Considered good</b>	2504.05	1345.77
<b>Unsecured, considered doubtful</b>	0.00	0.00
Less: Provision for doubtful debts	0.00	0.00
<b>Total</b>	<b>2504.05</b>	<b>1345.77</b>
<b>Trade Receivable Aging Schedule*</b>		
<b>(i) Undisputed Considered Good</b>		
Not Due	62.99	
Outstanding for Less Than 6 months	2386.22	1163.52
Outstanding for 6 months - 1 year	2.65	-
Outstanding for 1 – 2 Years	4.02	21.75
Outstanding for 2 – 3 Years	14.43	31.15
Outstanding for More Than 3 Years	33.73	129.35
	<b>2504.05</b>	<b>1345.77</b>
<b>(ii) Undisputed Considered Doubtful</b>		
<b>(iii) Disputed Considered Good</b>		
<b>(iv) Disputed Considered Doubtful</b>		

\* Where no due date of payment is specified, the disclosure has been made from the date of transaction.

### Note 15 Cash & Bank Balance

Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(I) Cash &amp; Cash Equivalents</b>		
Cash On Hand	1.34	3.42
<b>Balances with Banks</b>		
- In Current Accounts/Cash Credit Account	465.29	59.44
<b>(II) Other Bank Balance</b>		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	5356.66	59.75
- Short term bank FD		2.50
- Unpaid Dividend Accounts	2.15	2.51
<b>Total</b>	<b>5825.44</b>	<b>127.61</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 16 Short-term Loans and Advances

(Unsecured and Considered Good)

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans and Advances to Related parties	1954.10	0.00
Loans to Employees	3.40	1.21
Prepaid Expenses	11.36	16.53
Balances with Government Authorities (Incl.GST Credit Receivable)	547.29	105.71
Sales Tax Credit Receivable	25.00	25.00
Advance to suppliers	3135.97	
Other Loans and Advances (Net)	50.82	1843.01
<b>Total</b>	<b>5727.94</b>	<b>1991.46</b>

### Note 17 Other Current Assets

(Unsecured and Considered Good)

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but Not Due	61.48	0.97
Other Current Assets	0.35	1.00
<b>Total</b>	<b>61.83</b>	<b>1.97</b>

### Note 18 Other Income

(Amount in Lakhs)

Particulars	2021-22	2020-21
<b>Interest Income</b>		
- Interest on Others	787.40	138.93
<b>Other non-operating income :</b>		
Dividend Income From Non- Current	6.16	0.14
Profit on sale of Subsidiary/ Associate	139.81	0.46
Profit on Sale of Mutual Fund		14.34
Profit on sale of Shares	2646.14	990.85
Profit on Sale of Fixed Assets	25.89	0.81
Foreign Exhnage Difference	0.00	
MISC. Dr/Cr/Written Back	1.54	0.00
Excess Provision for Earlier Year	3.45	0.41
Misc. Income	14.92	29.47
Rent Income	17.49	2.52
<b>Total</b>	<b>3642.79</b>	<b>1177.91</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 19 Change in Inventories of Finished Goods

(Amount in Lakhs)

Particulars	2021-22	2020-21
Inventories (at close)	61.45	22.90
Inventories( at commencement)	18.05	13.21
<b>Total</b>	<b>-43.39</b>	<b>-9.70</b>

### Note 20 Employee Benefits

(Amount in Lakhs)

Particulars	2021-22	2020-21
(a) Salaries and incentives	458.62	327.15
(b) Remuneration to Directors	152.12	152.59
(c) Contributions to -		
(i) Provident and other fund		
(ii) Superannuation scheme	10.83	20.10
(ii) Gratuity fund	-0.70	4.94
(d) Staff welfare expenses	40.80	15.23
<b>Total</b>	<b>661.66</b>	<b>520.01</b>

### Note 21 Finance Cost

(Amount in Lakhs)

Particulars	2021-22	2020-21
Interest Expense	656.53	420.11
Bank Charges	31.32	22.14
Other Borrowing Costs	18.54	17.44
<b>Total</b>	<b>706.39</b>	<b>459.69</b>

### Note 22 Other Expenses

(Amount in Lakhs)

Particulars	2021-22	2020-21
Rent and License Fees	200.49	301.05
Land Lease Rent for Guest House	9.24	9.24
Rates and Taxes	21.37	45.25
Insurance	27.13	38.78
Employer/Employee Insurance	215.77	166.65
Electricity	53.94	47.81
Stationery and Printing	4.54	6.09
Postage and Telephone	14.10	16.83
Repair & Maintenance Charges:		
- Building	176.13	168.29
- Others	249.73	157.71
Auditors Remuneration:		
- Audit Fee	3.11	2.31
Professional Fees and Legal Expenses	270.20	501.25
Vehicle & Conveyance Expenses	20.71	15.99

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Note 22 Other Expenses (Contd.....)

(Amount in Lakhs)

Particulars	2021-22	2020-21
Advertisement & Publicity Expenses	1.00	1.55
Travelling Expenses	269.49	79.06
Transportation & Freight	0.23	0.00
Guest House Expenses	18.88	18.01
Miscellaneous Expenses	61.66	72.09
Penalty / Late payment charges	0.38	0.11
Director fees & travelling	0.58	1.01
Sales Promotion	14.76	13.33
Security Expenses	63.03	56.68
Royalty	790.96	567.00
Packing Materials	103.26	66.32
Donation	4.52	1.26
Bad Debts Written Off	1.33	0.00
Commission and Agency Commssion	0.00	0.58
Cargo Handling Expenses	0.00	0.50
Prior period expense	0.25	0.00
Foreign Exchange Difference	29.23	0.00
Advances Written Off	5.72	0.00
Deputation Charges to Custom Department	0.00	12.15
Interest on TDS	0.08	0.00
<b>Total</b>	<b>2631.80</b>	<b>2366.90</b>

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### The Company and Nature of its Operations:

GSEC Limited, which was a Government Company formerly known as Gujarat State Export Corporation Limited, is primarily engaged in the activities of Export - Import facilities and trading business. The Company has a custodian of Air Cargo Complexes at Ahmedabad and it operates the Air Cargo complex under an Operations and Maintenance Arrangement at Indore, Raipur and Visakhapatnam. The Company also deals in various other products/commodities including but not limited to Chemicals, Commodities, Febrics, Petroleum Products etc.

### NOTE - 23 - NOTES FORMING PART OF ACCOUNTS

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

##### B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to GSEC Limited ('the Company') and its subsidiary Companies. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- f) Gains /Losses arising on the direct sale by the company of its investments in subsidiaries or associated companies to third parties are transferred to consolidated statements of profit and loss. Such gains or losses are the difference between the sale proceeds and net carrying value of investments.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except SMTPL (Joint ventures of parent)'s employee benefit obligations are calculated in line with Ind AS 19 where parent follows AS 15 for disclosure and calculation of employee benefits. Surplus or deficits arising on sale of company's own shares held by its subsidiaries along with the tax thereon is taken to capital reserve.
- h) The Group accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

- i) The group accounts for its share in Jointly controlled entities's assets, liabilities, income and expense as per proportionate consolidation. Details of group's share in Jointly controlled entities is disclosed in Note 24(xii)

**C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".**

**D. Other significant accounting policies these are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.**

**NOTE - 24 - OTHER NOTES FORMING PART OF ACCOUNTS:**

**(i) Details of Payments to Auditor**

**(Amount in Lakhs)**

Particulars		2021-22	2020-21
a.	auditor	2.87	2.00
b.	for taxation matters	0.15	0.30
c.	Certification	0.04	0.00
<b>Total</b>		<b>3.05</b>	<b>1.17</b>

**(ii)** Salaries and wages of Rs. 152.12 Lakhs (Previous Year Rs 152.59 Lakhs) being the remuneration to Chairman and Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.

**(iii)** Balance of debtors, creditors, loans and advances are subject to confirmation by the parties concerned and adjustment, if any.

**(iv) (A) Contingent Liabilities not provided for :**

- Claims against the company not acknowledged as debt of Rs. 61.86 Lakhs (Previous Year Rs. 61.86 Lakhs).
- Higher demand of Rs. 34.76 Lakhs including Interest for non payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However, the work at Air Cargo Complex – Indore continues and Company has deposited Rs. 35 Lakhs in 2013-14 under protest.
- Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of Rs. 887.39 Lakhs for not allowing input credit of VAT on the purchases of Drinking Water Plant/ Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited Rs. 25 Lakhs under protest.
- Bank Guarantee given by State Bank of India (SME Law Garden Branch, Ahmedabad, Gujarat) of 40.00 Crores in favour of Bank of India Mid corporate branch Vadodara agreeing to undertake obligations in respect of the Resolution Plan for Diamond Power Infrastructure Limited (DPIL) for which Term Deposit (40770891932) of 40.00 Crores held as Margin for Bank Guarantee issued with Guarantor Bank on 08.02.2022.

**(B) Commitments (In respect of Joint Ventures)**

Management has Estimated that the amount of contract on capital account to be executed and not provided for (net of advance) for the FY 2021-22 is Rs 1434.39 Lacs.(Previous year Nil)

(v) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

Employees Benefits:

Defined Benefits Plans as per Actuarial Valuation on March 31, 2022.

(Amount in Lakhs)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (unfunded)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
(1)	<b>The amounts recognized in the Balance Sheet as at the end of the year</b> Present Value of Funded Obligation Fair Value of Plan Assets Present Value of Unfunded Obligation Net( Assets)/liability	(58.32) 56.59 -	(62.66) 53.36 -	(3.73) -	(2.26) -
		<b>(1.73)</b>	<b>(9.30)</b>	<b>(3.73)</b>	<b>(2.26)</b>
(2)	<b>The amounts recognized in Profit and Loss Account for the year</b> Current Service Cost Interest Cost Expected Return on Plan Assets Actuarial (Gains)/Losses Past Service Cost <b>Total Expenses</b>	5.92 0.63 (7.26) -	8.29 0.85 (4.20) -	2.92 0.16 (1.59) -	2.26 -
		<b>(0.72)</b>	<b>4.94</b>	<b>1.48</b>	<b>2.26</b>
(3)	<b>The Changes in Obligations during the year</b> Present value of Defined benefit Obligation at the beginning of the year Current Service Cost Interest Cost Actuarial (Gains)/Losses Benefit Payments Past Service Cost <b>Present value of Defined Benefit Obligation at the end of the year</b>	62.66 5.92 4.26 (7.67) (6.85) -	59.70 8.29 4.10 (4.55) (4.87) -	2.26 2.92 0.16 (1.59) -	- 2.26 -
		<b>58.32</b>	<b>62.67</b>	<b>3.73</b>	<b>2.26</b>
(4)	<b>The changes in Plan Assets during the year</b> Plan Assets at the beginning of the year Actuarial gains and (losses) Contribution by Employer Actual Benefit Paid Plan assets at the end of the year Actual return on Plan Assets	53.36 - (0.35) 6.85 (0.40) 56.59	47.34 - (0.35) 8.00 (4.87) 53.36	- -	- -
		<b>3.63</b>	<b>3.25</b>	-	-
Sr. No.	Particulars			Gratuity (Funded)	Gratuity (unfunded)
(5)	<b>Actuarial Assumption :</b> <b>Discount Rate</b> Turnover Rate <b>Mortality</b> Salary Escalation Rate Retirement age			7.25%	6.80%
				7.00% 58 & 60 Years	7.00% 58 Years

\* This refers to the Liabilities of Smartmeter Technologies Private Limited (Joint Venture of parent). Parent has recognized 50% as its share in this liability and related expenses in Consolidated Financial Statements

**(vi) Related Party Disclosure**

As per Accounting Standard 18 (AS-18) Related Party disclosure issued by ICAI the disclosure of transaction with related parties as defined in AS-18 are given below:

**A. Name of Related Parties & Description of Relationship with whom Transactions were .**

Name of Related Party	Relationship
Komal Infotech Pvt. Ltd.	Holding Company
Safire Technologies Pvt. Ltd.	Associate Company
GSEC Aviation Limited	Sister Company
GSEC Monarch and Deccan Aviation Pvt. Ltd.	Sister Company
Kalpavruksha Worldwide Pvt Ltd (Formerly Kalpavruksha Estate and Finance Pvt. Ltd.)	Sister Company
Vishwa Imports LLP	Sister Company
GSEC Bird Airport Services Pvt Ltd	Associate Company
GSEC Indo Thai Ground Handling Pvt Ltd	Associate Company
Priti R. Shah	Relative of Director
<b>Key Management Personnel</b>	
(i) Rakesh R. Shah	
(ii) Shaishav R. Shah	
(iii) Samir H. Mankad	
(iv) Raji Shah	
(v) Darshil Shah	
(vi) Dinesh Shah	

**B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)****(Amount in Lakhs)**

Nature of Transaction	Fellow Subsidiary	Holding Company	Key Management Personnel			
	Steel Konnect India Pvt Ltd	Komal Infotech Pvt Ltd	Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah
Rent Paid		0	0	3.04	0	0
Interest Paid		1.82	17.01	46.40	0	0
Interest Received		0	0	0	0	0
Remuneration		0	72.00	22.85	24.50	23.32
Outstanding as on 31.03.2022	396.92	44.44	879.45	953.62	0	0
Loan Taken	401.69	75.00	1100.00	2699.28	0	0
Loan Granted		0	0	0	0	0
Loan Repaid		45.02	357.11	2469.90	0	0
Loan Repaid by	24.10	0	0	0	0	0
Purchase	2178.83					



**B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)**

(Amount in Lakhs)

Nature of Transaction	Sister Company		Associates Company	Relative of the Director	Sister Company
	GSEC Aviation Limited	Kalpavruksha Worldwide Private Limited	Safire Technologies Private Limited	Priti R. Shah Private Limited	GSEC Monarch and Decon Aviation Pvt. Ltd.
Rent Paid	0	0	0	23.13	
Interest Paid	0	97.95	0	0	
Interest Received	75.19	0	0	0	
Remuneration	0	0	0	0	
Outstanding as on 31.03.2022	1157.67	1081.10	223.10	0	84.89
Loan Taken	0	4725.00	0	0	
Loan Granted	366.34	0	0	0	50.00
Loan Repaid	0	4490.46	0	0	
Loan Repaid by	213.91	0	202.90	0	

(vii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2022 amounting to Rs. (0.82) Lakhs {2020-21 Rs. (94.86 Lakhs)} has been arrived at as follows.

(Amount in Lakhs)

Deferred Tax Assets arising from:	2021-22	2020-21
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	(8.44)	(91.97)
Gratuity & Leave Encashment	12.28	(8.46)
Bonus Provision	0.00	0.00
Others	(5.81)	5.57
<b>Net deferred Tax Assets/(Liability)</b>	<b>(0.82)</b>	<b>(94.86)</b>

The tax impact for the above purpose has been arrived by applying a tax Rate of 27.94% in case of parent company and respective rate of tax applicable on other subsidiaries and Joint Venture being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

(viii) Earning per Share (EPS):

(Amount in Lakhs)

Particulars	2021-22	2020-21
Net profit/(Loss) after Tax	2451.25	475.47
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In Rs.)	32.47	6.30

(ix) Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013.

(Amount in Lakhs)

Particulars		2021-22	2020-21
a.	C.I.F. value of imports of:		
	Trading Goods	1313.54	-
	Spare parts		
	Capital Goods	-	-
d.	Expenditure in Foreign Currency on Foreign Travel :	26.56	20.29
e.	Expenditure in Foreign Currency on purchase of capital items:	-	-
f.	Consumption of		
	i. Raw Materials	-	-
	ii. Store and Spares Parts	-	-
g.	Remittance in Foreign Currency		
	On accounts of Agency Commission	-	-
h.	Earning in Foreign Exchange (Value of Goods Exported)		

(x) Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person, that are

- repayable on demand or
- without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter		
Directors		
KMPs		
Related Parties	16,70,60,508	65.05%

\* This amount excludes the loan given to GSEC Green energy private limited which ceased to be a subsidiary during the year

(xi) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lakhs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.

(xii) In respect of Jointly Controlled Entities, the Company's share of assets, liabilities, income and expenditure of the joint venture companies are as follows:

Particulars	Amount in Lakhs
<b>Assets</b>	
Property Plant and Equipment and Intangible Assets	2,640.70
Non-Current Investments	0.01
Other Non-Current Assets	263.66
Current Investments	-
Other Non-Current Assets	455.23

Particulars	Amount in Lakhs
<b>Liabilities</b>	
Long-Term Borrowings	1,184.78
Other Long Term Liabilities & Provisions	288.94
Short-Term Borrowings	525.30
Other Short Term Liabilities & Provisions	81.10
<b>Income</b>	<b>487.19</b>
<b>Expense</b>	<b>482.22</b>

(xiii) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Particulars	Net Assets		Share in profit or loss	
	% of Consolidated Net Assets	Amount in Lakhs Profit	% of Consolidated	Amount in Lakhs
<b>Parent</b>				
GSEC Limited	99.87%	6,296.73	99.14%	2,430.19
<b>Subsidiaries</b>				
GSEC Logistics Limited	0.68%	43.07	1.08%	26.49
Electrify Energy Private Limited	-0.53%	-33.41	-0.61%	-14.94
GSEC Air Services Private Limited	0.03%	2.12	0.09%	2.12
Aviserve Facilities Private Limited	0.00%	-0.00	0.00%	-0.00
Aviground Facilities Private Limited	0.00%	0.06	0.00%	0.06
<b>Associates</b>				
GSEC Bird Airport Services Private Limited	0.00%	-0.26	-0.01%	-0.26
Safire Technologies Private Limited	-0.02%	-1.28	0.16%	3.97
GSEC Indo-Thai Ground Handling Private Limited	-0.02%	-1.34	-0.05%	-1.34
GSEC PC Snehal LLP	0.00%	-	0.00%	-
<b>Joint Ventures</b>				
Smartmeters Technologies Private Limited	-0.01%	-0.50	0.20%	4.97
<b>Total</b>	<b>100.00%</b>	<b>6,305.18</b>	<b>100.00%</b>	<b>2,451.25</b>

(xiv) CWIP Ageing Schedule as on 31-03-2022:

Capital Work in Progress Projects in progress	Amount in (Lakhs INR) CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Electrify Energy Private Limited	204.87	-	-	-	204.87
Smartmeters Technologies Private Limited*	2,112.65	323.51	14.52		2,450.68
Intangible Asset under development					
Projects in progress					
Smartmeters Technologies Private Limited (Software)*	18.31				18.31

\* includes parent's share in assets of Joint Venture

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

As per our attached report or even date

For BJS & Associates  
Chartered Accountants  
Firm Registration No. 113268W

CA BIPIN J SHAH  
Partner  
Membership No. 10712

Date : 17/09/2022  
Place : Ahmedabad  
UDIN: 22010712BERGOB3754

For and on behalf of Board of Directors

RAKESH SHAH  
Chairman & Managing Director  
DIN:00421920

DARSHIL SHAH  
Company Secretary  
M. No. A37483

Date : 17/09/2022  
Place : Ahmedabad

SAMIR MANKAD  
Whole-Time Director  
DIN: 00421878

DINESH SHAH  
Chief Financial Officer  
M. No. 38650

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **56TH ANNUAL GENERAL MEETING** of the Members of **GSEC LIMITED** will be held on **Thursday, the 15th day of December, 2022** at **11.00 a.m.** through Video Conferencing or other audio visual means to transact the following business and the place of the meeting shall be deemed to be 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009:

### **ORDINARY BUSINESS :-**

- 1 To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company including audited Balance Sheet as at 31st March, 2022, Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2022 together with the Directors' Report and the Auditors' Report thereon.
- 2 To appoint a Director in place of Mr. Shaishav Shah (DIN: 00019293), who retires by rotation and being eligible seeks re-appointment.

### **SPECIAL BUSINESS :-**

- 3 **APPOINTMENT OF SHRI MAHESWAR SAHU (DIN: 00034051) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to provision of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Maheswar Sahu (DIN: 00034051) in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Shri Maheswar Sahu for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 years upto 05/08/2025.”

- 4 **Re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company with effect from April 1, 2022 for a period of three years, as well as for the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and /or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be decided by the Board of Director.

**RESOLVED FURTHER THAT** the said Director shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified under the provisions of Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

**5 Approval of granting of Loans Guarantee or Security Under Section 185 Of Companies Act, 2013.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 185 and any other applicable provisions of the Companies Act, 2013 & Rules made there under read with the Companies (Amendment) Act, 2017 (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and subject to approvals, consents, sanctions and permissions, as may be necessary, provisions of other applicable laws, the Articles of Association of the Company, the consent of the Members be and is hereby accorded to the Board of Directors to grant financial assistance / inter corporate deposits / advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loans / debentures / bonds etc. upto an aggregate amount not exceeding Rs. 50 Crores (Rupees Fifty Crore Only) in one or more tranches at any point of time to M/s. Diamond Power Infrastructure Limited (Associate Company), on such terms and conditions as mutually agreed between the parties, provided that such loans shall be utilized by the borrowing company for its principal business activities.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

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**NOTES:**

- 1 The Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated 13th April 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19” and General Circular No. 20/ 2020 dated 5th May 2020 and Circular No. 02/2021 dated January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) has allowed convening Annual General Meeting without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the “Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the “Rules”), as amended from time to time, read with the MCA Circulars, the Annual General Meeting (“AGM”) of the Company is scheduled to be held through VC/OAVM and the voting for items to be transacted in the Notice to this AGM.
- 2 PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

- 3 In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- 4 The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 5 The Members can join the AGM in the VC/OAVM mode 30 minutes before and within 15 minutes from the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on a first come first served basis as per the MCA Circulars.
- 6 Further, in terms of the MCA Circulars, the Company is sending this AGM Notice along with the Annual Report for FY2021-22 in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The AGM Notice is also available on the website of company i.e. <http://www.gsecl.co.in>.
- 7 Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Members will need the latest version of Chrome, Safari, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- 8 Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at [cs@gsecl.co.in](mailto:cs@gsecl.co.in) before 3.00 p.m. (IST) on Wednesday, 7th December, 2022. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
- 9 Members who would like to express their views/ask questions as a Speaker at the AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number to [cs@gsecl.co.in](mailto:cs@gsecl.co.in) on or before on Wednesday, 7th December, 2022. Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- 10 Members who need assistance before or during the AGM, can contact Company Secretary on number: 079-26575757 or at email id: [cs@gsecl.co.in](mailto:cs@gsecl.co.in).
- 11 The Register of Director and Key Managerial Personnel and their shareholding, maintained under section 170 of the companies Act, 2013 ('the Act'), and the Register of Contract or Arrangements in which the directors are interested, maintained under Section 189 of the Act and other relevant registers and documents, will be available for inspection electronically by the member at the AGM.
- 12 Those Members whose Email Id are not registered can get their Email Id registered as follows:
  - a. Members holding shares in demat form can get their Email Id registered / updated by contacting their respective Depository Participant.
  - b. Members holding shares in the physical form can get their Email Id registered by contacting our Registrar & Share Transfer Agent "Bigshare Services Private Limited" on their Email Id [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com) or by sending the duly filled in E-communication registration form enclosed with this Notice to our RTA on their Email Id [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com).

- 13 A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
- 14 Institutional /Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [evoting@parikh-dave.com](mailto:evoting@parikh-dave.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 15 The unclaimed/unpaid dividend till the financial year ended March 31, 2013 has been transferred to the Investor Education and Protection Fund of the Central Government (“the Fund”). Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.

Financial year ended on	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
2014-15	N.A.	N.A.	N.A.
2015-16	29-09-2016	5%	05-12-2023
2016-17	28-09-2017	5%	04-12-2024
2017-18	28-09-2018	5%	04-12-2025
2018-19	26-09-2019	5%	02-12-2026
2019-20	N.A.	N.A.	N.A.
2020-21	N.A.	N.A.	N.A.

- 16 Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund. The Company has also written to the concerned shareholders intimating them their particulars of the equity shares due for transfer. No claim shall lie against the Company in respect of these equity shares post their transfer to Investor Education and Protection Fund. Upon transfer, the shareholders will be able to claim these equity shares only from the Investor Education and Protection Fund Authority by making an online application.
- 17 Members are requested to intimate any change of name, address etc. to RTA i.e. M/s. Bigshare Services Private Limited at A/802, Samudra Complex, Near Klassic Gold Hotel, Off C G Road, Ahmedabad-380009 or the Secretarial Department of the Company at registered office immediately.
- 18 Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
- 19 As per MCA Notification dated 10.09.2018 the transfer in physical form (except in case of transmission or transposition of securities) shall not be processed by the Company. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
- 20 Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company’s Share Transfer Agent the details of such folios together with the share



certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes thereon. Members are requested to use the new share transfer form SH-4 for the same.

- 21 Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 22 Members desiring for cancelling or making any variation in the details of nomination are required to submit SH 14 as prescribed by the Government and the form can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 23 The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the e-mail address: [cs@gsecl.co.in](mailto:cs@gsecl.co.in).
- 24 The Instruction for shareholders for remote e-voting are as under:
  - i. The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in compliance of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') Accordingly, a member may exercise his vote by electronic means and the business set out in the notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through e-voting platform of National Securities Depository Limited (NSDL)("remote e-voting).
  - ii. The remote e-voting period will commence on Monday, 12th December, 2022 09.00 a.m. (IST) and ends on Wednesday, 14th December, 2022 05.00 p.m. (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 9th December, 2022 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
  - iii. Members whose names are recorded in the Register of members or in the register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, 9th December, 2022, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
  - iv. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 9th December, 2022, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through e-voting at the AGM by following the procedure mentioned in this part.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

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

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

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

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

	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with <b>NSDL</b> .	1. If you are already registered for <b>NSDL IDeAS facility</b> , please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “ <b>Beneficial Owner</b> ” icon under “Login” which is available under “ <b>IDeAS</b> ” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com</a> . Select “ <b>Register Online for IDeAS</b> ” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with <b>CDSL</b>	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider</b> i.e. <b>NSDL</b> . Click on <b>NSDL</b> to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>

	<b>Login Method</b>
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <b>www.cdslindia.com</b> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

4. Your User ID details are given below :

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

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

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

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

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

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

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

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

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [info@parikhdave.com](mailto:info@parikhdave.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. Shareholders/Members, who need assistance before or during the AGM, can contact NSDL official Ms. Sarita Mote on Toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@gsecl.co.in](mailto:cs@gsecl.co.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@gsecl.co.in](mailto:cs@gsecl.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

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

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

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

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@gsecl.co.in](mailto:cs@gsecl.co.in). The same will be replied by the company suitably.

<b>Contact Details Company</b>	: <b>GSEC Limited</b>
<b>Regd. Office</b>	: 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009.
<b>CIN</b>	: U52100GJ1965PLC001347
<b>Email ID</b>	: <b><a href="mailto:cs@gsecl.co.in">cs@gsecl.co.in</a></b>
<b>e-Voting Agency</b>	: National Securities Depository Limited
<b>E-mail ID</b>	: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> / <a href="mailto:NipuIS@nsdl.co.in">NipuIS@nsdl.co.in</a>
<b>Scrutinizer</b>	: Shri Umesh Parikh failing him Shri Uday Dave Partner of – Parikh Dave & Associates, Company Secretaries e-mail ID: <a href="mailto:evoting@parikhdave.com">evoting@parikhdave.com</a>

25 Details of Directors seeking appointment/re-appointment at the 56th Annual General Meeting of the Company:

Name of Director	Mr. Shaishav Shah	Mr. Maheswar Sahu	Mr. Rakesh Shah
DIN	00019293	00034051	00421920
Date of Birth	May 22, 1984	January 01, 1954	March 04, 1953
Date of Appointment	June 12, 2010	August 6, 2022	March 08, 2004
Relationship with Directors	Son of Mr. Rakesh Shah Managing Director of the company and spouse of Ms. Raji Shah, Non-Executive Director of the Company.	None	Father of Mr. Shaishav Shah Joint Managing Director of the company and father-in-law of Ms. Raji Shah Non-Executive Director of the company.
Qualifications	Commerce Graduate and Post Graduate Diploma in Management	B.Sc. (Engg.) in Electrical in 1977 from NIT, Rourkela and M.Sc. from University of Birmingham in 1994.	B. Com
Expertise in functional area	Business development, Administrative and Finance	Strategic planning, policy making and implementation	Management and Administration
Board Membership in other Companies as on March 31, 2022	<ol style="list-style-type: none"> <li>1. KALPAVRUKSHA WORLDWIDE PRIVATE LIMITED</li> <li>2. GSEC LOGISTICS LIMITED</li> <li>3. GSECAVIATION LIMITED</li> <li>4. GSEC MONARCHAND DECCANA VIATION PRIVATE LIMITED</li> <li>5. SMARTMETERS TECHNOLOGIES PRIVATE LIMITED</li> <li>6. ELECTRIFY ENERGY PRIVATE LIMITED</li> <li>7. GOMAXAVIATION PRIVATE LIMITED</li> <li>8. SAFIRE TECHNOLOGIES PRIVATE LIMITED</li> <li>9. AVIGROUND FACILITIES PRIVATE LIMITED</li> <li>10. AVIPARK FACILITIES PRIVATE LIMITED</li> <li>11. AVISERVE FACILITIES PRIVATE LIMITED</li> <li>12. GSEC AIR SERVICES PRIVATE LIMITED</li> <li>13. HEYNAMASTE PRIVATE LIMITED</li> </ol>	<ol style="list-style-type: none"> <li>1. MARUTISUZUKI INDIA LIMITED</li> <li>2. ADANI TOTAL GAS LIMITED</li> <li>3. HEUBACH COLOUR PRIVATE LIMITED</li> <li>4. BEST VALUE CHEM PRIVATE LIMITED</li> <li>5. GOLD PLUS GLASS INDUSTRY LIMITED</li> <li>6. GIG - IRM GLASS INSULATORS PRIVATE LIMITED</li> <li>7. GOLD PLUS FLOAT GLASS PRIVATE LIMITED</li> <li>8. POWERICAL LIMITED</li> <li>9. IRM ENERGY LIMITED</li> <li>10. MAHINDRA WORLD CITY (JAIPUR) LIMITED</li> <li>11. AIC-ISE FOUNDATION</li> <li>12. ASPIRE DISRUPTIVE SKILL FOUNDATION</li> <li>13. ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED</li> </ol>	<ol style="list-style-type: none"> <li>1. GSECLIMITED</li> <li>2. GSECAVIATION LIMITED</li> <li>3. GSEC LOGISTICS LIMITED</li> <li>4. KALPAVRUKSHA WORLDWIDE PRIVATE LIMITED</li> <li>5. GULMOHAR GREENS-GOLF AND COUNTRY CLUB LTD.</li> <li>6. SMARTMETERS TECHNOLOGIES PRIVATE LIMITED</li> <li>7. GSEC ENVIRO SOLUTION PRIVATE LIMITED</li> <li>8. GSEC WASTE MANAGEMENT SOLUTIONS PRIVATE LIMITED</li> <li>9. ELECTRIFY ENERGY PRIVATE LIMITED</li> </ol>

	14. GSEC BIRD AIRPORT SERVICES PRIVATE LIMITED 16. GSEC-Indo-Thai Ground Handling Private Limited		
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2022	Nil	2 – Chairman 3 – Member	Nil
Number of Shares held in the Company as on March 31, 2022	4,87,270 (6.45%)	Nil	636090 (8.43%)

**Date : 17th September, 2022**  
**Place : Ahmedabad**

**By Order of the Board of Directors,**  
**For, GSEC Limited**

**Registered Office:** 2nd Floor,  
Gujarat Chamber's Building,  
Ashram Road,  
Ahmedabad - 380 009.

**Darshil Shah**  
**Company Secretary**



## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain Special Businesses mentioned in the accompanying Notice.

### Item No. 3

Shri Maheswar Sahu has been appointed by the Board of Directors of the Company as an Additional Director (Category: Independent) with effect from August 6, 2022. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Shri Maheswar Sahu for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Shri Maheswar Sahu has done B.Sc. (Engg.) in Electrical in 1977 from NIT, Rourkela and M.Sc. from University of Birmingham in 1994. He joined Indian Administrative Service (IAS) in 1980. He has served the Government of India and Government of Gujarat in various capacities for more than three decades before retiring as Additional Chief Secretary, Government of Gujarat in 2014. His career span includes more than 20 years of service in industry and more than 10 years of active involvement in PSU management. He had worked more than 3 years in United Nations Industrial Development Organization. He was instrumental in organization of four Vibrant Gujarat events. He served as director in many CPSEs. He was also Chairman/ Director in many State PSUs. His area of specialization includes strategic management, public administration, corporate governance etc. and extensive experience and expertise in his area will add tremendous value to the functioning of the Board and performance of the Company.

He does not hold any shares in the Company.

Shri Maheswar Sahu has given his consent to act as a Director and he is not disqualified in terms of Section 164 of the Companies Act, 2013 for being appointed as Director.

The Company has received declaration from him that he meets with the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Rules made thereunder.

The Board is of the opinion that Shri Maheswar Sahu fulfills the conditions specified in the said Act and the Rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management. Shri Maheswar Sahu is proposed to be appointed as an Independent Director for a term of 3 years up to August 05, 2025.

The Board recommends the Resolution set out under item no. 3 for approval of members.

Except Shri Maheswar Sahu, being an Appointee, none of the other Directors of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution. The Company is not required to appoint Key Managerial Personnel in the Company.

### Item No. 4

The Board of Directors in their meeting held on March 15, 2022, has re-appointed Mr. Rakesh Shah as Chairman and Managing Director of the Company for a period of three years from April 1, 2022 to March 31, 2025, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Mr. Rakesh Shah has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. Mr. Rakesh Shah guided the Company through decade for diversification and growth of the Company. It would be in the interest of the Company to continue the employment of Mr. Rakesh Shah as Chairman and Managing Director of the company.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment of Mr. Rakesh Shah for the period of three years commencing from April 01, 2022 and payment of remuneration to Mr. Rakesh Shah therefore be placed before the members for their approval.

The details of remuneration payable to Mr. Rakesh Shah and the terms and conditions of the appointment are given below:

- (A) **Tenure:** 1st April, 2022 to 31st March, 2025
- (B) **Salary:** Salary plus allowances with different breakup be revised and payable monthly / yearly basis within overall limit of yearly package not exceeding Rs. 72,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.
- (C) **Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.
- (D) **Perquisites:**
- (a) In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.
- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.
- (b) He shall also be entitled for following perquisites:
- (i) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of Rs. 24,000/- per year or Rs. 72,000/- over a period of three years.
- (ii) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- (iii) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no. 4 for approval of members.

Except Mr. Rakesh Shah, being an appointee and Mr. Shaishav Shah, Joint Managing Director and Ms. Raji Shah, Non-Executive Director and their relatives, none of the other Directors of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

The Company is not required to appoint Key Managerial Personnel in the Company.

#### **Item No. 5**

As per the provisions of Section 185 of the Companies Act, 2013, a company may, directly or indirectly, advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution in general meeting and full particulars of the loans given, or guarantee given or security provided is required to be disclose in the Explanatory Statement.

The Company has received request from M/s. Diamond Power Infrastructure Limited (Associate Company) to grant financial assistance / inter corporate deposits / Corporate Guarantee / Loan / advance / provide security for the purpose of expansion of existing business of Diamond Power Infrastructure Limited.

The terms and conditions for granting financial assistance / inter corporate deposits / Corporate Guarantee / Loan / advance / provide security is mentioned herein below:

S.N.	Particulars	
1	Name of the Party	M/s Diamond Power Infrastructure Limited
2	Purpose for which the loan or guarantee or security is proposed to be utilised	For its principal business activities of the Company.
3	Amount of financial assistance / inter corporate deposits / Corporate Guarantee / Loan / advance / provide any security	Not exceeding Rs. 50 Crores (Rupees Fifty Crores) in one more tranches at any point of time.
4	Rate of Interest	Interest is charged at the rate of 10% p.a. which may be modified / altered based on the yield prevailing on govt. security closest to tenure of loan.
5	Repayment	As per terms agreed between the parties.
6	Name of the Directors are interested	Mr. Rakesh Shah is the Common Directors in Diamond Power Infrastructure Limited and in the Company.

Hence, the Board of Directors at its meeting held on September 17, 2022, decided to seek approval of the shareholders pursuant to Section 185 of the Companies Act, 2013 by way of passing special resolution as set out in item no. 5 of this Notice.

Except Mr. Rakesh Shah Director & promoter and Mr. Shaishav Shah being promoter, no other Director or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise in the aforesaid resolutions.

#### STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013

##### I. GENERAL INFORMATION:

1	Nature of Industry	Air Cargo Services, export and trading activities.		
2	Date or Expected Date of Commencement of Commercial Production	Not applicable as the company has already undertaken commercial activities long back.		
3	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	NotApplicable		
4	Financial performance based on given indicators.	<b>Rs. in Lacs</b>		
		<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
		Total Income	40745.96	34287.40
		Profit Before Tax and Depreciation (Including Exceptional Item)	2832.85	905.92
		Depreciation	223.82	204.39
		Profit Before Tax	2609.03	701.53
		Tax	318.64	230.06
		Profit After Tax	2290.39	471.47
		Equity Capital (face value Rs.10) No.of shares	7550000	7550000
Earnings per Share (Rs.)	30.34	6.24		

5	Export performance based on given indicators.	<b>Rs. in Lacs</b>		
		<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
		Foreign Exchange Earning	–	–
		Foreign Exchange Outgo	1313.00	–
6	Foreign Investments or Collaboration, if any.	The Company did not have any foreign investments or collaborations.		

## II INFORMATION ABOUT THE APPOINTEE:

### 1 Background Details

Mr. Rakesh Shah is a commerce graduate from the Gujarat University. At a very young age he involved himself in the varied businesses; mainly commodity trading. Early achievements made Mr. Shah so confident that it was never looking back for him since then. He has been involved in many different businesses under different enterprises which he steered successfully. At present, he serves as the Chairman and Managing Director of the Company.

### 2 Past Remuneration

Details of past remuneration paid is Mr. Rakesh Shah mentioned herein below:

Name	Remuneration Paid
Mr. Rakesh Shah	Rs. 72.00 Lacs per year in 2021-22

### 3 Recognition or awards: NIL

### 4 Job Profile and suitability:

#### Mr. Rakesh Shah, Chairman and Managing Director:

The Chairman steers the Board of Directors and assures the smooth running of the Board Proceedings and the Company as a whole. The Managing Director shoulders the responsibility of the overall management and administration of the company.

Mr. Rakesh Shah shoulders the responsibilities of Chairman and Managing Director since the acquisition of the Company. His continuous dedication and perseverance towards achieving excellence has been the motivating force behind the turnaround story of GSEC Limited. The Board has showed trust in Mr. Rakesh Shah to be the most suitable candidate for the post of Chairman and Managing Director of the Company.

### 5 Remuneration proposed: As details given above.

### 6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Being in a service industry with the responsibility entrusted by the Government with no direct competitor, no such statistics is available or can be framed out.

### 7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Rakesh Shah is having pecuniary relationship with the company to the extent of his shareholding, remuneration and transaction as mentioned in the notes to the financial statement. Further Mr. Shaishav Shah Joint Managing Director is son and Ms. Raji Shah Non-Executive Director is daughter in law of Mr. Rakesh Shah.

### **III OTHER INFORMATION:**

#### **1 Reasons of Loss or Inadequate Profits:**

The Company's main operations i.e. air cargo handling and allied services are completely dependent on the imports and exports in and out of the state which are further dependent on the local and external environment. The Company is very prone, even to the small fluctuations in national and international economy which affect the operations of the Company.

Moreover, there is a direct involvement of the Government of India, through its various authorities and departments in the operations of the company. The handling and other service charges are decided directly by the concerned Department which naturally are highly customer friendly and hence render little room for the profitability for the company. Further, there are pretty high maintenance and operations costs which have to be borne by the company mainly due to constantly increasing Government Royalty, space rent and other maintenance costs incurred for the latest high capacitive machineries and tools.

The trading business of Commodities, Fabrics etc. is also restricted to the number of industrial customers which are unlikely to fluctuate much. Hence, there is little room to increase the reach of the company to the whole new levels in short to medium term.

#### **2 Steps taken or proposed to be taken for improvement:**

After acquiring the company from the then Government of Gujarat, lot of efforts were undertaken for redefining, restructuring and improvising the operations of the Company. The company has been now stabilized and has reached to the new level of growth thanks to the diversified businesses taken up and the team efforts of the new management.

The new air cargo complex with 8X capacity to handle the air cargo against the existing one has been built. Latest technology has been introduced and the operations has been completely redefined and made more customer friendly. The management of the company constantly looks after and categorizes the new avenues of businesses to add profitability. The company has also been working at moderate to aggressive level in taking up the marketing efforts to increase its operations. The Company continues to focus on the quality of the services provided, upholding of its high business values, increase in its cost competitiveness. The company is expected to achieve new heights in terms of volume of operations and profitability in long term.

#### **3 Expected increase in productivity and profits in measurable terms:**

As already mentioned in Point no.1, being dependent on the external factors in terms of the main operations of the company, it is hard to project the future operations and profits. However, there is a strong content and dedication of the management of the company to register the growth in terms of increase in operations as well as the profitability of the company on a year to year basis.

**Date : 17th September, 2022**

**Place : Ahmedabad**

**Registered Office:** 2nd Floor,  
Gujarat Chamber's Building,  
Ashram Road,  
Ahmedabad - 380 009.

**By Order of the Board of Directors,  
For, GSEC Limited**

**Darshil Shah  
Company Secretary**

## E-COMMUNICATION REGISTRATION FORM

(Only for members holding shares in physical form)

Date : \_\_\_\_\_

To,

**Bigshare Services Private Limited**

A/802 Samudra Complex, Near Klassic Gold Hotel,  
Girish Cold Drink Cross Road, Off C G Road,  
Ahmedabad - 380009

**UNIT – GSEC LIMITED**

Dear Sir,

**Sub: Registration of Email Id for serving of Notices / Annual Reports through electronic mode by Company**

We hereby register our Email Id for the purpose of receiving the notices, Annual Reports and other documents / information in electronic mode to be sent by the Company:

Name of the First / Sole Shareholder :
Folio No. :
Address :
Mobile Number :
Email Id :
Signature :

**Note :**

- 1 Mandatory attach the identity proof & Address proof (self-attested copy of PAN Card & Aadhar Card)
- 2 Shareholder(s) are requested to notify the Company as and when there is any change in the email address.

## **GSEC LIMITED**

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### **HEAD OFFICE**

2nd Floor, Gujarat Chamber's Building, Ashram Road  
Ahmedabad - 380 009, Gujarat (India). Ph. no.: +91-79-2655 4100,  
+91-79-2657 5757 | +91-79-2658 5757 | Fax.: +91-79-2658 4040.  
E-mail.: [info@gsecl.co.in](mailto:info@gsecl.co.in) | [www.gsecl.co.in](http://www.gsecl.co.in)

### **AHMEDABAD**

Air cargo Complex, Old Airport, Ahmedabad - 380 003  
Ph. no.: +91-79-2286 4747 | +91-79-2286 5656  
Fax.: +91-79-2286 4646

### **VISAKHAPATNAM**

C/O Andra Pradesh Trade Promotion Corporation Limited, International Air -  
Cargo Complex, Old Terminal Building, Vishakhapatnam Airport,  
Vishakhapatnam - 530 009. Ph. no.: 089-1279 4199

[www.gsecl.co.in](http://www.gsecl.co.in)