



**FY
2021-22**

**12th
ANNUAL
REPORT**

GUJARAT HY-SPIN LIMITED

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Company Information

BOARD OF DIRECTORS

- **Mr. Maganlal Parvadiya (DIN: 03190749)**
Chairman & Whole-time Director
- **Mr. Chandulal Parvadiya (DIN: 03197876)**
Whole-time Director
- **Mrs. Bindiya Ketankumar Parvadiya (DIN: 08210285)**
Non-Executive Director
- **Mr. Anil Kumar (DIN: 08405909)**
Independent Director
- **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. H.B. Kalaria & Associates

Chartered Accountants

**A-601/602, The Imperial Heights, 150ft. Ring Road,
Opp. Big Bazaar, Rajkot - 360004.**

Ph. 0281 - 2581501 / 02 / 03

FRN : 104571W M.No. 155474

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 the company, CIN, E-mail 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
web: www.gujarathyspin.com

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East)
Mumbai - 400059. Maharashtra
Ph. 022 62638200
E-mail: investor@bigshareonline.com

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, 2022

TO THE MEMBERS OF
GUJARAT HY-SPIN LIMITED

Dear Shareholders,

The Directors have pleasure in presenting the 12th Annual Report along with the Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The Company's Financial Performance, for the year ended March 31, 2022 is summarized below:

Particulars	2021-22 (Amt. In Rs.)	2020-21 (Amt In Rs.)
Revenue from Operations	69,45,31,003	49,77,45,389
Other Income	1,85,37,004	3,82,23,642
Total Income	71,30,68,007	53,59,69,031
Cost of Materials Consumed	53,47,33,137	35,12,61,497
Employees Benefits Expense	1,79,06,878	1,68,86,522
Finance Cost	1,74,89,147	3,06,57,410
Depreciation & Amortization Exp.	2,15,53,906	2,40,09,508
Other Expenses	10,45,80,398	9,66,74,165
Profit Before Tax	1,10,36,666	28,50,511
Current Tax	33,69,640	14,47,943
Deferred Tax	(178600)	292000
Profit After Tax (PAT)	78,45,626	11,10,568
Earnings per Share Basic & Diluted	0.47	0.07

FINANCIAL PERFORMANCE

During the Financial year 2021-22, the Company has earned revenue from operations of Rs 69.45 Cr. as compared to previous year revenue from operation of Rs. 49.77 Cr. The company has earned Net Profit of Rs.78.45 Lacs as compared previous year Net Profit of Rs.11.10 Lacs.

IMPACT OF COVID-19 PANDEMIC

In view of surge in Covid-19 cases, in first quarter of the financial year 2021-22 few states reintroduced some restrictions, however, it did not have any significant impact on the Company's operations / results. In the backdrop of removal of restrictions by the authorities in the later half of the year, the business of the Company continued to operate at normal levels. At the same time, the Company continues to be vigilant and cautious and is taking all necessary steps to secure the health and safety of its employees and the extended eco-system. The Company will continue to monitor changes to the future economic conditions for any material impact as the situation evolves.

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 2021-22. Moreover, no amount is being transferred to reserves during the financial year 2021-22.

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, 2022, 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, 2022 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 attached here as “**Annexure A**” will be uploaded on company's website www.gujarathyspin.com.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

The details of Directors and KMPs as on March 31, 2022 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, Mrs. Bindiya Ketankumar Parvadiya (DIN:08210285) Non-Executive Director, retires by rotation and being eligible, offers herself for re-appointment.

A detailed profile of Mrs. Bindiya Ketankumar Parvadiya (DIN:08210285) Non-Executive 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 31.03.2022:

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, 2022 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 five times i.e. 21/04/2021, 19/06/2021, 12/09/2021, 01/11/2021, and 07/03/2022 and all the members are attended 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, 2022 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 two times i.e., 06/04/2021 and 25/03/2022 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 31st March 2022, 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 31st March, 2022 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 2021-22, the Board met six times i.e. 22/04/2021, 21/06/2021, 07/08/2021, 03/09/2021, 24/12/2022 and 04/01/2022 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 11th March 2022, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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. H.B. Kalaria & Associates, Chartered Accountants (FRN: 104571W) was appointed as Statutory Auditors of the Company in the Extra-Ordinary General Meeting of the Members held on 29th January, 2022 to hold office till the conclusion of this Annual General Meeting due to fill the casual vacancy caused by the Resignation of M/s. Finava & Associates, Chartered Accountants, (FRN: 117362W), Rajkot. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. H.B. Kalaria & Associates that their appointment for the financial year 2021-22 would be in conformity with the limits specified in the said Section.

The Report given by M/s. H.B. Kalaria & Associates, Chartered Accountants, on the financial statements of the Company for the financial year 2021-22 is a part of the Annual