



ANNUAL
REPORT | 2019-20



Annual Report 2019-2020

**Tradition of Trust & Care - For
over three decades**

GSEC LIMITED
54th
www.gsecl.co.in



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**We are determined to work,
we are determined to grow**

Message from Chairman and Managing Director

“We are determined to work, we are determined to grow.”

Dear Valued Shareowners,

The world is going through unprecedented times and the COVID-19 Pandemic has changed our lives completely. We, at GSEC Limited, would like to express our sincere gratitude to all our employees, stakeholders and anyone who has helped us survive through these difficult times. If there has ever been a time for global resilience, it is now. When we together emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. People are discovering that they can collaborate just as well as working from home, as they did in person in the Pre-COVID era. Employers are discovering that productivity is just as good, if not better, in this new way of working.

I take immense pleasure in sharing with you all the highlights of our Company's performance for the financial year ended March 31, 2020.

The F.Y. 2019-2020 was a challenging period for the entire world. At a global level, we witnessed rising trade barriers, geopolitical tensions, climate-related disasters and subdued economic activity. Globally, there were early signs of stabilization as the US China dynamics improved and the global trade flow got back on track, but, as we came to the end of this financial year, the world was hit by the COVID-19 pandemic, bringing the businesses to a standstill. While we are looking at a global growth rebound, in India, we are confident of robust growth in the medium to long term.

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 Agri Commodities and Fabrics.

In this challenging time, Your Company is embarking on a new business opportunity. Your Company is setting up a green field manufacturing plant to make Smart Meters as a joint venture partner. This initiative is under **Atmanirbhar Bharat** mission the country is presently pursuing. Through this, we aim to provide a complete metering solution to City Gas Distribution Companies (CGD) and Energy Distribution Companies.

A new Company – Smartmeters Technologies Private Limited will provide a **cutting edge Intelligent, Network-enabled Measuring Systems** for Gas, Electricity, and Water at affordable rates.

Your Company also intends to participate in a joint venture to manufacturing of Gas Cylinders for compressed natural gas. In the following years through another joint venture, your company also intends to carry out ground handling at various airport in india in next one / two years.

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, 2020, is as follows:

- Total income from operations at Rs. 41778.48 Lacs for the year ended March 31, 2020
- EBIDTA at Rs. 785.70 Lacs for the year ended March 31, 2020
- EBIT of Rs. 692.41 Lacs for the year ended March 31, 2020
- PAT of Rs. 320.63 Lacs for the year ended March 31, 2020
- EPS for the year ended March 31, 2020 was Rs. 4.25 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.

Before I conclude, I would like to thank you for your support, consistent commitment, engagement and encouragement. We continue to seek your participation in our next leg of growth and footprint expansion.

Sincerely,
RAKESH SHAH
Chairman & Managing Director

BOARD OF DIRECTORS



RAKESH SHAH
Chairman & Managing Director



SAMIR MANKAD
CEO & Whole Time Director



SHAISHAV SHAH
Whole - Time Director



RAJI SHAH
Whole - Time Director



SHAILESH PATWARI
Director



SANDIP PARIKH
Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI RAKESH SHAH	CHAIRMAN & MANAGING DIRECTOR
SHRI SAMIR MANKAD	CEO & WHOLE - TIME DIRECTOR
SHRI SHAISHAV SHAH	WHOLE - TIME DIRECTOR
SMT RAJI SHAH	WHOLE - TIME DIRECTOR
SHRI SANDIP PARIKH	DIRECTOR
**SHRI NATWARLAL PATEL	DIRECTOR
#SHRI SHAILESH PATWARI	DIRECTOR

COMPANY SECRETARY

SHRI DARSHIL SHAH

BOARD COMMITTEES

AUDIT

SHRI SANDIP PARIKH	CHAIRMAN
SHRI SAMIR MANKAD	MEMBER
**SHRI NATWARLAL PATEL	MEMBER
#SHRI SHAILESH PATWARI	MEMBER

SHARE TRANSFER AND GRIEVANCES

SHRI SANDIP PARIKH
SHRI RAKESH SHAH
SHRI SAMIR MANKAD

NOMINATION AND REMUNERATION

SHRI SANDIP PARIKH	CHAIRMAN
** SHRI NATWARLAL PATEL	MEMBER
# SHRI SHAILESH PATWARI	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

REGISTERED OFFICE

Gujarat Chamber's Building, Ashram Road
Ahmedabad - 380009
Phone : 079-2655 4100 / 26575757
E Mail : cs@gsecl.co.in
CIN : U52100GJ1965PLC001347

REGISTERED & TRANSFER AGENTS

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

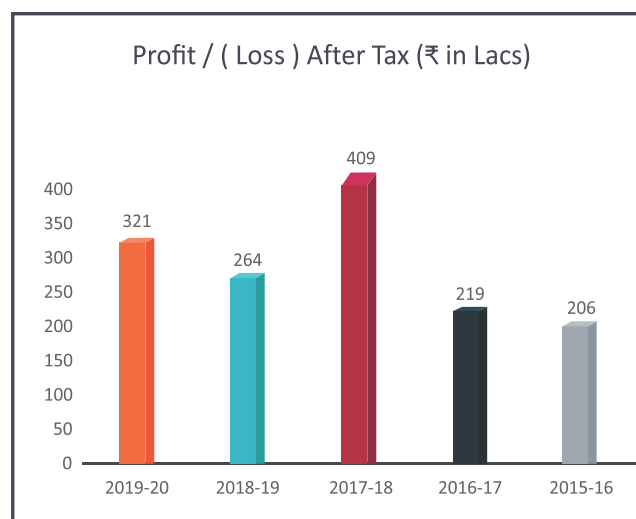
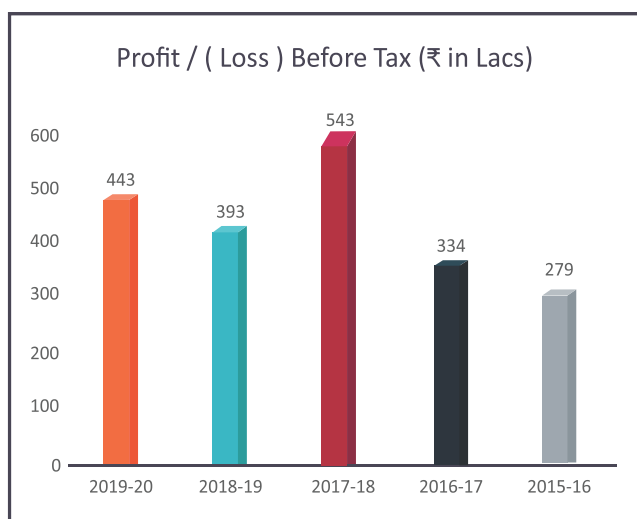
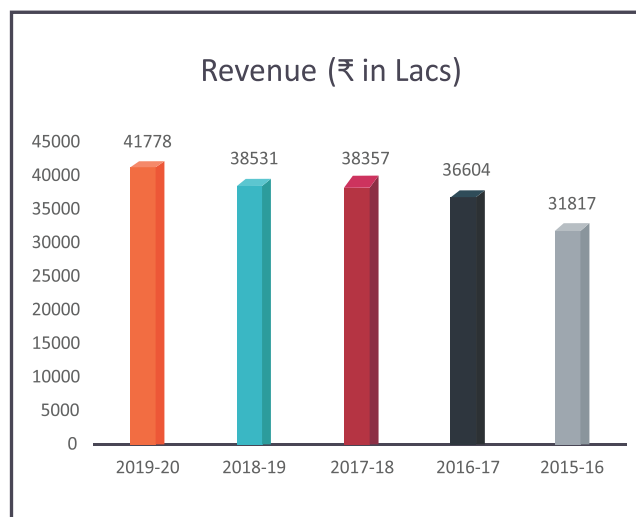
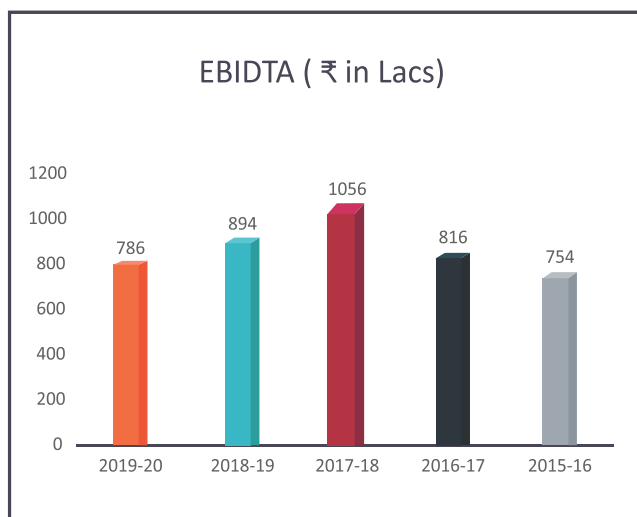
BANKERS

State Bank of India

#Appointed as on 29.03.2019
**Ceased as on 18.06.2019

FIVE YEAR FINANCIAL HIGHLIGHTS

STANDALONE



DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present herewith the 54th Annual Report of your Company together with the Audited Financial Statement and the Auditors' Report for the financial year ended, 31st March, 2020.

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

(Rs. in Lacs)

Particulars	2019-20	2018-19
Net Revenue from Operations	41571.02	38217.21
Other Operating Revenue	8.64	90.16
Revenue from Operations	41579.66	38307.37
Other Income	198.82	223.43
Total Revenue	41778.48	38530.80
Profit before Financial charges, Depreciation and taxation	785.70	893.58
Less: Financial charges	93.31	251.70
Less: Depreciation and amortization expenses	249.50	248.49
Profit before exceptional and prior period items and tax	442.91	393.39
Less: Exceptional items	0.00	0.00
Less: Prior period items	0.00	0.00
Profit before tax	442.91	393.39
Less: Current Tax	133.00	119.50
Less: Deferred Tax Liability	(10.72)	1.23
Less: Provision for tax of earlier years	0.00	8.62
Profit after taxation	320.63	264.04
Earnings Per Equity Share (in Rs.)	4.25	3.50

PERFORMANCE REVIEW:

During the financial year under review, your Company recorded a total revenue of Rs. 41778.48 Lacs as compared to Rs.38530.80 Lacs during the previous financial year ended March 31, 2019. The Profit before exceptional and prior period items and tax of your Company for the financial year ended March 31, 2020 stood at Rs. 442.91 Lacs as against the previous financial year ended March 31, 2019 was Rs. 393.39 Lacs. Accordingly, Net profit after tax stood at Rs. 320.63 Lacs as against the previous financial year ended March 31, 2019 was Rs. 264.04 Lacs which reflects increase of 21.42% over the corresponding Profit for the financial year ended March 31, 2019.

DIVIDEND:

In order to conserve the reserve the Company has not recommend any dividend for the year ended March 31, 2020.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2020.

SHARE CAPITAL STRUCTURE OF THE COMPANY:

The paid up capital of the company as on March 31, 2020 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, 2020.

COVID – 19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

Your Company has always strived towards nation building, through its business endeavours which focuses on creating excellent infrastructure capabilities to accelerate the growth. With the COVID-19 pandemic has brought things to a halt, we at GSEC will persistently support our fellow Indians through these testing times. We aim to emerge stronger once situations normalise. The emphasis will be on continued incubation of future businesses and create value for our stakeholders in the long term.

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

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

Subsequent to the end of the financial year on March 31, 2020 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.

Changes in Directors:-

In accordance with Section 152 of the Companies Act, 2013, Ms. Raji Shaishav Shah (DIN: 06893581) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Shri Natwarlal Patel was appointed as an Additional Director (categorized as Independent) of the Company w.e.f. March 29, 2019 and was further appointed as a Director (categorized as Independent) with the approval of members in Annual General Meeting held on September 26, 2019. He has resigned and ceased to be Director w.e.f. July 21, 2020 on account of pre-occupation with other works. The Board places on record support given by him during his tenure as a Director of the Company.

Shri Shailesh Patwari (DIN: 00411439), has been appointed as an Additional Director by the Board with effect from March 18, 2020, in the category of Independent Director and it is proposed to re-appoint him as an Independent Director for the term of five years, subject to approval of the Members at the ensuing Annual General Meeting. The Company has received notice from a shareholder in terms of Section 160 of the Companies Act, 2013 proposing the appointment of Shri Shailesh Patwari as a Director of the Company at the ensuing Annual General Meeting. The Board recommends passing of resolution for his re-appointment.

Shri Samir Mankad (DIN: 00421878) has been re-appointed as a Whole-Time Director of the Company by Board of Directors for a period of 3 years commencing from April 1, 2020 up to March 31, 2023, subject to approval of the Members at the ensuing Annual General Meeting.

Necessary resolutions have been proposed by the Board of Directors for approval of Members. The Board recommends passing of resolution for his re-appointment.

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 - G.

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. Alluvial Natural Resources Private Limited (a wholly owned subsidiary of the Company) incorporated on 30th December, 2019.

New Associate company

1. Safire Technologies Private Limited acquired on 9th November, 2019
2. Nesting Bird Media Private Limited acquired on 27th November, 2019

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder, 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**.

During the year under review, GSEC Logistics Limited, the wholly owned subsidiary Company has earned Net Profit of Rs. 2.31 Lacs (Previous year Net Profit of Rs. 4,549)

During the year under review, GSEC Green Energy Private Limited, the wholly owned subsidiary Company has incurred Net loss of Rs. 7.00 Lacs (Previous year Net Loss Rs. 8.80 Lacs)

During the year under review being first year, Alluvial Natural Resources Private Limited, the wholly owned subsidiary Company has incurred Net loss of Rs. 19,811.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETING:

The details of the number of meetings of the Board held during the Financial Year 2019-20 forms part of the Corporate Governance Report which is annexed to the Report.

Independent Directors' Meeting

The Independent Directors met on 18th March, 2020, 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 structure devaluation 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 the 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.

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return as per Section 92 (3) of Companies Act, 2013 is annexed under **Annexure-B** to this Report.

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-C**.

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-D**, 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 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-E**.

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, was appointed as the Internal Auditor of your Company for the financial year 2019-20. 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 2020-21.

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 and Secretarial Auditors 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 a setup 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-F.

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;

ACKNOWLEDGMENTS:

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.

For and on behalf of the Board of Directors,

Place : Ahmedabad

Date : December 05, 2020

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.)

1	S.N.	1	2	3
2	Name of the subsidiary	GSEC Logistics Limited	GSEC Green Energy Private Limited	Alluvial Natural Resources Private Limited
3	The date since when subsidiary was Acquired	07.09.2006	02.01.2012	30.12.2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	30.12.2019 to 31.03.2020
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR
5	Share capital	5,00,000	1,00,000	1,00,000
6	Reserves & surplus	21,81,877	(1,17,99,102)	(19,811)
7	Total assets	3,99,62,403	2,60,78,011	-
8	Total Liabilities	3,72,80,526	3,77,77,114	(19,811)
9	Investments	NIL	NIL	Nil
10	Turnover	NIL	NIL	Nil
11	Profit before taxation	3,35,700	(7,00,347)	(19,811)
12	Provision for taxation	1,04,000	Nil	Nil
13	Profit after taxation	2,31,700	(7,00,347)	(19,811)
14	Proposed Divided	NIL	NIL	Nil
15	% of Shareholding	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations: Alluvial Natural Resources Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: Not Applicable.

Part “B”: Associates & Jointly Controlled Entities

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

1	S.N.	1	2
2	Name of the subsidiary	Safire Technologies Private Limited	Nesting Bird Media Private Limited
3	The date since when subsidiary was Acquired	09.11.2019	27.11.2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
5	Share capital	1,00,000	1,00,000
6	Reserves & surplus	16,12,706	(1,57,90,345)
7	Total assets	16,04,38,847	1,38,63,838
8	Total Liabilities	15,87,26,142	2,95,54,183
9	Investments	86,47,908	NIL
10	Turnover	1,67,18,594	13,70,186
11	Profit before taxation	3,55,717	(32,30,588)
12	Provision for taxation	1,05,937	Nil
13	Profit after taxation	2,49,780	(32,30,588)
14	Proposed Divided	NIL	NIL
15	% of Shareholding	35%	26%

Notes:

- Names of Associates & Jointly Controlled Entities which are yet to commence operations: Not Applicable.
- Names of Associates & Jointly Controlled Entities which have been liquidated or sold during the year: Not Applicable.

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 : 05.12.2020
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 05.12.2020
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

ANNEXURE - B

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

I REGISTRATION AND OTHER DETAILS:

i)	CIN	U52100GJ1965PLC001347
ii)	Registration Date	October 14, 1965
iii)	Name of the Company	GSEC Limited
iv)	Category/ Sub-Category of the Company	Company Limited by Shares / Indian Non-government Company
v)	Address of the registered office and contact details	Gujarat Chambers Building, Ashram Road, Ahmedabad - 380009. Phone: 079-26554100 Fax: 079 - 26584040 E Mail: info@gsecl.co.in
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited 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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Other wholesale Trading Business	51909	91.56

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
01	Komal Infotech Private Limited 40, Asia House, Nr.Swastik Char Rasta, Navrangpura,Ahmedabad-380009	U72200GJ2000PTC037463	Holding Company	63.36	Sec. 2(46)
02	GSEC Logistics Limited 2nd Floor, Gujarat Chamber's Building, Ashram Road,Ahmedabad-380 009	U62200GJ2006PLC049049	Subsidiary Company	100	Sec. 2(87)
03	GSEC Green Energy Private Limited 1ST Floor, Udhyog Bhavan, Opp. Kunal Restaurant, Ashram Road, Ahmedabad-380009	U37200GJ2011PTC066904	Subsidiary Company	100	Sec. 2(87)
04	Alluvial Natural Resources Private Limited 484/1, 2nd Floor, Gujarat Chamber of Com, Ranchhodlal Marg, Navarangpura, Ahmedabad - 380009	U14294GJ2019PTC111748	Subsidiary Company	100	Sec. 2(87)
05	Safire Technologies Private Limited Office No.104, 1st Floor, Mohan Complex, Block-H Market, Ashok Vihar Phase-1, Delhi North West - 110052	U74899DL2005PTC140618	Associate	35	2(6)
06	Nesting Bird Media Private Limited 03, Someshwara-2, Nr. Bidiwala Park, Satellite Road, Jodhpur, Ahmedabad-380015	U74300GJ2014PTC080626	Associate	26	2(6)

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY):

(i) CATEGORY-WISE SHARE HOLDING:-

Sl. No.	Category of Shareholder(s)	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/ HUF	2571030	1110	2572140	34.07	2571030	1110	2572140	34.07	0.00
(b)	Cent. Gov./ State Gov.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	4783910	4783910	63.36	0	4783910	4783910	63.36	0.00
(d)	FI/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1)	2571030	4785020	7356050	97.43	2571030	4785020	7356050	97.43	0.00
(2)	Foreign									
(a)	Individuals/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Cent. Gov./ State Gov.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	FI/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	TOTAL Shareholding of Promoter and Promoter Group (A) = (1) + (2)	2571030	4785020	7356050	97.43	2571030	4785020	7356050	97.43	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FI/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Cent. Gov./ State Gov.(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00

(2)	Non - Institutions									
(a)	Bodies Corporate	0	25650	25650	0.34	0	24540	24540	0.33	(0.01)
(b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to Rs.1 Lakh	25740	78630	104370	1.38	28260	72900	101160	1.34	(0.04)
ii)	Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	12000	38400	50400	0.67	12000	38400	50400	0.67	0.00
(c)	Others									
-	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	13530	0	13530	0.18	17850	0	17850	0.23	0.05
	SUB TOTAL (B)(2)	46890	147060	193950	2.57	51270	142680	193950	2.57	0.00
	TOTAL Public Shareholding (B)=(1)+(2)	46890	147060	193950	2.57	51270	142680	193950	2.57	0.00
	TOTAL (A)+(B)	2617920	4932080	7550000	100.00	2622300	4927700	7550000	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	2617920	4932080	7550000	100.00	2622300	4927700	7550000	100.00	0.00

(ii) **SHAREHOLDING OF PROMOTERS:-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	KOMAL INFOTECH PVT LTD	4783910	63.36	0.00	4783910	63.36	0.00	0.00
2	PRITI R SHAH	1447670	19.17	0.00	1447670	19.17	0.00	0.00
3	RAKESH R SHAH	636090	8.43	0.00	636090	8.43	0.00	0.00
4	SHAISHAV R SHAH	487270	6.45	0.00	487270	6.45	0.00	0.00
5	KOMAL RAKESH SHAH	1110	0.02	0.00	1110	0.02	0.00	0.00
	TOTAL	7356050	97.43	0.00	7356050	97.43	0.00	0.00

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING :-** There were no change in the holding of any Promoters during the year under review.

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

Sl.	For Each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VASANT B. SHAH				
	At the beginning of the year	38400	0.51	38400	0.51
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	38400	0.51
2	ALEMBIC LIMITED				
	At the beginning of the year	12210	0.16	12210	0.16
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	12210	0.16
3	ASHWINABEN MANOJKUMAR GANDHI				
	At the beginning of the year	12000	0.16	12000	0.16
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	12000	0.16
4	ALPASHRIRAM PUROHIT				
	At the beginning of the year	7800	0.10	7800	0.10
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	7800	0.10
5	VASUNDHARA CANNING PVT. LTD.				
	At the beginning of the year	4500	0.06	4500	0.06
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	4500	0.06

6	SHARDADEVI KANTILAL GURU				
	At the beginning of the year	3240	0.04	3240	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	3240	0.04
7	JAYESH KANTILAL GURU				
	At the beginning of the year	3210	0.04	3210	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	3210	0.04
8	TARUN UNAAGAR				
	At the beginning of the year	3150	0.04	3150	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	3150	0.04
9	SHANTILAL M JARIWALA				
	At the beginning of the year	3000	0.04	3000	0.04
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	3000	0.04
10	LALCHANDT MEHTA				
	At the beginning of the year	2700	0.03	2700	0.03
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	-	-	2700	0.03

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

Sl.	For Each of the Directors and KMP	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RAKESH RAMANLAL SHAH	CHAIRMAN & MANAGING DIRECTOR			
	At the beginning of the year equity etc.	636090	8.42	636090	8.42
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	636090	8.42	636090	8.42
2	SAMIR HANSKUMAR MANKAD	CEO & WHOLE-TIME DIRECTOR			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
3	SHAISHAV RAKESH KUMAR SHAH	WHOLE-TIME DIRECTOR			
	At the beginning of the year equity etc.	487270	6.45	487270	6.45
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	487270	6.45	487270	6.45
4	RAJI SHAISHAV SHAH	WHOLE-TIME DIRECTOR			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
5	SANDIP ASHWINBHAI PARIKH	DIRECTOR (INDEPENDENT)			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

6	NATWARLAL PATEL (ceased w.e.f. 21.07.2020)	DIRECTOR (INDEPENDENT)			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
7	*SHAILESH PATWARI (Appointed as Director w.e.f. 18.03.2020)	DIRECTOR (INDEPENDENT)			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
8	DARSHIL SHAH	WHOLE-TIME COMPANY SECRETARY			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

V INDEBTEDNESS:

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT:-

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Un secured Loans	Deposits Indebtedness	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	67558110	--	--	67558110
ii) Interest due but not paid		--	--	
iii) Interest accrued but not due		--	--	
Total (i+ii+iii)	67558110	--	--	67558110
Change in Indebtedness during the financial year				
Addition	--	--	--	--
Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	67558110	--	--	67558110
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	67558110	--	--	67558110

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: (Amount in Rs.)

(A) Remuneration to Managing Director, Whole-Time Directors and/ or Manager:-

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		RAKESH SHAH (CMD)	SAMIR MANKAD (WTD)	SHAISHAV SHAH (WTD)	RAJI SHAH (WTD)	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,00,000	37,37,000	22,85,016	17,08,680	1,49,30,696
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % Profit	-	-	-	-	-
	- Other, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	72,00,000	37,37,000	22,85,016	17,08,680	1,49,30,696
	Ceiling as per the Act Within the limits specified under Schedule V of the Companies Act, 2013.					

(B) Remuneration to other Directors:- (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
(1)	Independent Directors	SANDIP PARIKH	NATWARLAL PATEL	*SHAILESH PATWARI	
	- Fee for attending board / committee meetings	45,000	30,000		75,000
	- Commission	-	-	-	
	- Others, please specify	-	-	-	
	Total (1)	45,000	30,000	-	75,000
(2)	Other Non-Executive Directors				
	- Fee for attending board / committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1)+(2)	45,000	30,000	-	75,000
	Total Managerial Remuneration				1,50,05,696
	Ceiling as per the Act Within the limits specified under Schedule V of the Companies Act, 2013.				

*Appointed w.e.f. 18.03.2020

(C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:- (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,78,052	-	3,78,052/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission		-		
	- as % Profit	-	-	-	-
	- Other, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	3,78,052/-	-	3,78,052/-

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Place : Ahmedabad
Date : December 05, 2020

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE - C

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. 27.29	As per Note Below	As per Note Below
Shaishav R. Shah (Whole-Time Director)	Lease/Rent Agreement	As per Agreement	Rs. 3.58	As per Note Below	As per Note Below

Note: Above mentioned transactions 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 : December 05, 2020

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE - D

Particulars of Loans and Guarantees

Amount outstanding as at 31st March, 2020

(Rs. in Lacs)

Particulars	Amount
Loans given	2.64
Guarantee given	Nil

Loan and Guarantee made during the Financial Year 2019-20

(Rs. in Lacs)

Name of Entity	Relation	Amount	Particulars	Purpose
GSEC Green Energy Private Limited	WOS	2.55	Loan	Business
GSEC Logistics Limited	WOS	0.03	Loan	Business
Alluvial Natural Resources Pvt. Ltd.	WOS	0.06	Loan	Business

Place : Ahmedabad

Date : December 05, 2020

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, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2020 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 Employees Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

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 the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that:

During the audit period under review there were no specific laws which were exclusively applicable to the Company/ Industry. However having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records 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 certificate(s) placed before the Board Meeting, 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 : December 05, 2020

**For Umesh Parikh & Associates
Company Secretaries**

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

**FCS No.: 4152 C. P. No.: 2413
UDIN: F004152B001414308**

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.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers, disclosures from Directors and other records etc., received by us by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done with respect to the complete secretarial records to ensure that correct facts are reflected therein. We believe that the processes and practices, we follow 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 other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of various procedures on test check 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 : December 05, 2020

For Umesh Parikh & Associates
Company Secretaries

Umesh G. Parikh
Practicing Company Secretary
(Proprietor)
FCS No.: 4152 C. P. No.: 2413
UDIN: F004152B001414308

ANNEXURE - F

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).

(A) Conservation of energy:		
(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) Technology absorption:		
(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.
(C) Foreign Exchange Earning and Outgo:		
(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. 7.35 Lacs. (Previous year Rs. 2616.04 Lacs.)

Place : Ahmedabad
Date : December 05, 2020

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE - G

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, super-annuation, 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 : December 05, 2020

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE - A

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, 2020, the Board of Directors comprised of 7 (Seven) Directors including One Executive Chairman cum Managing Director, Three Whole-time Directors and Three 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 4 (four) times (1) 18.06.2019, (2) 23.08.2019, (3) 14.12.2019 and (4) 18.03.2020. 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)	4/4	Yes	10
2	Shri Samir Mankad	Executive Director (CEO & Whole-Time Director)	4/4	Yes	2
3	Shri Shaishav Shah	Executive Director (Whole-Time Director)	4/4	Yes	10
4	Smt. Raji Shah	Executive Director (Whole-Time Director)	4/4	No	5
5	Shri Sandip Parikh	Non-Executive Independent Director	4/4	Yes	6
6	Shri Natwarlal Patel Ceased w.e.f. 21.07.2020	Non-Executive Independent Director	2/4	No	7
7	Shri Shailesh Patwari Appointed w.e.f. 18.03.2020	Non-Executive Independent Director	N.A.	N.A.	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 Natwarlal Patel resigned as an Independent Director w.e.f. 21.07.2020.

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

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

Shri Shaishav Shah Whole-Time Director is spouse of Smt. Raji Shah, Whole-Time Director.

Confirmation regarding Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

All the recommendations made by the various committees have been accepted by the Board.

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, 2020.

During the year, One Committee Meeting was held on 23.08.2019.

Constitution of the audit committee and attendance details during the financial year ended March 31, 2020 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 Natwarlal Patel ceased w.e.f. 21st July, 2020	Non-Executive Independent Director	1/1
4	Shri Shailesh Patwari Appointed w.e.f. 18th March, 2020	Non-Executive Independent Director	NIL

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 three members as on March 31, 2020, the composition of which is furnished hereunder:

During the year, One Committee Meeting was held on 18.03.2020.

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	1/1
2	Shri Natwarlal Patel ceased w.e.f. 21st July, 2020	Non-Executive Independent Director	1/1
3	Shri Shailesh Patwari Appointed w.e.f. 18th March, 2020	Non-Executive Independent Director	N.A.

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 31.03.2020 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	37.37
Shri Shaishav R. Shah	Whole-Time Director	22.85
Smt. Raji S. Shah	Whole-Time Director	17.09

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	45,000/-	Nil
Shri Natwarlal Patel ceased w.e.f. 21.07.2020	30,000/-	Nil
Shri Shailesh Patwari appointed as on 18.03.2020	–	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 18th March, 2020 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 into 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, 2020 the composition of which is furnished hereunder.

During the year, No Committee Meetings were 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	0/0
2	Shri Rakesh Shah	Executive Managing Director	0/0
3	Shri Samir Mankad	Executive Whole-Time Director	0/0

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
31.03.2019	26.09.2019	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009.
31.03.2018	28.09.2018	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31.03.2017	28.09.2017	11:30 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
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.
28.09.2018	No Special Resolution was passed.
28.09.2017	No Special Resolution was passed.

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:

Date, time and venue of AGM	Wednesday, 30th December, 2020, 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
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:-

Registered Office:	Registrar and Share Transfer Agent:
GSEC Limited, 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	Bigshare Services Private Limited 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

Place : Ahmedabad
Date : December 05, 2020

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 2020, 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 2020 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in 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 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; 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:
 - (i) As detailed in Note 24(iv) of the notes to the standalone financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN: 20010712AAAAAX4846

Place : Ahmedabad
Date : 05/12/2020

ANNEXURE - A to the Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management, in our opinion, is reasonable looking to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the Management during the year at reasonable interval. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted secured or unsecured loans to companies, limited liability partnership or other parties.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees and security provided by it.
- (v) The Company has not accepted any deposits from the public within meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- (vi) 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.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues of GST as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanation given to us, following statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.

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
Service Tax	Service Tax	The Assistant Commissioner CGST	2013-14 to June, 2017	21.75
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2009-10	1.62
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2011-12	14.21

Company has transferred amount of Rs.30,090/- to the Investor Education and Protection Fund in accordance with the provisions of Companies Act, 2013 during the year.

- (viii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or bank or Government during the year. The Company has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term Loans have been applied for the purpose for which they were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares, fully or partially convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the order are not applicable.
- (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 him. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of 3(xvi) of the Order are not applicable.

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

CA BIPIN SHAH
Partner

Membership Number: 10712
UDIN: 20010712AAAAAX4846

Place : Ahmedabad
Date : 05/12/2020

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of GSEC Limited ("the Company") as of 31 March 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN: 20010712AAAAAX4846**

**Place : Ahmedabad
Date : 05/12/2020**

Balance Sheet as at 31st March, 2020

(Rs. in Lakhs)

Particulars	Notes	31st March, 2020	31st March, 2019
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	2,771.19	2,450.56
2 Non-current liabilities			
(a) Long-Term Borrowings	3	-	115.00
(b) Deferred Tax Liabilities (Net)			
(c) Other Long Term Liabilities			
3 Current liabilities			
(a) Short-Term Borrowings	4	986.37	473.48
(b) Trade Payables	5	1,459.21	1,067.98
(c) Other Current Liabilities	6	393.85	519.25
(d) Short-Term Provisions	7	34.18	88.32
TOTAL		6,399.79	5,469.59
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	1,738.94	1,857.74
(b) Non-Current Investments	9	191.11	284.29
(c) Deferred Tax Assets (Net)		99.67	88.95
(d) Long-Term Loans and Advances	10	293.65	331.06
2 Current Assets			
(a) Current Investments	11	5.00	5.00
(b) Inventories	12	13.21	27.57
(c) Trade Receivables	13	2,142.46	1,080.69
(d) Cash and Bank Balance	14	143.92	501.82
(e) Short-Term Loans and Advances	15	1,770.79	1,290.19
(f) Other Current Assets	16	1.04	2.29
TOTAL		6,399.79	5,469.59
Significant Accounting Policies	23		
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

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

CA BIPIN J SHAH
Partner
Membership No. 10712
UDIN: 20010712AAAAAX4846

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 05.12.2020
Place : Ahmedabad

Date : 05.12.2020
Place : Ahmedabad

Profit and Loss Statement for the year ended 31st March, 2020

(Rs. in Lakhs)

Particulars	Notes	2019-20	2018-19
I. Revenue From Operations			
Sale of Traded Goods (Gross)		38072.86	34719.91
Less : Excise Duty		0.00	0.00
Sale of Trading Goods (Net)		38072.86	34719.91
Sale of Services		3498.16	3497.30
Other Operating Revenues	17	8.64	90.16
II. Other Income	18	198.82	223.43
III. Total Revenue	(I+II)	41778.47	38530.80
IV. Expenses:			
Purchase of Traded Goods		38015.69	34694.91
Changes in Inventories of Stock-in Trade	19	14.36	(5.20)
Employee Benefits Expense	20	592.07	488.64
Finance Costs	21	93.31	251.70
Depreciation and Amortization Expense		249.50	248.49
Other Expenses	22	2370.63	2458.87
Total Expenses		41335.57	38137.41
V. Profit Before Exceptional Items And Tax	(III-IV)	442.91	393.39
VI. Exceptional Items		0.00	0.00
VII. Profit Before Tax	(V-VI)	442.91	393.39
VIII. Tax Expense:			
(1) Current Tax		133.00	119.50
(2) Deferred Tax		(10.72)	1.23
(3) Tax Adjustment of Earlier Years		0.00	8.62
IX. Profit for the Year	(VII-VIII)	320.63	264.04
X. Earnings Per Equity Share (in Rs.)		4.25	3.50
Significant Accounting Policies	23		
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
UDIN: 20010712AAAAAX4846

Date : 05.12.2020
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 05.12.2020
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

Cash Flow Statement For The Year Ended 31st March, 2020

(Rs. in Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	442.91	381.80
Adjustments For:		
Depreciation	249.50	248.49
Interest Paid	93.31	251.70
Interest received	(69.11)	(44.68)
(Profit)/Loss on Sale of Investments	(19.08)	0.00
Excess Provision for earlier year	0.00	0.00
(Profit)/Loss on Sale of Fixed Assets	(10.59)	0.00
Dividend Received	(2.58)	(1.15)
Rent Income	(2.50)	0.00
Profit on redemption of Mutual fund	(14.46)	0.00
Interest on IT refund	0.00	0.00
Misc.Dr./Cr. Written off	0.00	0.03
Operating Profit before working capital changes	667.40	836.19
Movements in working capital		
Adjustment for Decrease (Increase) in operating assets		
Decrease in Inventories	14.36	(5.20)
(Increase) in Trade and other Receivables	(1061.77)	2402.64
(Increase) in Short Term Loans and Advances	(480.60)	(221.67)
Decrease in other Current Assets	1.25	6.56
Increase in Trade Payables	391.23	(551.01)
(Decrease) in other Current Liabilities	(125.40)	(1565.85)
Increase in Short Term Provisions	(54.14)	(160.07)
(Decrease) in Short Borrowings	512.89	0.62
Net Cash Flow from Operating Activities before tax and Exceptional Items (A)	(802.20)	(93.98)
Taxes Paid	(102.73)	(113.00)
Net cash generated from operating activities before exceptional items	(237.53)	629.22
Exceptional Items	0.00	0.00
Net cash generated from operating activities	(237.53)	629.22
CASH FLOW FROM INVESTING ACTIVITIES:		
Increase in Margin Money	221.02	152.98
Purchase of Fixed Assets	(172.72)	(429.31)
Purchase of Investments	(42.47)	(28.25)
Sale Proceeds of Fixed Assets	52.61	0.00
Sale of Investments	154.72	0.00
Interest received	69.11	44.68

(Rs. in Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Dividend Received on Investments	2.58	1.15
Rent Received	2.50	0.00
Purchase of Mutual Fund	(890.00)	(6.78)
Redemption of mutual Fund	1029.46	0.00
Long Term Loans and Advances	7.15	0.00
Profit on Sale of Fixed Assets		0.00
Net cash flow from investing activities	433.96	(265.53)
CASH FLOW FROM FINANCING ACTIVITIES:		
Long term Borrowing (Net off repayment)		0.00
Addition/Repayment of Secured/Unsecured Loans (Net)		0.00
Other Long Term Loans and Advances	(115.00)	(95.81)
Unclaimed Dividend Paid	7.12	(0.32)
Interest paid	(93.31)	(251.70)
Interest Received		0.00
Decrease in Minority interest on sale of subsidiary	0.00	0.00
Dividend Paid	0.00	(37.57)
Net cash flow from financing activities	(201.19)	(385.40)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(4.76)	(21.71)
Cash and cash equivalents at the beginning of the year	74.54	93.28
Cash and cash equivalents at the end of the year	69.79	74.54

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
UDIN: 20010712AAAAAX4846
Date : 05.12.2020
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483
Date : 05.12.2020
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

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

Note 1 Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10 each	10,030,000	1,003.00	10,030,000	1,003.00
Issued				
Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
Subscribed & fully Paid up				
Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
Total	7,550,000	755.00	7,550,000	755.00

1.1 33,00,000 No. of Equity shares out of the total Equity Shares issued, subscribed & paid-up share capital were allotted as Bonus shares in the last five years by capitalisation of Securities Premium A/c & General Reserve.

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

Particulars	Equity Shares			
	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
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

1.3 **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.

1.4 **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, 2020	As at 31st March, 2019
Equity Shares			
Komal Infotech Private Ltd.	Holding Company	4,783,910	4,783,910

1.5 **Details of Shareholders holding more than 5% shares**

Particulars	Equity Shares			
	As at 31st March, 2020		As at 31st March, 2019	
	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, 2020

Note 2 Reserves & Surplus

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a. Securities Premium Account		
As per Last Balance Sheet	337.00	337.00
b. General Reserves		
As per Last Balance Sheet	168.23	168.23
c. Surplus/Deficit in statement of Profit and Loss		
As per Last Balance Sheet	1,945.33	1,726.80
Add : Profit For the Year	320.63	264.04
Less: Proposed Dividend	-	37.75
Less: Tax on Proposed Dividend	-	7.76
	2,265.96	1,945.33
Total	2,771.19	2,450.56

Note 3 Long-term Borrowings

(Rs. in Lakhs)

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Secured Loans				
Term loans				
Rupee Loan				
- From Others	0.00	115.00	42.95	86.54
(All above Vehicle loans are secured against Hypothecation of Vehicles)				
	-	115.00	42.95	86.54
Amount disclosed under the head *Other Current Liabilities (Refer Note-7)	0.00	0.00	42.95	86.54
Total	-	115.00	42.95	86.54

The Vehicle loans carries rate of interest ranging from 9.45% to 13.00% p.a.

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

Note 4 Short-Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Secured Loans		
Working capital facilities from State Bank of India	746.44	474.05
Working capital facilities from DCB Bank Limited (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)	-	(0.57)
	746.44	473.48
b) Unsecured Loans		
(i) Loans from Related Parties		
Komal Infotech Pvt. Ltd.	14.37	-
Kalpavruksha Worldwide Pvt. Ltd. (Formerly known as Kalpavruksha Estate And Finance Pvt.Ltd.)	66.21	-
	80.58	-
(ii) Deposits		
Director's Deposit	159.35	-
	239.93	-
Total	986.37	473.48

Note 5 Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables (Expenses and Purchases)	1,459.21	1067.99
Total	1,459.21	1,067.99

Note 6 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term debt (Refer Note-3)	42.95	86.54
(b) Unclaimed dividends	2.51	9.63
(c) Statutory Dues Payables	127.67	129.48
(d) Trade/Security Deposit	142.49	102.79
(e) Advance from Customers	0.18	163.08
(f) Provision for bonus	-	22.08
(g) Other Liabilities	78.05	5.65
Total	393.85	519.25

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

Note 7 Short-term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for Employee Benefits*		
Gratuity (Funded)	12.35	0.34
Leave Encashment (Unfunded)	14.07	14.07
Total	26.42	14.41
(b) Other Provision		
Proposed Dividend		37.75
Tax on Proposed Dividend		7.76
Others	7.76	28.39
Total	7.76	73.90
Total	34.18	88.32

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

Note 8 Fixed Assets

(Rs. in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2019	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2020	Balance as at April 1, 2019	Balance as at	On disposals	Balance as at March 31, 2020	Balance as at March 31, 2020	Balance as at March 31, 2019
a Tangible Assets										
Land - Freehold	20.93	0.00	0.00	20.93	0.00	0.00	0.00	0.00	20.93	20.93
Buildings	1,539.44	5.07	26.63	1,517.88	332.38	58.79	6.58	384.59	1,133.29	1,207.06
Plant and Equipment	462.90	122.25	0.00	585.15	253.28	60.41	0.00	313.69	271.46	209.62
Furniture and Fixtures	436.69	15.45	0.00	452.14	318.24	30.20	0.00	348.44	103.70	118.45
Vehicles	603.96	27.85	33.75	598.06	449.48	49.02	26.84	471.66	126.40	154.48
Office Equipment	580.73	-	15.06	565.67	472.12	33.19	0.00	505.31	60.36	108.61
Computers	157.98	2.10	0.00	160.08	129.90	13.91	0.00	143.81	16.27	28.08
A.C Machines & Plant	67.06	-	0.00	67.06	56.55	3.98	0.00	60.53	6.53	10.51
Total	3,869.69	172.72	75.44	3,966.97	2,011.95	249.50	33.42	2,228.03	1,738.94	1,857.74
Previous Year	3,440.38	429.31	-	3,869.69	1,763.46	248.49	-	2,011.95	1,857.74	1,676.92

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

Note 9 Non-Current Investments

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Investments (Valued At Cost)		
Unquoted Investments:		
Non Traded Unquoted, fully paid-up		
In Wholly Owned Subsidiaries		
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)	1.00	1.00
10000 Equity Shares of Alluvial Natural Resources Private Limited of Rs. 10 each (P.Y. 0 Shares)	1.00	-
In Associate Companies		
2600 Equity Shares of Nesting Bird Media Private Limited of Rs. 10 each (P.Y. 0 Shares)	0.26	-
3500 Equity Shares of Safire Technologies Private Limited of Rs. 10 each (P.Y. 0 Shares)	5.25	-
	12.51	6.00
Traded Quoted Investments:		
50000 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited (P.Y.73925 Shares of Rs. 1 Each)	11.02	76.80
44490 Equity Shares fully paid up of Rs. 10 each of Adani Power Limited (P.Y.44490 Shares of Rs. 10 Each)	26.42	26.42
56256 Equity Shares fully paid up of Rs. 10 each of Adani Green Energy Limited (P.Y.56256 Shares of Rs. 10 each)	23.83	23.83
73925 Equity Shares fully paid up of Rs. 1 each of Adani Gas Limited (P.Y.73925 Shares of Rs.. 1 each)	6.54	6.54
1000 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 1000 Shares of Rs. 10 each))	3.88	3.88
0 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 6670 Shares of Rs. 10 each)	-	29.50
0 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares of Rs. 2 Each)	-	40.36
50000 Equity Shares fully paid up of Rs..1/- each of Infibeam Avenue Limited (P.Y. 50000 Shares of Rs.. 1 Each)	32.00	32.00
100000 Equity Shares fully paid up of Rs..1/- each of Neela Infrastructure Limited (P.Y. 100000 Shares of Rs.. 1 Each)	11.72	11.72
100000 Equity Shares fully paid up of Rs..1/- each of Neela Spaces Limited Limited (P.Y.100000 Shares of Rs.. 1 each)		
5000 Equity Shares fully paid up of Rs..1/- each of Dishman Carbogen Amcis Ltd. (P.Y.0 Shares)	3.80	-
53016 Equity Shares fully paid up of Rs..1/- each of Meghmani Organics Limited (P.Y.0 Shares)	32.15	
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

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

Note 9 Non-Current Investments (Contd.....)

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
100 Equity Shares fully paid up of Rs. 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 Rs. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares of Rs. 1 Each)	0.00	0.00
13700 Equity Shares fully paid up of Rs. 1 each of Enrich Industries Limited (P.Y. 13700 Shares of Rs. 1 Each)	0.69	0.69
UNQUATED INVESTMENTS		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Sha45s of Rs. 100 each)	0.67	0.67
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
	152.88	252.57
INVESTMENT IN PROPERTY		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
Total	191.11	284.29
Aggregate amount of Unquoted Investments	13.18	6.67
Aggregate amount of Quoted Investments (Market Value)	284.95	404.93

Note 10 Long Term Loans & Advances

(Unsecured, Considered Good)

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advance	30.00	41.00
Deposit and Balance with Government Authorities	3.81	3.81
Deposit with Others	21.35	19.17
Advance Income Tax (Net of Provisions)	-10.75	12.74
Other Loans and Advances	249.23	247.56
Total	293.65	324.28

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 Current Investments

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in Mutual Fund		
SBI DUEL ADVANTAGE FUND - SERIES XIX	5.00	5.00
Total	5.00	5.00

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

Note 12 Inventories (Rs. in Lakhs)
(At Cost or net Realisable Value whichever is lower)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Traded Goods	13.21	27.57
Total	13.21	27.57

Note 13 Trade Receivables (Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured- Considered good		
Outstanding for period exceeding six months	56.27	302.03
Other Receivables	2,086.19	778.66
	2,142.46	1,080.69
Unsecured, considered doubtful		
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
Total	2,142.46	1,080.69

Note 14 Cash & Bank Balance (Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(I) Cash & Cash Equivalents		
Cash On Hand	3.46	4.68
Balances with Banks		
- In Current Accounts	66.33	69.86
(II) Other Bank Balance		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	71.63	417.65
- Unpaid Dividend Accounts	2.51	9.63
Total	143.92	501.82

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

Note 15 Short-term Loans and Advances

(Unsecured and Considered Good)

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans and Advances to Related Parties	510.42	511.28
Loans to Employees	3.96	5.77
Prepaid Expenses	21.66	22.86
Balances with Government Authorities		
GST Credit Receivable	44.81	26.30
Sales Tax Credit Receivable	25.00	25.00
Other Loans and Advances	1164.94	698.98
Total	1770.79	1290.19

Note 16 Other Current Assets

(Unsecured and Considered Good)

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest accrued but Not Due	1.04	2.29
Total	1.04	2.29

Note 17 Other Operating Revenues

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Discount Income	4.07	52.13
Ground Handling Income	4.57	25.98
Management Fees	0.00	12.06
Total	8.64	90.16

Note 18 Other Income

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Interest Income		
- Interest on Others	69.11	44.68
- Interest on I.T. Refund	0.00	2.66
Other non-operating income :		
Dividend Income From Non- Current	2.58	1.15
Profit on Sale of Mutual Fund	14.46	86.02
Profit on sale of Shares	35.74	0.00
Profit on Sale of Fixed Assets	11.77	0.00
Foreign Exchange Difference	0.94	(25.87)
Bad Debts Recover Account	28.05	7.15
Excess Provision for Earlier Year	6.46	4.89
Misc. Income	27.21	38.96
Rate Difference	0.00	59.04
Other Income	0.00	2.74
Rent Income	2.50	2.00
Total	198.82	223.43

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

Note 19 Change in Inventories of Finished Goods

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Inventories (at close)		
Finished goods / Stock in trade	13.21	27.57
Inventories(at commencement)		
Finished goods / Stock in trade	27.57	22.37
Total	14.36	-5.20

Note 20 Employee Benefits

(Rs. in Lakhs)

Particulars	2019-20	2018-19
(a) Salaries and incentives	391.28	317.26
(b) Remuneration to Directors	149.31	114.32
(c) Contributions to -		
(i) Provident and other fund		
(ii) Superannuation scheme	14.59	16.28
(ii) Gratuity fund	12.01	11.21
(d) Staff welfare expenses	24.88	29.57
Total	592.07	488.64

Note 21 Finance Cost

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Interest Expense	75.87	136.90
Bank Charges	1.93	41.88
Other Borrowing Costs	15.51	72.92
Total	93.31	251.70

Note 22 Other Expenses

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Rent and License Fees	343.69	309.74
Land Lease Rent for Guest House	9.24	8.60
Rates and Taxes	3.89	3.61
Insurance	26.40	46.05
Employer/Employee Insurance	166.88	167.20
Electricity	64.39	64.41
Stationery and Printing	7.09	6.24
Postage and Telephone	14.22	13.74
Repair & Maintenance Charges		
- Building	107.12	256.98
- Others	245.88	236.11
Auditors Remuneration:		
- Audit Fee	0.85	0.85
- Tax Audit Fee	0.15	0.15

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

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

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Professional Fees and Legal Expenses	124.17	79.69
Detention Charges	-	0.00
Vehicle & Conveyance Expenses	18.38	25.89
Advertisement & Publicity Expenses	3.91	8.92
Travelling Expenses	143.31	150.05
Guest House Expenses	17.44	13.68
Miscellaneous Expenses	33.28	58.77
Penalty	-	1.08
Director fees & travelling	0.45	1.17
Sales Promotion	43.64	126.33
Security Expenses	64.19	57.99
Ground Handling Charges	0.22	0.00
Loss on sale of Assets	17.84	0.00
Royalty	747.56	643.76
Packing Materials	64.46	88.50
Donation	12.09	8.50
Bad Debts Written Off	-	0.03
Misc. Dr/Cr/Written off	8.21	0.00
Commission and Agency Commssion	0.01	0.00
Cargo Handling Expenses	44.29	46.73
Prior Period Expenses	2.71	0.00
Advances Written Off	13.58	0.00
Deputation Charges to Custom Department	21.11	34.07
Total	2,370.63	2,458.87

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

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 Bitumen, Chemicals, Petcoke, Furnace Oil, Petroleum Products etc.

NOTE - 23 : 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 as 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 investment 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 is determined using the Projected Unit Credit method. The company has taken a policy under Group Gratuity Scheme of the Life Insurance Corporation of India.

Leave Encashment Salary 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 - 24 : OTHER NOTES FORMING PART OF ACCOUNTS:

(i) Details of Payments to Auditor

(Amount Rs. In Lakhs)

Particulars	2019-20	2018-19
a. auditor	0.85	0.85
b. for taxation matters	0.15	0.15
c. Certification	0.00	0.08
Total	1.00	1.08

(ii) Salaries and wages of Rs. 149.31 Lakhs (Previous Year Rs 114.32 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 :

- a. Claims against the company not acknowledged as debt of Rs. 61.86 Lakhs (Previous Year Rs. 61.86 Lakhs)
- b. Bank Guarantee issued to Customs Department – Ahmedabad of Rs. 0.00 Lakhs (Previous Year Rs. 2974 Lakhs)
- c. 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.
- d. 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.

- e. The Commissioner of Central Tax Audit has conducted the Service Tax audit for the period from Oct. 2013 to June, 2017 has raised a demand for Rs. 21.75 Lakhs being Service Tax payable on compensation of Rs. 150 Lakhs received from Kiri Industries Limited for order cancellation in 2016-17. The Company has not accepted the liability as according to the Company the compensation received is for the loss which company has incurred in not fulfilling its obligation of executing all the orders in time by Kiri Industries Limited.

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

Employees Benefits:

Defined Benefits Plans as per Actuarial Valuation on March 31, 2020.

(Amount Rs. in Lakhs)

Sr. No.	Particulars	Gratuity	
		31.03.2020	31.03.2019
(1)	The amounts recognized in the Balance Sheet as at the end of the year		
	Present Value of Funded Obligation	(59.59)	(42.59)
	Fair Value of Plan Assets	47.34	42.25
	Present Value of Unfunded Obligation	-	-
	Net (Assets) / liability	(12.25)	0.34
(2)	The amounts recognized in Profit and Loss Account for the year		
	Current Service Cost	4.58	4.11
	Interest Cost	0.03	0.14
	Expected Return on Plan Assets		
	Actuarial (Gains)/Losses	13.39	0.97
	Past Service Cost		
	Total Expenses	18.00	5.22
(3)	The Changes in Obligations during the year		
	Present value of Defined benefit Obligation at the beginning of the year	42.59	53.12
	Current Service Cost	4.58	4.11
	Interest Cost	3.32	4.16
	Actuarial (Gains)/Losses	13.23	0.55
	Benefit Payments	(4.02)	(19.36)
	Past Service Cost	-	-
	Present value of Defined Benefit Obligation at the end of the year	59.70	42.59
(4)	The changes in Plan Assets during the year		
	Plan Assets at the beginning of the year	42.24	51.33
	Actuarial gains and (losses)	(0.16)	(0.42)
	Contribution by Employer	5.99	6.68
	Actual Benefit Paid	(4.02)	(19.36)
	Plan assets at the end of the year	47.34	42.25
	Actual return on Plan Assets	3.29	4.02
Sr. No.	Particulars	Gratuity (Funded)	
(5)	Actuarial Assumption :		
	Discount Rate	6.86%	
	Turnover Rate		
	Mortality		
	Salary Escalation Rate	7%	
	Retirement age	58 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
Smartmeters Technologies Private Limited	Sister Company
Safire Technologies Pvt. Ltd.	Associate Company
Nesting Bird Media Private Limited	Associate Company
GSEC Aviation Limited	Sister Company
GSEC Monarch and Deccan Aviation Pvt. Ltd.	Sister Company
Kalpavruksha worldwide private limited	Sister Company
Vishwa Imports LLP	Sister Company
Priti R. Shah	Relative of Director
Key Management Personnel	(i) Rakesh R. Shah (ii) Shaishav R. Shah (iii) Samir H. Mankad (iv) Raji Shah (v) Darshil Shah

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

Nature of Transaction	Holding Company	Subsidiary Company			Relative of Director	Key Management Personnel			
	Komal Infotech Pvt.Ltd	GSEC Logistics Ltd. Pvt.Ltd.	GSEC Green Energy Pvt.Ltd.	Alluvial Natural Resources	Priti R. Shah	Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah
Rent Paid	0	0	0	0	27.29	0	3.58	0	0
Interest Paid	15.12	0	0	0	0	0.81	11.96	0	0
Interest Received	0	0	0	0	0	0	0	0	0
Remuneration	0	0	0	0	0	72.00	22.85	37.37	17.09
Outstanding as on 31.03.2020	14.37	370.71	139.66	0.06	0	20.88	0	0	0
Loan Taken	575.00	0	0	0	0	147.99	1869.50	0	0
Loan Granted	0	2.55	0.03	0.06	0	0	0	0	0
Loan Repaid	574.24	0	0	0	0	127.84	1745.08	0	0
Loan Repaid by	0	3.50	0	0	0	0	0	0	0

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

(Amount in Rs. In Lakhs)

Nature of Transaction	Sister Company			Associates Company	
	GSEC Aviation Limited	Kalpavruksha Worldwide Private Limited	Smartmeters Technologies Private Limited	Safire Technologies Private Limited	Nesting Bird Media Private Limited
Rent Paid	0	0	0	0	0
Interest Paid	0	3.85	0	0	0
Interest Received	42.62	0	0	0	9.11
Remuneration	0	0	0	0	0
Outstanding as on 31.03.2020	739.84	66.21	3.06	426.00	237.70
Loan Taken	0	480.00	0	0	0
Loan Granted	225.31	0	14.25	426.00	229.50
Loan Repaid	0	417.25	0	0	0
Loan Repaid by	133.87	0	11.19	0	0

(viii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2020 amounting to Rs. (10.72 Lakhs) {2018-19 Rs. (1.23 Lakhs)} has been arrived at as follows.

(Amount Rs.in Lakhs)

Deferred Tax Assets arising from:	2019-20	2018-19
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	(10.72)	(1.78)
Gratuity & Leave Encashment	0.00	0.11
Bonus Provision	0.00	0.44
Others	0.00	0.00
Net deferred Tax Assets/(Liability)	(10.72)	(1.23)

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 Rs.in Lakhs)

Particulars	2019-20	2018-19
Net profit/(Loss) after Tax	320.63	264.04
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In Rs.)	4.25	3.50

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

(Rs. in Lakhs)

Particulars		2019-20	2018-19
a.	C.I.F. value of imports of:		
	Trading Goods	7.35	2616.04
	Spare parts		
	Capital Goods	-	-
d.	Expenditure in Foreign Currency on Foreign Travel	63.85	49.97
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) 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) Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure.

Note - 25 - Segment Information:-

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS – 17) as notified by Companies Accounting Standards Rules, 2008, the company's primary business segments are Airport Service and Trading Activities which have got their own respective risk and return profiles.

Financial information about the primary business segment for the year ended 31st March, 2020

(Amount Rs. In Lakhs)

S. N.	Particulars	Cargo Handling Service		Trading & other Activities		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
A.	Revenue						
	Services/Sales Revenue	3502.73	3523.28	38076.93	34784.09	41579.64	38307.37
	Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Total Revenue	3502.73	3523.28	38076.93	34784.09	41579.64	38307.37
B.	Result						
	Segment Result Profit/Loss	3502.73	2379.07	46.88	94.38	3549.59	2473.45
	Other Income excluding Interest Income					129.71	176.09
	Other Unallocable Expenses					3212.20	2051.79
	Operating Profit					467.10	597.75
	Interest Income					69.10	47.34
	Interest Expenses					93.31	251.70

Financial information about the primary business segment for the year ended 31st March, 2020

(Contd.....)

(Amount Rs. In Lakhs)

S. N.	Particulars	Cargo Handling Service		Trading & other Activities		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Profit Before Tax					442.91	393.39
	Provision For Income Tax (including Deferred Tax)					122.28	129.35
	Net Profit					320.63	264.04
C.	Other Information						
	Capital Employed						
	Segment Assets	1975.25	2383.49	4228.42	2796.81	6203.67	5180.30
	Segment Liabilities	544.36	486.75	1342.88	1303.80	1887.24	1790.55
	Other Unallocable Corporate Assets and Liabilities	0.00	0.00			-790.24	-184.19
	Total Capital Employed					3526.19	3205.56
	Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	153.59	423.08	19.13	6.23	172.72	429.31
	Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
	Total	153.59	423.08	19.13	6.23	172.72	429.31
D.	Segment Depreciation	197.38	190.71	52.12	57.78	249.50	248.49
E.	Non Cash Expenses other than Depreciation	0.00	0.00	8.21	0.03	0.00	0.03

For BJS & Associates

Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH

Partner

Membership No. 10712

UDIN: 20010712AAAAAX4846

Date : 05.12.2020

Place : Ahmedabad

RAKESH SHAH

Chairman & Managing Director

DIN:00421920

DARSHIL SHAH

Company Secretary

M. No. A37483

Date : 05.12.2020

Place : Ahmedabad

SAMIR MANKAD

CEO & Whole-Time Director

DIN: 00421878

INDEPENDENT AUDITOR'S REPORT

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 2020, 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, 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 2020 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 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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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 1 Subsidiary (Alluvial Natural Resources Private Limited), whose Financial statements reflect Total Asset of Rs. 1 Lakh and Net Assets of 0.80 Lakhs as at 31st March 2020, Total Revenue

of Rs. 0, Net loss of Rs. 0.2 Lakhs and Net Cashflow amounting to Rs. 0 for the year ended on that date and financial statement of 1 Associate which reflect Group's share of Net Loss of 0.26 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 1 Associate which reflect Group's share of Net Profit of 0.34 Lakhs as considered in the consolidated financial statements. These financial statements are unaudited and 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 financial statements furnished by management.

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 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 consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Consolidated 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 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; 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:
 - (i) As detailed in Note 25(iv) of the notes to the Consolidated financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**CA BIPIN SHAH
Partner**

**Membership Number: 10712
UDIN : 20010712AAAABB8638**

**Place : Ahmedabad
Date : 05/12/2020**

Annexure - A 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 holding Company'), and its subsidiaries (together referred to as 'The Group') and its associates as of 31 March 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN : 20010712AAAABB8638**

**Place : Ahmedabad
Date : 05/12/2020**

Balance Sheet as at 31st March, 2020

(Rs. in Lakhs)

Particulars	Notes	31st March, 2020	31st March, 2019
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	2,674.88	2,359.09
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-Term Borrowings	3	143.93	258.93
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	-	-
4 Current liabilities			
(a) Short-Term Borrowings	5	1,069.24	556.36
(b) Trade Payables	6	1,459.29	1,067.98
(c) Other Current Liabilities	7	406.23	531.57
(d) Short-Term Provisions	8	35.29	88.34
TOTAL		6,543.85	5,617.27
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	2,233.91	2,359.58
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	10	184.19	278.29
(c) Deferred Tax Assets (Net)		99.67	88.96
(d) Long-Term Loans and Advances	11	314.31	351.47
2 Current Assets			
(a) Current Investments	12	5.00	5.00
(b) Inventories	13	13.21	27.57
(c) Trade Receivables	14	2,271.28	1,207.14
(d) Cash and Bank Balance	15	147.65	504.87
(e) Short-Term Loans and Advances	16	1,272.52	791.04
(f) Other Current Assets	17	2.09	3.34
TOTAL		6,543.85	5,617.26
Significant Accounting Policies & Notes on Financial Statements		24	

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
UDIN : 20010712AAAABB8638

Date : 05.12.2020
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 05.12.2020
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

Profit and Loss Statement for the year ended 31st March, 2020

(Rs. in Lakhs)

Particulars	Notes	2019-20	2018-19
I. Revenue From Operations			
Sale of Traded Goods (Gross)		38,072.86	34,719.91
Sale of Services		3,498.14	3,497.30
Other Operating Revenues	18	8.64	38.04
Less:			
Excise duty		-	-
II. Other Income	19	205.14	281.41
III. Total Revenue	(I+II)	41,784.78	38,536.66
IV. Expenses:			
Cost of Trading Goods Sold		38,015.69	34,694.91
Changes in Inventories of Stock-in Trade	20	14.36	-5.20
Employee Benefits Expense	21	592.07	488.64
Finance Costs	22	93.31	251.74
Depreciation and Amortization Expense		256.36	256.85
Other expenses	23	2,373.93	2,465.05
Total Expenses		41,345.73	38,152.00
V. Profit Before Exceptional Items And Tax (III-IV)		439.05	384.67
VI. Exceptional Items			
VII. Profit Before Tax (V-VI)		439.05	384.67
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		439.05	384.67
X Tax Expense:			
(1) Current Tax		134.04	119.52
(2) Deferred Tax		-10.72	1.23
(3) Short Provision For Last Years		-	8.62
XI Profit (Loss) for the period from continuing operations (IX-X)		315.73	255.30
XII Profit/(loss) from discontinuing operations			
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (After tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		315.73	255.30
XVI Earnings per equity share (in Rs.) :		4.18	3.38

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
UDIN : 20010712AAAABB8638
Date : 05.12.2020
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483
Date : 05.12.2020
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

Consolidated Cash Flow Statement For The Year Ended 31st March, 2020

(Rs. in Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	439.05	376.04
Adjustments For:		
Depreciation	256.36	256.86
Interest Paid	93.31	251.70
Interest received	(69.11)	(44.68)
(Profit)/Loss on Sale of Investments	(19.08)	0.00
Excess Provision for earlier year	0.00	(0.02)
(Profit)/Loss on Sale of Fixed Assets	(10.59)	0.00
Dividend Received	(2.58)	(1.15)
Rent Income	(8.80)	0.00
Profit on redemption of Mutual fund	(14.46)	(5.78)
Interest on IT refund	0.00	0.03
Misc.Dr./Cr. Written off	(1.04)	832.99
Operating Profit before working capital changes	663.06	1665.99
Movements in working capital		
Adjustment for Decrease (Increase) in operating assets		
Decrease in Inventories	14.36	(5.20)
(Increase) in Trade and other Receivables	(1064.14)	2410.03
(Increase) in Short Term Loans and Advances	(480.89)	(224.87)
Decrease in other Current Assets	1.25	6.56
Increase in Short Term Borrowings	512.05	(553.74)
Decrease in Trade Payables	391.31	(1565.85)
(Decrease) in other Current Liabilities	(125.34)	(160.07)
(Decrease) in Short Term Provisions	(53.12)	0.69
Net Cash Flow from Operating Activities before tax and Exceptional Items (A)	(804.51)	(92.45)
Taxes Paid	(102.73)	(113.00)
Net cash generated from operating activities before exceptional items	(244.18)	1460.54
Exceptional Items	0.00	0.00
Net cash generated from operating activities	(244.18)	1460.54
CASH FLOW FROM INVESTING ACTIVITIES:		
Increase in Margin Money	221.02	152.98
Purchase of Fixed Assets	(172.72)	(429.31)
Purchase of Investments	(41.47)	(28.25)
Sale Proceeds of Fixed Assets	52.61	0.00
Sale of Investments	154.72	44.68
Dividend/Interest Received on Investments	71.69	1.15

(Rs. in Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Rent Received	8.80	0.00
Purchase of Mutual Fund	(890.00)	(6.78)
Redemption of Mutual Fund	1029.46	0.00
Long Term Loans and Advances	7.15	0.00
Decrease in Fixed Deposit	0.00	5.78
Net cash flow from investing activities	441.26	(259.75)
CASH FLOW FROM FINANCING ACTIVITIES:		
Long term Borrowing (Net off repayment)	0.00	0.00
Addition/Repayment of Secured/Unsecured Loans (Net)	0.03	(4.91)
Changes Other Long Term Loans and Advances	(115.00)	(95.81)
Unclaimed Dividend Paid	7.12	(0.32)
Interest paid	(93.31)	(251.70)
Dividend Paid	0.00	(37.64)
Net cash flow from financing activities	(201.16)	(390.37)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(4.08)	(22.41)
Cash and cash equivalents at the beginning of the year	77.59	100.00
Cash and cash equivalents at the end of the year	73.51	77.59

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
UDIN : 20010712AAAABB8638

Date : 05.12.2020
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 05.12.2020
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

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

Note 1 Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10 each	10,030,000	1,003.00	10,030,000	1,003.00
Issued				
Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
Subscribed & fully Paid up				
Equity Shares of Rs.10 each	7,550,000	755.00	7,550,000	755.00
Total	7,550,000	755.00	7,550,000	755.00

1.1 33,00,000 shares out of the Equity Shares issued, subscribed & paid-up share capital were allotted as Bonus shares in the last five years by capitalisation of Securities Premium A/c & General Reserve.

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

Particulars	Equity Shares			
	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	0.00	0.00	75.50	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	0.00	0.00	75.50	755.00

1.3 **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

1.4 **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, 2020	As at 31st March, 2019
Equity Shares			
Komal Infotech Private Ltd.	Holding Company	47.84	47.84

1.5 **Details of Shareholders holding more than 5% shares**

Particulars	Equity Shares			
	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	47.84	63.36	47.84	63.36
Priti R. Shah	14.48	19.17	14.48	19.17
Rakesh R. Shah	6.36	8.42	6.36	8.42
Shaishav R. Shah	4.87	6.45	4.87	6.45

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

Note 2 Reserves & Surplus

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a. Securities Premium Account		
Opening Balance	337.00	337.00
Add : Securities premium credited on Share issue		
Closing Balance	337.00	337.00
b. Capital Reserve	15.00	15.00
c. General Reserves	-	-
Opening Balance	168.23	-
(+) Current Year Transfer	-	168.23
(-) Amount Pursuant to Scheme of Amalgamation	-	-
Closing Balance	168.23	168.23
d. Surplus/Deficit in statement of Profit and Loss		
Opening balance	1,838.84	1,629.07
(+) Net Profit/(Net Loss) For the current year	315.73	255.29
(+) Transfer from Reserves	-	-
(+/-) Share of profit from Associates	0.08	-
(-) Proposed Dividend	-	37.75
(-) Tax on Proposed Dividend	-	7.76
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	2,154.65	1,838.84
Total	2,674.88	2,344.07

Note 3 Long-term Borrowings

(Rs. in Lakhs)

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Secured Loans				
Term loans				
Rupee Loan				
- From Banks				
- From Others	-	115.00	45.95	86.54
(All above loans are secured against Hypothecation of Motor cars)				
Loan From Shaishav R Shah	143.93	143.93	-	-
Loan From GSEC Ltd	-	-		
	143.93	258.93	45.95	86.54
Amount disclosed under the head *Other Current Liabilities (Note - 7)			45.95	86.54
Total	143.93	258.93	45.95	86.54

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

Note 4 Other Long Term Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Long Term Liabilities	-	9.27
Total	-	9.27

Note 5 Short-Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Secured Loans		
Working capital facilities from State Bank of India	746.44	474.05
Working capital facilities from DCB Bank Limited.	-	-0.57
Working capital facilities from UCO 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)		-
	746.44	473.48
b) Unsecured Loans		
(i) Loans repayable on demand	82.87	82.87
	82.87	82.87
(ii) Loans from Related parties		
Komal Infotech Pvt Ltd	14.37	-
GSEC Aviation Ltd	-	-
GSEC Ltd	-	-
Kalpavruksha Worldwide Pvt. Ltd. (Formerly known as Kalpavruksha Estate And Finance Pvt.Ltd.)	66.21	-
Komal infrastructure Pvt. Ltd.	-	-
	80.58	-
(iii) Deposits		
Director's Deposit	159.35	-
	322.80	82.87
Total	1,069.24	473.49

Note 6 Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables (Expenses and Purchases)	1,459.29	1,067.98
Total	1,459.29	1,067.98

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

Note 7 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term debt	42.95	86.54
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unclaimed dividends	2.51	9.63
(g) Application money received for allotment of securities and due for refund	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Creditors for Capital Expenditure	-	-
(i) Other payables (specify nature)	-	-
a) Statutory Dues Payables	127.67	129.48
b) Trade/Security Deposit	152.49	112.79
c) Advance from Customers	1.50	164.40
d) Provision for Leave encashment	-	-
e) Provision for bonus	-	22.08
f) Other Liabilities	79.11	6.65
TOTAL	406.23	531.57

Note 8 Short-term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for Employee Benefits*		
Gratuity (Funded)	12.35	0.34
Leave Encashment (Unfunded)	14.08	14.07
Total	26.43	14.41
(b) Other Provision		
Proposed Dividend	-	37.75
Tax on Proposed Dividend	-	7.76
Other Provisions	8.86	28.41
Total	8.86	73.92
Total	35.29	88.34

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

Note 9 Fixed Assets

(Rs. in Lakhs)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at April 1, 2019	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2020	Balance as at April 1, 2019	Balance as at	On disposals	Balance as at March 31, 2020	Balance as at March 31, 2020	Balance as at March 31, 2019
a Tangible Assets (Not Under Lease)										
Land	395.47	-	-	395.47	-	-	-	-	395.47	395.47
Buildings	1,702.60	5.07	26.63	1,681.04	378.04	64.51	6.58	435.97	1,245.07	1,324.56
Plant and Equipment	489.77	122.25	-	612.02	273.06	61.36	-	334.42	277.60	216.71
Furniture and Fixtures	441.26	15.45	-	456.71	322.19	30.37	-	352.57	104.14	119.07
Vehicles	604.45	27.85	33.75	598.55	449.94	49.03	26.84	472.13	126.42	154.52
Office Equipment	621.63	-	15.06	606.57	510.97	33.19	-	544.16	62.40	110.65
Computers	157.98	2.10	-	160.08	129.90	13.91	-	143.81	16.27	28.08
A.C Machines & Plant	67.06	-	-	67.06	56.55	3.98	-	60.53	6.53	10.51
Total (I)	4,480.23	172.72	75.44	4,577.51	2,120.65	256.36	33.42	2,343.59	2,233.91	2,359.58
b Capital Work In Progress										
Building under construction	-	-	-	-	-	-	-	-	-	-
Total (ii)	-	-	-	-	-	-	-	-	-	-
Total	4,480.23	172.72	75.44	4,577.51	2,120.65	256.36	33.42	2,343.59	2,233.91	2,359.58
Previous Yr's Details	4,050.91	429.31	-	4,480.23	1,863.80	256.85	-	2,120.65	2,359.58	2,187.11

Note 10 Non-Current Investments

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Investments		
In Associate Companies		
2600 Equity Shares of Nesting Bird Media Private Limited of Rs. 10 each (Including Goodwill of 38.35 Lacs) (P.Y. 0 Shares)	-	-
3500 Equity Shares of Safire Technologies Private Limited of Rs. 10 each (Including Capital Reserve of 0.4 Lacs) (P.Y. 0 Shares)	5.59	-
	5.59	-
Other Investments		
Investment in Equity Instruments		
QUOTED INVESTMENTS		
73,925 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited (P.Y.23,925 Shares of Rs.. 1 Each)	11.02	76.80
23,925 Equity Shares fully paid up of Rs.. 1 each of Adani Transmission Limited (P.Y.23925 Shares of Rs. 10 each)	-	-
33,789 Equity Shares fully paid up of Rs.. 1 each of Adani Port Special Economic Zone Limited (P.Y.33789 Shares of Rs. 2 each)	-	-
44,490 Equity Shares fully paid up of Rs.. 1 each of Adani Power Limited (P.Y.44490 Shares of Rs. 10 each)	26.41	26.41
	-	-

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

Note 10 Non-Current Investments (Contdxc...)

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
500 Equity Shares fully paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 500 Shares of Rs. 10 each)	3.89	3.88
6,670 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 5,750 Shares of Rs. 10 each)	-	29.50
10,000 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares)	-	40.36
10,000 Equity Shares fully paid up of Rs. 1/- each of State Bank of India Limited (P.Y. 10000 Shares)	-	-
25,000 Equity Shares fully paid up of Rs. 1/- each of Cadila Healthcare Limited (P.Y. 25000 Shares)	32.00	32.00
1,00,000 Equity Shares fully paid up of Rs. 1/- each of Neela Infrastructure Limited (P.Y. 0 Shares)	11.72	11.72
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares)	0.05	0.05
100 Equity Shares fully paid up of Rs. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares)	0.01	0.01
5 Equity Shares fully paid up of Rs. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares)	0.00	0.00
13700 Equity Shares fully paid up of Rs. 1 each of Enrich Industries Limited (P.Y. 13700 Shares)	0.69	0.69
56256 Equity Shares fully paid up of Rs. 10 each of Adani Green Energy Limited (P.Y. 0 Shares)	23.83	23.83
73925 Equity Shares fully paid up of Rs. 1 each of Adani Gas Limited (P.Y. 0 Shares)	6.55	6.54
5000 Equity Shares fully paid up of Rs. 1/- each of Dishman Carbogen Amcis Ltd. (P.Y. 0 Shares)	3.80	-
53016 Equity Shares fully paid up of Rs. 1/- each of Meghmani Organics Limited (P.Y. 0 Shares)	32.15	-
UNQUATED INVESTMENTS		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Shares)	0.67	0.67
15000 Equity Shares of Kalapur Commercial Co.Op. Bank Limited of Rs. 25/- each (P.Y. 15000 Shares)	-	-
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
7 Years National Savings Certificates (Deposited with Governor of Karwar)	-	-
	152.88	252.57
INVESTMENT IN PROPERTY		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
Total	184.19	278.29

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

Note 11 Long Term Loans & Advances (Unsecured and Considered Good) (Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advance	49.16	60.16
Deposit and Balance with Government Authorities	3.81	3.81
Deposit with Others	22.23	18.90
Advance Income Tax (Net of Provisions)	-10.12	8.98
Other Loans and Advances	249.23	259.61
Total	314.31	351.47

Note 12 Current Investments (Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in Mutual Fund		
PRINCIPAL MUTUAL FUND	-	-
SBI DUEL ADVANTAGE FUND - SERIES XIX	5.00	5.00
Total	5.00	5.00

Note 13 Inventories (Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trading Goods	13.21	27.57
Total	13.21	27.57

Note 14 Trade Receivables (Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured- Considered good		
Outstanding for period exceeding six months	185.09	428.48
Other Receivables	2,086.19	778.66
	2,271.28	1,207.14
Unsecured, considered doubtful		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
Less: Provision for doubtful debts		
Total	2,271.28	1,207.14

Note 15 Cash & Cash Equivalents (Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a. Balances with banks		
- In Current Accounts	69.51	72.37
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee	71.63	417.65
- Unpaid Dividend Accounts	2.51	9.63
b. Cash on hand	4.00	5.22
Total	147.65	504.86

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

Note 16 Short-term Loans and Advances

(Unsecured and Considered Good)

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loan and advances to related parties Unsecured , considered good	-	-
Loans to Employees (Unsecured , considered good)	3.96	5.77
Prepaid Expenses (unsecured , considered good)	21.66	22.86
Balances with Statutory/Government Authoritied (Unsecured, considered good)		
CENVAT Credit Receivable	-	-
GST Credit Receivable	44.87	26.34
Service Tax Credit Receivable	-	-
Sales Tax Credit Receivable	25.00	25.00
Entry Tax	-	-
Inter Corporate deposits (unsecured, considered good) - METRO GLOBAL LTD.	-	-
	95.49	79.97
Other Loans and Advances (Unsecured, including advance to Suppliers)		
Unsecured, Considered Good	1,164.94	698.98
Doubtful	-	-
Provision for Doubtful Advances	-	-
	1,164.94	698.98
Advance Income Tax(Net of Provision)	12.09	12.09
Total	1,272.52	791.04

Note 17 Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest accrued on FDR	1.04	2.29
Advance given to shilp Shree Associates	1.05	1.05
Investment in Silver Coins	-	-
Total	2.09	3.34

Note 18 Other Operating Revenues

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Auction Sale	-	-
Commission Income	-	-
Discount Income	4.07	-
Ground Handling Income	4.57	25.98
Management Fees	-	12.06
TOTAL	8.64	38.04

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

Note 19 Other Income

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Interest Income	69.11	44.77
Interest on I.T. Refund	-	2.66
Entry Tax Refund - Karwar	-	-
Dividend Income	2.58	1.15
Income on Mutual Fund	14.46	86.02
Profit on Sale of Fixed Assets	11.77	-
Profit on sale of Shares	35.74	-
Foreign Exchange Difference	0.94	-25.87
Bad Debts Recover Account	28.05	7.15
Excess Provision for Earlier Year	6.46	4.89
Duty Drawback	-	-
Misc. Income	27.21	38.96
Misc./Dr./Cr. Balance Written Back	-	-
Round Off	-	59.04
Kasar/Discount	-	52.13
Other Income	0.02	2.74
Rent Income	8.80	7.78
TOTAL	205.14	281.41

Note 20 Change in Inventories of Finished Goods

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Inventories (at close)		
Finished goods / Stock in trade	13.21	27.57
Inventories(at commencement)		
Finished goods / Stock in trade	27.57	22.37
Total	14.36	-5.20

Note 21 Employee Benefits

(Rs. in Lakhs)

Particulars	2019-20	2018-19
(a) Salaries and incentives	391.28	317.26
(b) Remuneration to Directors	149.31	114.32
(b) Contributions to		
(i) Provident and other fund	14.59	16.28
(ii) Superannuation scheme	12.01	11.21
(c) Gratuity fund contributions	24.88	29.57
(d) Staff welfare expenses		
Total	592.07	488.64

Note 22 Finance Cost

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Interest Expense	75.87	136.90
Bank Charges	1.93	41.93
Other Borrowing Costs	15.51	72.92
Total	93.31	251.74

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

Note 23 Other Expenses

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Rent and License Fees	343.69	309.74
Land Lease Rent for Guest House	9.24	8.60
Rates and Taxes	3.89	3.61
Insurance	26.40	46.05
Employer/Employee Insurance	166.88	167.20
Electricity	64.39	64.41
Stationery and Printing	7.09	6.24
Postage and Telephone	14.22	13.74
Repairs and Maintenance & Renovation to Bldg	352.99	256.98
Auditors Remuneration	1.22	1.16
Fees and Legal Expenses	124.41	80.10
Vehicle Expenses	-	-
Detention Charges	-	-
Conveyance	18.38	25.89
Advertisement & Publicity Expenses	3.91	8.92
Travelling Expenses	143.31	150.05
Guest House Expenses	17.44	13.68
Miscellaneous Expenses	33.34	58.82
Director fees	0.45	1.17
Sales Promotion	43.64	126.33
Security Expenses	64.19	57.99
Royalty	747.56	643.76
Packing Materials	64.46	88.50
Donation	12.09	8.50
Bad Debts Written Off	-	0.03
Misc. Dr/Cr. Written off	8.21	-
Computer Repairing Expenses & Hardware Expenses	-	233.14
Commission	0.01	-
Deputation Charges to Custom Department	21.11	34.07
Cargo Handling Expenses/Ground Handling	44.51	46.73
Prior Period Expenses	2.71	-
Discount/Rate Difference Expenses	-	-
Advances Written off	13.58	-
Revenue Tax	2.78	-
Loss on sale of Assets	17.84	5.56
Penalty	-	1.08
TOTAL	2,373.93	2,462.08

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

NOTE - 24 - 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. 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 and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures.
- 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 - 25 - OTHER NOTES FORMING PART OF ACCOUNTS:

(i) Details of Payments to Auditor

(Amount Rs. In Lakhs)

Particulars	2019-20	2018-19
a. auditor	1.15	1.15
b. for taxation matters	0.15	0.15
c. Certification	0.00	0.08
Total	1.30	1.38

(ii) Salaries and wages of Rs. 149.31 Lakhs (Previous Year Rs 114.32 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)
- Bank Guarantee issued to Customs Department – Ahmedabad of Rs. 0.00 Lakhs (Previous Year Rs. 2974 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.
- The Commissioner of Central Tax Audit has conducted the Service Tax audit for the period from Oct. 2013 to June, 2017 has raised a demand for Rs. 21.75 Lakhs being Service Tax payable on compensation of Rs. 150 Lakhs received from Kiri Industries Limited for order cancellation in 2016-17. The Company has not accepted the liability as according to the Company the compensation received is for the loss which company has incurred in not fulfilling its obligation of executing all the orders in time by Kiri Industries Limited.

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

Employees Benefits:

Defined Benefits Plans as per Actuarial Valuation on March 31, 2020.

(Amount Rs. in Lakhs)

Sr. No.	Particulars	Gratuity	
		31.03.2020	31.03.2019
(1)	The amounts recognized in the Balance Sheet as at the end of the year		
	Present Value of Funded Obligation		
	Fair Value of Plan Assets	(59.70)	(42.59)
	Present Value of Unfunded Obligation		
	Net(Assets)/liability	47.34	42.25
		(12.36)	(0.34)

Defined Benefits Plans as per Actuarial Valuation on March 31, 2020. (Contd.....) (Amount Rs. in Lakhs)

Sr. No.	Particulars	Gratuity	
		31.03.2020	31.03.2019
(2)	The amounts recognized in Profit and Loss Account for the year		
	Current Service Cost		
	Interest Cost	4.59	4.11
	Expected Return on Plan Assets	0.03	0.14
	Actuarial (Gains)/Losses		
	Past Service Cost	13.39	0.97
	Total Expenses	18.01	5.22
(3)	The Changes in Obligations during the year		
	Present value of Defined benefit Obligation at the beginning of the year	42.59	53.12
	Current Service Cost		
	Interest Cost	3.32	4.11
	Actuarial (Gains)/Losses	4.59	4.16
	Benefit Payments	13.23	0.55
	Past Service Cost	-	-
Present value of Defined Benefit Obligation at the end of the year	59.70	42.59	
(4)	The changes in Plan Assets during the year		
	Plan Assets at the beginning of the year	42.25	51.33
	Actuarial gains and (losses)		
	Contribution by Employer	(0.16)	(0.42)
	Actual Benefit Paid	5.99	6.68
	Plan assets at the end of the year	(4.03)	(19.36)
	Actual return on Plan Assets	47.34	42.25
	3.29	4.02	

Sr. No.	Particulars	Gratuity (Funded)
(5)	Actuarial Assumption :	
	Discount Rate	6.86%
	Turnover Rate	
	Mortality	
	Salary Escalation Rate	7%
	Retirement age	58 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.

Nature of relationship	Name of Related Party
Holding Company	Komal Infotech Private Limited
Fellow Subsidiary Company	GSEC Aviation Limited Komal Infra ventures Private Limited
Associates	Safire Technologies Pvt. Ltd. Nesting Bird Media Private Limited

Nature of relationship	Name of Related Party
Key Management Personnel	Rakesh Ramanlal Shah Samir Hanskumar Mankad Shaishav Rakeshkumar Shah Raji S. Shah
Relative of Key Management Personnel	Priti Rakesh Shah
Other Related parties (Enterprise owned or significantly influenced by Key Management personnel)	GSEC Infrastructure Private Limited Kalpavruksha Estate And Finance Private Limited Keshav Land Developers Private Limited Prerak Capital Services Private Limited Vishwa Imports LLP Smartmeters Technologies Private Limited

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

Nature of Transaction	Holding Company Komal Infotech Pvt. Ltd.	Relative of Director Priti R. Shah	Key Management Personnel			
			Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah
Rent Paid	0	27.29	0	3.58	0	0
Interest Paid	15.12	0	0.81	11.96	0	0
Interest Received	0	0	0	0	0	0
Remuneration	0	0	72.00	22.85	37.37	17.09
Outstanding as on 31.03.2020	14.37	4.99	20.88	138.46	0	0
Loan Taken	575.00	0	147.99	1869.50	0	0
Loan Granted	0	0	0	0	0	0
Loan Repaid	574.24	0	127.84	1745.08	0	0
Loan Repaid by	0	0	0	0	0	0

Nature of Transaction	Sister Company			Associates Company	
	GSEC Aviation Limited	Kalpavruksha Worldwide Private Limited	Smartmeters Technologies Private Limited	Safire Technologies Private Limited	Nesting Bird Media Private Limited
Rent Paid	0	0	0	0	0
Interest Paid	0	3.85	0	0	0
Interest Received	42.62	0	0	0	8.19
Remuneration	0	0	0	0	0
Outstanding as on 31.03.2020	739.84	66.21	3.06	426.00	237.70
Loan Taken	0	480.00	0	0	0
Loan Granted	225.31	0	14.25	426.00	229.50
Loan Repaid	0	417.25	0	0	0
Loan Repaid by	133.87	0	11.19	0	0

(VIII) The net Deferred Tax (Liabilities)/Assets as on March 31, 2020 amounting to Rs. 10.72 Lakhs {2018-19 Rs. (1.23 Lakhs)} has been arrived at as follows.

(Rs. In Lakhs)

Deferred Tax Assets arising from:	2019-20	2018-19
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	(10.72)	(1.78)
Gratuity & Leave Encashment	0.00	0.11
Bonus Provision	0.00	0.44
Others	0.00	0.00
Net deferred Tax Assets/(Liability)	(10.72)	(1.23)

The tax impact for the above purpose has been arrived by applying a tax Rate of 27.95% 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 Rs.in Lakhs)

Particulars	2019-20	2018-19
Net profit/(Loss) after Tax	315.73	264.04
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In Rs.)	4.18	3.50

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

(Rs. in Lakhs)

Particulars	2019-20	2018-19
a. C.I.F. value of imports of:		
Trading Goods	7.35	2616.04
Spare parts		
Capital Goods	-	-
d. Expenditure in Foreign Currency on Foreign Travel :	63.85	49.97
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) 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) Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure.

26. Segment Information:-

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS – 17) as notified by Companies Accounting Standards Rules, 2008, the company's primary business segments are Airport Service and Trading Activities which have got their own respective risk and return profiles.

Financial information about the primary business segment for the year ended 31st March, 2020
(Amount Rs. In Lakhs)

S. N.	Particulars	Cargo Handling Service		Trading & other Activities		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
A.	Revenue						
	Services/Sales Revenue	3502.73	3523.28	38076.93	34784.09	41579.66	38307.37
	Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Total Revenue	3502.73	3523.28	38076.93	34784.09	41579.66	38307.37
B.	Result						
	Segment Result Profit/Loss	3502.73	2379.07	46.88	94.38	3549.59	2473.45
	Other Income excluding Interest Income					136.03	234.09
	Other Unallocable Expenses					3222.36	2118.51
	Operating Profit					463.26	589.03
	Interest Income					69.10	47.34
	Interest Expenses					93.31	251.70
	Profit Before Tax					439.05	384.67
	Provision For Income Tax (including Deferred Tax)					123.32	129.37
	Net Profit					315.73	255.30
C.	Other Information						
	Capital Employed						
	Segment Assets	1975.25	2383.49	4228.42	2796.81	6203.67	5180.30
	Segment Liabilities	544.36	486.75	1342.88	1303.80	1887.24	1790.55
	Other Unallocable Corporate Assets and Liabilities	0.00	0.00			-886.55	-275.66
	Total Capital Employed					3429.88	3114.09
	Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	153.59	423.08	19.13	6.23	172.72	429.31
	Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
	Total	153.59	423.08	19.13	6.23	172.72	429.31
D.	Segment Depreciation	197.38	190.71	58.98	89.08	256.36	279.79
E.	Non Cash Expenses other than Depreciation	0.00	0.00	8.21	0.03	0.00	0.03

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
UDIN : 20010712AAAABB8638
Date : 05.12.2020
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483
Date : 05.12.2020
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **54TH ANNUAL GENERAL MEETING** of the Members of **GSEC LIMITED** will be held on **Wednesday, the 30th day of December, 2020 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, 2020, Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2020 together with the Directors' Report and the Auditors' Report thereon.
- 2 To appoint a Director in place of Ms. Raji Shaishav Shah (DIN:06893581), who retires by rotation and being eligible seeks re-appointment.

SPECIAL BUSINESS:-

- 3 Appointment of Shri Shailesh Patwari (DIN: 00411439) 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 Shailesh Patwari (DIN:00411439), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 18, 2020 and who holds office till the conclusion of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Shri Shailesh Patwari for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years."

- 4 Re-Appointment of Mr. Samir Hanskumar Mankad (DIN: 00421878) as a Whole-Time 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 to the re-appointment of Mr. Samir Mankad (DIN: 00421878) as Whole-Time Director of the Company with effect from April 1, 2020 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 in such manner as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the said Director shall 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.

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 Increase in the limit of Borrowing Powers under Section 180(1) (c) of the 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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, the consent of the members of the Company be and is hereby accorded by way of special resolution, to the Board of Directors of the Company ("Board") for borrowing from time to time from any one or more persons, firms, bodies corporate, banks or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company an amount not exceeding Rs.1000 Crores [Rupees One Thousand Crores Only](including the money already borrowed by the Company) on such terms and conditions as any Director may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT Mr. Rakesh Shah, Chairman & Managing Director or Mr. Shaishav Shah , Whole-Time Director of the Company be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as he may think fit.

RESOLVED FURTHER THAT any Director be and is hereby authorised to sign and execute all deeds, applications, E- filing, documents and writings that may be required, on behalf of the company and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the above resolution.”

6 Approval for making Investments / granting loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate etc.:

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 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company and subject to such approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary, the consent be and is hereby accorded to grant loans or make investment or provide security or guarantee for an amount exceeding 60% of paid-up capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding Rs. 1000 Crores (Rupees One Thousand Crores only), on such terms and conditions as may be decided by Mr. Rakesh Shah, Chairman & Managing Director or Mr. Shaishav Shah, Whole-Time Director of the Company from time to time.

RESOLVED FURTHER THAT the aforesaid loans/investments shall be made by the company out of internal resources or external resources in such manner and in such proportion as the Board thinks appropriate

provided in case of loans, the interest rate(s) shall not be lower than the prevailing yield of 1 year, 3 year, 5 year or 10 year Government Security closest to the tenor of such loan(s).

RESOLVED FURTHER THAT Mr. Rakesh Shah, Chairman and Managing Director and Mr. Shaishav Shah, Whole-Time Director be and are hereby severally authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all acts, deeds and things as may be necessary, proper expedient or incidental to give effect to this resolution.

RESOLVED FURTHER THAT Mr. Rakesh Shah, Chairman and Managing Director and Mr. Shaishav Shah, Whole-Time Director be and are hereby severally authorised to determine actual sums to be involved in the proposed transactions and terms and conditions thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things as may be necessary, proper expedient or incidental to give effect to this resolution.

NOTES

1. In view of the global outbreak of COVID-19, 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, 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”) 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 on Wednesday, 30th December, 2020, at 11 A.M. (IST) through VC/OAVM and the voting for items to be transacted in the Notice to this AGM only through show of hands at the meeting or through Poll.
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 AND THE SEBI CIRCULAR, 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 view of the massive outbreak of the COVID-19 pandemic, social distancing is a pre-requisite and pursuant to General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by General Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members is not required. Hence, Members will have to attend and participate in the ensuing AGM through VC / OAVM.
4. 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.
5. 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.
6. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after 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.

- 7 Further, due to threat posed by COVID-19 and in terms of the MCA Circulars, the Company is sending this AGM Notice along with the Annual Report for FY20 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 at Members will need the latest version of Chrome, Safari, Internet Explorer 11, 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 before 3.00 p.m. (IST) on Tuesday, 29th December, 2020. 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 on or before Tuesday, 29th December 2020. 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 The remote e-voting period Commenced on Sunday, 27th December, 2020 09.00 a.m. (IST) and ends on Tuesday, 29th December, 2020 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, 18th December, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- 11 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.
- 12 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, will be available for inspection by the member at the AGM.
- 13 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 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.
- 14 A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 15 Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 16 The unclaimed/unpaid dividend till the financial year ended March 31, 2012 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.

- 17 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. The Company has already transferred 1650 Equity Shares to the designated Account of IEPF during the year 2019-20.
- 18 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.
- 19 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.
- 20 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 w.e.f. 02.10.2018. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
- 21 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.
- 22 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.
- 23 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.
- 24 Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2020 will also be available on the Company's website www.gsecl.co.in for their download.
- 25 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.
- 26 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 Central Depository Services (India) Limited ("remote e-voting).
 - ii. 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. 18th December, 2020, 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.

- iii. 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. 18th December, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
- iv. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.

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

Step 1: Log-in to NSDL e-Voting System

- a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com>.
- b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- d) Your User ID details will be as per details given below:
 - i) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - ii) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - iii) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 114233 then user ID is 114233001***).
- e) Your password details are given below:
 - i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii) 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 enter the 'initial password' and the system will force you to change your password.
 - iii) How to retrieve your 'initial password'? 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'.
- f) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - i) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- ii) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- g) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- h) Now, you will have to click on “Login” button.
- i) After you click on the “Login” button, Home page of e-Voting will open.

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

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- c) Select “EVEN” of GSEC Limited.
- d) Now you are ready for e-Voting as the Voting page opens.
- e) 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.
- f) Upon confirmation, the message “Vote cast successfully” will be displayed.
- g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Instructions for Members for Attending the AGM through VC / OAVM are as under:

1. Members will be able to attend the AGM through VC / OAVM of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company’s AGM. 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. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Ms. Pallavi Mhatre-NSDL at pallavid@nsdl.co.in / 022-24994545 or Mr. Pratik Bhatt-NSDL at pratikb@nsdl.co.in / 022-24994738.
4. Members who would like to express their views or ask questions during the AGM must register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@gsecl.co.in 3 days in advance with the Company for the general meeting. Those Members who have registered themselves as a speaker will only 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.

Please note the following:

A member may participate in the AGM through VC/ OAVM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting during the AGM.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting during AGM for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after 15 minutes of the conclusion of voting at the general meeting, will first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

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

27 Details of Directors seeking appointment/re-appointment at the 54th Annual General Meeting of the Company:

Name of Director	Mr. Shailesh Patwari	Mr. Samir Hanskumar Mankad	Mrs. Raji Shaishav Shah
Date of Birth	October 18, 1953	July 13, 1960	February 21, 1982
Date of Appointment	March 18, 2020	March 08, 2004	March 30, 2018
Relationship with Directors	None	None	Spouse of Shri Shaishav Shah Whole-time Director of the company and Daughter in-Law of Shri Rakesh Shah Managing Director of the company

Name of Director	Mr. Shailesh Patwari	Mr. Samir Hanskumar Mankad	Mrs. Raji Shaishav Shah
Qualifications		B.E. (Mechanical), M.B.A.	B Com
Expertise in functional area		Air Cargo operations, Logistics and allied services	Administrative and Finance
Board Membership in other Companies as on March 31, 2020	1. CHANDAN INTERMEDIA- TES AND CHEMICALS PRIVATE LIMITED	1. GSEC LOGISTICS LIMITED	1. GSEC INFRASTRUCTURE PRIVATE LIMITED
	2. USHANTI COLOUR CHEM LIMITED	2. GSEC AVIATION LIMITED	2. GSEC GREEN ENERGY PRIVATE LIMITED
	3. NARODA ENVIRO PROJECTS LIMITED		3. KOMAL INFRAVENTURES PRIVATE LIMITED
	4. NARODA UTILITIES SERVICES		4. KOMAL INFOTECH PRIVATE LIMITED
	5. NEXUS INFRATECH PRIVATE LIMITED		5. KALPAVRUKSHA WORLDWIDE PRIVATE LIMITED (Formerly known as Kalpavruksha Estate And Finance Pvt. Ltd.)
	6. NEXUS SPRAY FOAM PRIVATE LIMITED		
	7. CENTRE FOR R&D IN CHEMICAL AND ALLIED INDUSTRIES FOR MSME SECTOR		
	8. AHMEDABAD MEGA CLEAN ASSOCIATION		
	9. GSEC WASTE MANAGE- MENT SOLUTIONS PRIVATE LIMITED		
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2020		Nil	Nil
Number of Shares held in the Company as on March 31, 2020	Nil	Nil	Nil

By Order of the Board of Directors,

Date : 5th December, 2020

Place : Ahmedabad

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 Shailesh Patwari has been appointed by the Board of Directors of the Company as an Additional Director (Category: Independent) with effect from March 18, 2020. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013.

Shri Shailesh Patwari holds a Bachelor of Commerce degree from Gujarat University, Shri Shailesh Patwari, has more than 45 years experience in the Textile, Dyes & Intermediates industry, Pharmaceutical industry, Infrastructure industry and Environmental industry.

He does not hold any shares in the Company.

Shri Shailesh Patwari 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 a 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 Shailesh Patwari fulfills the conditions of independence as 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 Shailesh Patwari is proposed to be appointed as an Independent Director for a term of 5 years up to March 17, 2025.

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

Except Shri Shailesh Patwari, 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

As the term of Mr. Samir Mankad as Whole- Time Director was till March 31, 2020, the Board of Directors in their meeting held on March 18, 2020, has re-appointed Mr. Samir Mankad as Whole Time Director of the Company for further period of three years from April 1, 2020 to March 31, 2023, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Mr. Samir Mankad has been serving as the Whole-time Director; designated as Executive Director, since the acquisition of the company from the then Government of Gujarat in 2004. Mr. Mankad holds B.E. (Mechanical), M.B.A. and has 33 years of long standing industrial experience. He looks after Air Cargo operations at all the Air Cargo Complexes of the Company very closely. Having long and successful years of experience in diversified projects management, Logistics, MIS, HR and other top management areas, he has gained a distinct knowledge and managerial skills.

On recommendation of Nomination and Remuneration Committee and considering his vast knowledge, rich business experience and continuous efforts made towards the growth of the Company the Board has re-appointed him as a as Whole-Time Director for further period of three years w.e.f. from 1st April, 2020 and payment of remuneration, subject to approval of members as per the terms and conditions as mentioned below.

Tenure: 1st April, 2020 to 31st March, 2023

Salary: Salary plus allowances with different breakup be revised and payable monthly / yearly basis within overall limit of yearly package not exceeding of Rs. 48,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

Increment: An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount based on the existing HR Policy of the Company.

Perquisites: 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.

Other benefits:

- (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) Motor Car for official use and purpose shall be provided by the Company and entitled for 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 Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

Statement pursuant to clause (b) of section II of part-II of schedule V of the Companies Act, 2013 is annexed at the end of this explanatory statement.

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

None of the other Directors of the Company and / or their relatives are concerned or interested, financially or otherwise in the said resolution except Mr. Samir Mankad, being the concerned appointee.

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

ITEM NO. 5

The members of the Company at their Annual General Meeting held on September 15, 2014 has approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.150 Crores (Rupees One hundred fifty Crores).

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules framed thereunder.

Keeping in view the GSEC group's existing and future financial requirements to support its business operations of the company and/ or its subsidiaries, Associates, granting of loans / investments in subsidiaries etc. the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company and the limit as approved by the members as aforesaid. Hence it is proposed to increase the maximum borrowing limits from Rs. 1000 Crores for the Company. The members also ratifies the borrowing made by the company from time to time.

The proposal outlined above would be in the best interests of the Company and accordingly your Directors recommend the resolution for approval of the shareholders as a Special Resolution.

None of the Directors and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. The Company is not required to appoint Key Managerial Personnel in the Company.

ITEM NO. 6

The members of the Company at their Annual General Meeting held on September 15, 2014 had authorised the Board of Directors to make loans to, provide guarantees/securities to and make investments in the securities of

other persons/bodies corporate for an amount not exceeding Rs.25,00,00,000 (Rupees Twenty Five crores only) in excess of and in addition to the limits specified in Section 186 of the Companies Act, 2013.

According to the provisions of Section 186 of the Companies Act, 2013 ("the Act"), company can make loans to, provide guarantees/securities to and make investments in the securities of other persons/bodies corporate to the extent of 60% of its paid-up share capital and free reserves and security premium account or 100% of its free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where aggregate of loans and investments made, guarantees given and securities provided exceeds the limits prescribed above, prior approval of the shareholders is required by way of Special Resolution.

The Company has been able to achieve and maintain its growth levels only due to scaling through the new avenues for increasing its revenue and income. The Company is constantly exploring various opportunities for its expansion and growth. The same can be achieved by direct initiatives of the Company or joining hands with holding/subsidiary/associate/joint venture companies or other persons/bodies corporate, for which it is required to provide the necessary financial support by way of providing loans/guarantees/securities or making investment in securities of its subsidiaries / JV/ Associates / other bodies corporate/ entities. It is necessary to achieve financial flexibility and speedy execution of the decisions.

It is therefore proposed that the Board of Directors be authorised to invest by subscribing/purchasing the securities, granting of loans, giving of guarantees and/or providing securities for an amount not exceeding Rs.1000 Crores (Rupees One Thousand Crores only) from time to time, in/to one or more of the entities i.e. subsidiaries/holding/joint ventures/associate companies/other bodies corporate. The members ratifies the investments / loans / guarantee provided by the Company from time to time.

The proposal outlined above would be in the best interests of the Company and accordingly your Directors recommend the resolution for approval of the shareholders as a Special Resolution.

None of the Directors and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. The Company is not required to appoint Key Managerial Personnel in the Company.

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.	Rs. in Lacs	
	Particulars	2019-20	2018-19
	Total Income	41778.47	38530.80
	Profit Before Tax and Depreciation (Including Exceptional Item)	692.41	641.88
	Depreciation	249.50	248.49
	Profit Before Tax	442.91	393.39
	Tax	122.28	129.35
	Profit After Tax	320.63	264.04
	Equity Capital (face value Rs. 10) No. of shares	7550000	7550000
Earnings per Share (Rs.)	4.25	3.50	

5	Export performance based on given indicators.			Rs. in Lacs
	Particulars	2019-20	2018-19	
	Foreign Exchange Earning	-	-	
	Foreign Exchange Outgo	7.35	2616.04	
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. Samir Mankad is a Mechanical Engineer and holds an M.B.A. degree. He has on his credit a long and successful years of experience in diversified areas like projects management, MIS, HR and other top management areas. He was serving in Adani Group, a nationally renowned and diversified group for more than 5 years on a key managerial position. He is serving the Company as a Whole-Time Director designated as an Executive Director since 2004-05.

2 Past Remuneration :

Details of past remuneration paid to Mr. Samir Mankad is mentioned herein below:

Name	Remuneration Paid
Mr. Samir Mankad	Rs. 37.37 Lacs per year in 2019-20

3 Recognition or awards : NIL

4 Job Profile and suitability :

The Whole-Time Director devotes his/her full time to one company and shoulders the responsibility towards the executive decision making and overall management and administration of the core operations. He also assists the Managing Director in the overall management and administration of the Company as and when needed.

Mr. Samir Mankad shoulders the responsibilities of Whole-Time Director since the acquisition of the Company by present management. His in depth understanding of the air cargo operations and logistics services of the company has strengthened the brand of the company among all the stakeholders. The Board has continuously entrusted him with the responsibility of the whole-Time director throughout his career with the Company.

5 Remuneration proposed : As details given in the explanatory statement.

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. Samir Mankad does not hold any shares in the company. He has no pecuniary relationship with the Company to be reported except to the extent of remuneration drawn by him.

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.

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 petro chemicals, bitumen 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.

By Order of the Board of Directors,

Date : 5th December, 2020

Place : Ahmedabad

Registered Office:

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

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.

Head Office

2nd Floor, Gujarat Chamber's Building, Ashram Road,
Ahmedabad - 380 009, Gujarat (India) Ph. no.: +91-79-2655 4100,
+91-79-267 77 | +91-79-2658 5757 | Fax : +91-79-2658 4040.
E-mail : info@gsecl.co.in | 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

Indore

DABH Airport, Old Airport Building, Domestic Cargo Terminal, Indore - 452 005.
Ph. no.: + 79 - 1297 7774

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.

Raipur

Swami Vivekananda Airport, Raipur Chhattisgarh - 492 015.
Ph. no. : 077-1241 8577