



Gujarat Hy-spin Ltd.

**GUJARAT HY-SPIN LIMITED**

**ANNUAL REPORT  
2020-21**

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## **ANNUAL GENERAL MEETING**

**DAY: THURSDAY**  
**DATE: 30th SEPTEMBER, 2021**  
**TIME: 11.00 A.M.**

**VENUE: P.O.BOX NO. 22, GUNDALA ROAD,  
GONDAL DIST - RAJKOT -360311. GUJARAT.**

# COMPANY INFORMATION

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## BOARD OF DIRECTORS

1. **Mr. Maganlal Parvadiya** DIN: 03190749  
**Chairman & Whole-time Director**
2. **Mr. Chandulal Parwadia** DIN: 03197876  
**Whole-time Director**
3. **Mrs. Bindiya Ketankumar Parvadiya** DIN: 08210285  
**Non-Executive Director**
4. **Mr. Anil Kumar** DIN: 08405909  
**Independent Director**
5. **Mr. Niteshkumar Kantariya** DIN: 08405905  
**Independent Director**

- **CHIEF FINANCIAL OFFICER**

**MR. PARAS MAGANBHAI PARVADIYA**

- **COMPANY SECRETARY & COMPLIANCE OFFICER**

**CS NARESH VASUDEVBHAI KANZARIYA**  
**ACS 60683**

- **STATUTORY AUDITOR**

**M/s. Finava & Associates**  
**Chartered Accountants**  
**34, 2nd Floor, Star Shopping Center,**  
**Dr. Yagnik Road, Rajkot. - 360001.**  
**Tel: 0281 2462988 / 2463488**  
**Firm Registration No.: 117362W**  
**Membership No.: 044511**

- **BANKERS**

**STATE BANK OF INDIA**

- **SECRETARIAL AUDITOR**

**M/s. S. V. Nadiyapara & Co.  
Practicing Company Secretary  
317, Business Edifice, Bhutkhana Chowk,  
Canal Road, Rajkot. - 360001.  
ACS 42126 CP No. 15645**

- **REGISTER OFFICE OF COMPANY  
CIN, EMAIL ID & WEBSITE**

**GUJARAT HY-SPIN LIMITED  
P.O. Box No. 22, Gundala Road, Gondal.  
Dist - Rajkot -360311. Gujarat.**

**CIN : L17110GJ2011PLC063898  
Tel.: 02825-297170**

**e-mail: [info@gujarathyspin.com](mailto:info@gujarathyspin.com)  
web: [www.gujarathyspin.com](http://www.gujarathyspin.com)**

- **REGISTRAR & SHARE TRANSFER AGENT**

**BIGSHARE SERVICES PRIVATE LIMITED  
E/2, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400072  
Tel: 022 40430200**

- **LISTING**

**SCRIPT CODE: 540938  
SCRIPT ID: GUJHYSPIN**

**ISIN: INE578V01013**

**BSE LIMITED – SME PLATFORM  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001.**

## DIRECTOR'S REPORT

### For the Financial Year ended on 31st March, 2021

#### TO THE MEMBERS OF GUJARAT HY-SPIN LIMITED

Dear Shareholders,

The Directors have pleasure in presenting the 11th Annual Report along with the Audited Financial Statements for the year ended March 31, 2021.

#### FINANCIAL HIGHLIGHTS

The Company's Financial Performance, for the year ended March 31, 2021 is summarized below:

Particulars	2020-21 (Amt. In Rs.)	2019-20 (Amt In Rs.)
Revenue from Operations	49,77,45,389	47,42,53,377
Other Income	3,82,23,642	3,14,43,210
<b>Total Income</b>	<b>53,59,69,031</b>	<b>50,56,96,587</b>
Cost of Materials Consumed	35,12,61,497	34,90,18,697
Employees Benefits Expense	1,68,86,522	1,51,24,502
Finance Cost	3,06,57,410	3,13,41,664
Depreciation & Amortization Exp.	2,40,09,508	2,74,19,261
Other Expenses	9,66,74,165	8,78,60,042
<b>Profit/ (Loss) Before Tax</b>	<b>28,50,511</b>	<b>18,10,137</b>
Current Tax	14,47,943	12,46,600
Deferred Tax	292000	(17,02,000)
<b>Profit/ (Loss) After Tax (PAT)</b>	<b>11,10,568</b>	<b>22,65,537</b>
<b>Earnings per Share</b> Basic & Diluted	<b>0.07</b>	<b>0.14</b>

#### FINANCIAL PERFORMANCE

During the Financial year 2020-21, the Company has earned revenue from operations of Rs 49.77 Crore as compared to previous year revenue from operation of Rs. 47.42 crore. The company has earned Net Profit of Rs. 11.11 Lacs as compared previous year Net Profit of Rs.22.66 Lacs.

## **COVID-19 PENDING**

The Operational Performance of the Company has sustained well during the financial year and the Company has been able to attain the Pre-Covid Sales Volume. The Company has considered the possible impacts of COVID-19 in preparation of these financial statements including but not limited to assessment of going concern assumption, recoverable values of financial assets and expects to recover the carrying amount of these assets. The Company has also considered the economic conditions and the potential effect to the industry. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

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

Considering the pandemic outbreak and its adverse impact on business operations in the near term, the Board has decided not to recommend any final dividend for the Financial Year 2020-21. Moreover, no amount is being transferred to reserves during the financial year 2020-21.

## **CHANGE IN THE NATURE OF BUSINESS**

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

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

As on 31st March, 2021, the Company does not have any Subsidiary, Associate or Joint Venture.

## **CAPITAL STRUCTURE**

The Authorised and Paid up Equity share Capital of the Company as on 31st March, 2021 was Rs. 16,75,00,000/- (Rupees Sixteen Crore Seventy-Five lacs only) divided into 1,67,50,000 (One Crore Sixty-Seven Lacs Fifty Thousand) Equity Shares of Rs 10/- (Rupees Ten only) each. During the year, the Company has not issued any share with differential voting rights nor granted stock options or sweat equity or any convertible instrument.

## **EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as “**Annexure A**” and forms an Integral part of the Report. Further, Annual Return will be uploaded on company’s website [www.gujarathyspin.com](http://www.gujarathyspin.com).

## DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

The details of Directors and KMPs as on March 31, 2021 are as follows:

Sr. No.	Name of Directors / KMPs	Designation	Appointment Date
1	Mr. Maganlal Parvadiya	Chairman & Whole-time Director	01/02/2011
2	Mr. Chandulal Parvadia	Whole-time Director	01/02/2011
3	Mrs. Bindiya Ketankumar Parvadiya	Director	01/09/2018
4	Mr. Anil Kumar	Independent Director	08/04/2019
5	Mr. Niteshkumar Kantariya	Independent Director	08/04/2019
6	Mr. Paras Parvadiya	Chief Financial Officer	01/08/2016
7	CS Naresh Kanzariya	Company Secretary & Compliance officer	10/08/2020

### ➤ Director liable to retire by rotation

As per the provisions of Section 152 of the Companies Act, 2013, not less than two-third of the total number of Directors, other than Independent Directors shall be liable to retire by rotation. One-third of these Directors are required to retire every year and if eligible, these Directors qualify for re-appointment. At the ensuing AGM, Mr. Chandulal Parvadia (DIN: 03197876) Whole-time Director, retires by rotation and being eligible, offers himself for re-appointment.

A detailed profile of Mr. Chandulal Parvadia, Whole-time Director along with additional information required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings is provided separately by way of an Annexure to the Notice of the AGM.

### ➤ Independent Directors

The following are the Independent Directors of the Company as on 31.03.2021:

1. Mr. Anil Kumar (DIN: 08405909)
2. Mr. Niteshkumar Kantariya (DIN: 08405905)

In terms of the definition of 'Independence' of Directors as prescribed under Clause 16 (1)(b) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered with Stock Exchange and Section 149(6) of the Companies Act, 2013. Company has obtained declaration from independent directors as per above Regulations.

## COMMITTEES

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 & SEBI (LODR) Regulations 2015 read with rules framed there under viz.

**a) Audit Committee**

**b) Nomination and Remuneration Committee**

➤ **Audit Committee**

The Audit Committee comprises of 2 Non-Executive Independent Directors and 1 Executive Director. The Composition of committee is in conformity with the listing regulations. As of March 31, 2021 the Audit committee of the Board of Directors of the Company comprises of 3 (Three) members namely:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Anil Kumar	Chairman,	Independent Director
Mr. Niteshkumar Kantariya	Member	Independent Director
Mr. Maganlal Parvadiya	Member	Executive Director

During the year, the Committee met four times i.e. 14/05/2020, 29/07/2020, 11/11/2020, and 05/03/2021 and all the members are attended meetings. The Chief financial officer and Statutory Auditor are the regular invitees to the Committee meetings. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

➤ **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of 3 Non-Executive Independent Directors. The Composition of committee is in conformity with the listing regulations. As of March 31, 2021 the Audit committee of the Board of Directors of the Company comprises of 3 (Three) members namely:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Anil Kumar	Chairman,	Independent Director
Mr. Niteshkumar Kantariya	Member	Independent Director
Mrs. Bindiya Ketankumar Parvadiya	Member	Non Executive

During the year, the Committee met four times i.e. 02/05/2020, 01/08/2020, 04/12/2020, and 25/03/2021 and all the members are attended meetings.



## **BOARD EVALUATION**

Pursuant to the section 134 (3) (p) of Companies Act, 2013 read with Rule 8 (4) of Companies Accounts Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the Board Committees.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013, it is hereby confirmed that:

- a)** In the preparation of the annual accounts for the year ended on 31<sup>st</sup> March 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b)** The Directors 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 as at 31<sup>st</sup> March, 2021 and of the profit of the Company for the year ended on that date;
- c)** The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d)** The Directors have prepared the annual accounts on a 'going concern' basis;
- e)** The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f)** The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **BOARD MEETINGS**

The Board meets at regular intervals to discuss and decide on various issues, including strategy related matters pertaining to the business of the Company. The tentative calendar of Board Meetings is circulated to the Directors in advance to facilitate them and to ensure their active participation at the Meetings of the Company.

The Board meetings are held at least once in every quarter. The Board meetings are generally held at Registered Office of the Company. Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively.

During the year 2020-21, the Board met four times i.e. 28/04/2020, 30/07/2020, 12/11/2020, and 01/02/2021 requisite quorum were present at the said meetings.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

### **INDEPENDENT DIRECTORS' MEETING**

The Independent Directors met on 12<sup>th</sup> March 2021, 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.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the year under review as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

### **AUDITORS**

#### **(A) Statutory Auditor**

M/s. Finava & Associates, Chartered Accountants, (FRN: 117362W), were appointed as a Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in the year 2025. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Finava & Associates that their appointment for the financial year 2020-21 would be in conformity with the limits specified in the said Section.

Ministry of Corporate Affairs vide the Companies (Amendment) Act, 2017 notified on May 7, 2018 amended Section 139 of the Act which had done away with the requirement of seeking ratification of Members for appointment of Auditors at every AGM. Accordingly, no Resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM.