

# UNITED POLYFAB GUJARAT LIMITED

(FORMERLY KNOWN AS UNITED POLYFAB (UNIT-II) PRIVATE LIMITED)

CIN: L18109GJ2010PLC062928

## ANNUAL REPORT F.Y. 2018-19



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## CORPORATE INFORMATION

UNITED POLYFAB GUJARAT LIMITED (CIN: L18109GJ2010PLC062928)

### REGISTERED OFFICE

Survey No. 238, 239, Shahwadi, Opp. New Aarvee Denim,  
Narol-Surkhej Highway, Ahmedabad - 382 405, Gujarat, India  
**Tel No.** +91 79 2573 1155; **Fax No.** +91 79 2573 1144  
**E-Mail ID:** info@unitedpolyfab.com  
**Website :** www.upgl.in

### PLANT ADDRESS

Survey No 188, Village Timba,  
Taluka Dascroi, District: Ahmedabad

### BOARD OF DIRECTORS

Name	(DIN)	Designation
Mr. Gagan Mittal	00593377	Chairman and Managing Director
Mr. Ritesh Hada	01919749	Non-Executive Director
Mr. Sumit Saraf	07401639	Non-Executive (Independent) Director
Ms. Sejal Parmar	08193454	Non-Executive (Independent) Director

### KEY MANAGERIAL PERSONNEL

Name	Designation	Name	Designation
Mr. Mahesh Gupta	Chief Financial Officer	Mr. Sumit Saraf	Chairperson
Ms. Payal Shah	Company Secretary & Compliance Officer	Ms. Sejal Parmar	Member
		Mr. Gagan Mittal	Member

### AUDIT COMMITTEE

### STAKEHOLDER'S RELATIONSHIP COMMITTEE

Name	Designation	Name	Designation
Ms. Sejal Parmar	Chairperson	Mr. Sumit Saraf	Chairperson
Mr. Sumit Saraf	Member	Ms. Sejal Parmar	Member
Mr. Gagan Mittal	Member	Mr. Ritesh Hada	Member

### NOMINATION & REMUNERATION COMMITTEE

### AUDITORS

Statutory Auditor	Internal Auditor	Secretarial Auditor
<b>M/s. Nahta Jain &amp; Associates</b> Chartered Accountants 211, 1st Floor, New Cloth Market, O/s Raipur Gate, Ahmedabad	<b>M/s. Kamal M. Shah &amp; Co.</b> Chartered Accountants 19, First Floor, Vijay Complex, Nr. Vasna Bus Stop, Vasna, Ahmedabad - 380 007. <b>Mail ID:</b> kamalca2008@gmail.com	<b>Ms. Payal Dhamecha</b> Practicing Company Secretary S/1, 2 <sup>nd</sup> Floor, Olway House, Nr. Navneet House, Gurukul, Ahmedabad - 380 052 <b>Mail ID:</b> payald1314@gmail.com

### REGISTRAR & SHARE TRANSFER AGENT

**Satellite Corporate Services Private Limited**  
Unit No. 2, Building No. 13 A-B, 2<sup>nd</sup> Floor,  
Samhita Commercial Co-Op. Soc. Limited,  
Off. Andheri Kurla Road, MTNL Lane,  
Sakinaka, Mumbai-400072  
**E-Mail ID :** service@satellitecorporate.com  
**Contact No. :** 022 28520461

### BANKERS

State Bank of India  
Indian Bank  
Oriental Bank of Commerce

## 9<sup>TH</sup> ANNUAL GENERAL MEETING

### Date and Time:

Monday, September 30, 2019 at 12:00 Noon

### Venue:

Survey No. 238, 239, Shahwadi, Opp. New Aarvee Denim, Narol-Surkhej Highway, Ahmedabad - 382 405, Gujarat, India

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of United Polyfab Gujarat Limited, along with the audited financial statements, for the financial year ended March 31, 2019.

### Financial Highlights

(Amount in ₹)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Income from Operations	1,63,21,31,432	1,04,26,91,653
Other Income	40,14,780	43,42,239
<b>Total Revenue</b>	<b>1,63,61,46,212</b>	<b>1,04,70,33,892</b>
Less: Total Expenses (excluding Depreciation & Interest)	1,41,33,82,650	90,34,86,087
<b>Operating Profits (PBDIT)</b>	<b>22,27,63,562</b>	<b>14,35,47,805</b>
Less: Finance Cost	8,15,49,053	2,92,97,666
Less: Depreciation	11,02,52,922	9,46,66,015
<b>Profit Before Tax</b>	<b>3,09,61,588</b>	<b>1,95,84,124</b>
Less: Taxes	1,19,02,658	62,02,239
<b>Net Profit after Tax</b>	<b>1,90,58,930</b>	<b>1,33,81,885</b>

### REVIEW OF BUSINESS OPERATION

#### Financial performance

During the year there were new developments happened in the company by which the company may reach to a new height soon.

During the year under review, Company has earned total income of ₹ 1,63,61,46,212 as against the total income of ₹ 1,04,70,33,892 for previous year. The total income of the company was increased by 56.26% over previous year. Further, Profit before Tax in the financial year 2018-19 stood at ₹ 3,09,61,588 as compared to ₹ 1,95,84,124 of last year and Net Profit after Tax stood at ₹ 1,90,58,930 compared to profit of ₹ 1,33,81,885 for previous year. The Profit before tax and Net profit After Tax was increased by 58.10% and 42.42% respectively over previous year.

The increase in revenue from operation led the Company to generate higher profit compared to previous year.

#### Dividend

With a view to conserve and save the resources for future prospect of the Company, your Directors regret to declare dividend for the financial year 2018-19 (Previous year - Nil).

#### Net Profit Transfer to General Reserve:

Your Directors do not propose transfer of any amount to the General Reserves. Full amount of net profit are carried to reserve & Surplus account of the Company.

#### Change in Nature of Business

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Constitution of Board

The Board of the Company comprises four Directors out of which one is Promoter Executive Director, one is Promoter Non-Executive Director and two are Non-Promoter Non-Executive Independent Directors. As on March 31, 2019, the Board comprised following Directors;

Name of Director	Category Cum Designation	Date of Appointment at current Term	Total Directorship <sup>-</sup>	No. of Committee <sup>^</sup>		No. of Shares held as on March 31, 2019
				in which Director is Members	in which Director is Chairman	
Mr. Gagan Mittal	Promoter Chairman and Managing Director	January 16, 2016	6	2	-	517550 Equity Shares
Mr. Ritesh Hada	Promoter Non-Executive Director	January 12, 2016	13	-	-	2500 Equity Shares
Ms. Sejalben Parmar	Non-Executive Independent Director	January 12, 2016	1	1	1	
Mr. Sumit Saraf	Non-Executive Independent Director	August 13, 2018	1	1	1	-

<sup>^</sup> Committee includes Audit Committee and Shareholders' Grievances Committee across all Public Companies.

<sup>-</sup> Excluding Foreign Companies, Section 8 Companies & struck off Companies.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company. Neither any of the Director of the Company is holding position as Director in more than 8 listed entities nor any of the Director of the Company serve as Independent Director in more than 7 listed entities.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

#### Board Meeting

The meetings of the Board are scheduled at regular intervals, at least once in a quarter to decide and discuss on business performance, policies, strategies and other matter of significance. The schedules of meeting are circulated in advance to ensure proper planning and effective participation in meetings. Additional Board meetings are convened, as and when required.

During the year under review, Board of Directors of the Company met 10 (Ten) times on May 29, 2018, August 13, 2018, September 01, 2018, September 05, 2018, September 29, 2018, October 13, 2018, November 14, 2018, January 22, 2019, January 25, 2019, and March 26, 2019. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below;

Name of Director	Mr. Gagan Mittal	Mr. Ritesh Hada	Mr. Sumit Saraf~	Mr. Anchit Agrawal^	Ms. Sejalben Parmar
Number of Board Meeting held	10	10	10	10	10
Number of Board Meetings Eligible to attend	10	10	8	1	10
Number of Board Meeting attended	10	10	8	1	10
Presence at the previous AGM	Yes	Yes	Yes	Not Applicable	Yes

~ w.e.f. August 13, 2018      ^ up to May 29, 2018

During the year, the Board of Directors has also passed certain resolutions through circulation in compliance of Section 175 of the Companies Act, 2013. All such resolutions, passed through circulation, have been noted in subsequent Board Meeting and form part of minutes of such subsequent meetings.

#### Independent Directors

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has two Non-Promoter Independent Directors in line with the Companies Act, 2013. A separate meeting of Independent Directors was held on March 26, 2019 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at [www.upgl.in](http://www.upgl.in).

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

#### Information on Directorate

During the financial year, Mr. Anchit Agrawal has resigned as Independent Director of the Company w.e.f. May 29, 2018. The Board of Directors placed its appreciation to Mr. Anchit Agrawal for rendering his service. The Board of Directors, in their meeting held on August 13, 2018, had appointed Mr. Sumit Saraf as an Additional (Non-Executive Independent) Director whose appointment was regularized by the Members of the Company in their last annual general meeting held on September 28, 2018 and he was appointed as Independent Director of the Company for a period up to August 13, 2023.

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Ritesh Hada (DIN: 01919749), Non-Executive Director of the Company retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment as such and seeks re-appointment. The Board of Directors recommends his re-appointment as such on the Board.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director is annexed to the Notice convening the 9<sup>th</sup> annual general meeting.

#### Key Managerial Personnel

During the year under review, Mr. Gagan Mittal is acting as Chairman and Managing Director of the Company.

Further, Mr. Girish Solanki who was acting as Chief Financial Officer of the Company, had tendered his resignation from the post w.e.f. March 26, 2019. In his place, the Board appointed Mr. Mahesh Gupta as Chief Financial Officer of the Company w.e.f. April 15, 2019.

Ms. Nidhi Aggrawal who was acting as Company Secretary of the Company, had tendered her resignation from the post w.e.f. January 22, 2019. In her place, the Board appointed Ms. Payal Shah as Company Secretary of the Company w.e.f. March 26, 2019.

#### Performance Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 in the following manners;

- 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 etc.

- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.
- In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

#### Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- In preparation of annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and that no material departures have been made from the same;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts for the year ended March 31, 2019 on going concern basis.
- The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### SHARE CAPITAL

##### Authorized Capital

The present Authorized Capital of the Company is ₹ 7,00,00,000/- divided into 70,00,000 Equity Shares of ₹ 10/- each.

##### Issued, Subscribed & Paid-up Capital

The present Issue, Subscribed & Paid-up Capital of the Company is ₹ 6,98,38,500/- divided into 69,83,850 Equity Shares of ₹ 10/- each.

During the year under review, there was no change took place in the authorized share capital of the Company.

Further, the Company has allotted 1300000 equity shares at a price of ₹ 100/- per equity share (including premium of ₹ 90/- per equity share) to the holder of Equity Warrants pursuant to conversion of Equity Warrants held by them on September 5, 2018.

Further, entire equity share capital of the Company is listed at NSE Emerge Platform.

#### COMMITTEES OF BOARD

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

##### A. Audit Committee

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013. Audit Committee meeting is generally held once in quarter and the gap between two meetings did not exceed one hundred and twenty days. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee.

During the year, the Constitution of the Committee was changed due to resignation of Mr. Anchit Agrawal from Directorship. Mr. Sumit Saraf was appointed as Chairperson of the Committee w.e.f. August 13, 2018.

During the year under review, Audit Committee met 6 (Six) times viz. May 29, 2018; September 1, 2018; September 29, 2018, November 11, 2018; January 22, 2019 and March 26, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of Members	Category	Designation in Committee	Number of meetings during the financial year 2018-19		
			Held	Eligible to attend	Attended
Mr. Sumit Saraf	Independent Director	Chairperson~	6	5	5
Mr. Anchit Agrawal	Independent Director	Chairperson^	6	1	1
Ms. Sejal Parmar	Independent Director	Member	6	6	6
Mr. Gagan Mittal	Executive Director	Member	6	6	6

~ w.e.f. August 13, 2018      ^ up to May 29, 2018

The Statutory Auditors and Internal Auditors of the Company are invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the Meeting. Further, the Company Secretary of the Company is acting as Secretary to the Audit Committee.

Mr. Sumit Saraf, the Chairperson of the Committee had attended last Annual General Meeting of the Company held on September 28, 2018.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board of Directors.

##### Vigil Mechanism

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide

for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at [www.upgl.in](http://www.upgl.in).

#### B. Nomination and Remuneration Committee

The Company has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act, 2013. Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. Further, the committee shall also meet as and when the need arises for review of Managerial Remuneration.

During the year, the Constitution of the Committee was changed by inducting Mr. Ritesh Hada as Member of the Committee in place of Mr. Gagan Mittal. Further, due to resignation of Mr. Anchit Agrawal from Directorship. Mr. Sumit Saraf was appointed as Members of the Committee w.e.f. August 13, 2018.

During the year under review, Nomination and Remuneration Committee met 3 (Three) times viz. August 13, 2018; September 1, 2018 and March 26, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of Members	Category	Designation in Committee	Number of meetings during the financial year 2018-19		
			Held	Eligible to attend	Attended
Mr. Sumit Saraf	Independent Director	Chairperson~	3	2	2
Mr. Anchit Agrawal	Independent Director	Chairperson^	3	-	-
Ms. Sejal Parmar	Independent Director	Member	3	3	3
Mr. Gagan Mittal	Executive Director	Member^	3	-	-
Mr. Ritesh Hada	Non-Executive Director	Member*	3	3	3

~ w.e.f. August 13, 2018

^ up to May 29, 2018

\* w.e.f. May 29, 2018

#### Nomination and Remuneration Policy

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director and the Executive Directors.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.upgl.in](http://www.upgl.in) and is annexed to this Report as Annexure - A.

#### Remuneration of Directors

The details of remuneration/sitting fees paid during the financial year 2018-19 to Executive Directors/Directors of the Company is provided in Form MGT-9 which is the part of this report.

#### C. Stakeholder's Grievance & Relationship Committee

The Company has constituted Stakeholder's Grievance & Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

During the year, the Constitution of the Committee was changed due to resignation of Mr. Anchit Agrawal from Directorship. Mr. Sumit Saraf was appointed as Chairperson of the Committee w.e.f. August 13, 2018.

During the year under review, Stakeholder's Grievance & Relationship Committee met 4 (Four) times viz. May 29, 2018, August 13, 2018, November 14, 2018 and January 22, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of Members	Category	Designation in Committee	Number of meetings during the financial year 2018-19		
			Held	Eligible to attend	Attended
Ms. Sejal Parmar	Independent Director	Chairperson	4	4	4
Mr. Sumit Saraf	Independent Director	Member ~	4	2	2
Mr. Anchit Agrawal	Independent Director	Member ^	4	1	1
Mr. Gagan Mittal	Executive Director	Member	4	4	4

~ w.e.f. August 13, 2018

^ up to May 29, 2018

Company Secretary and Compliance officer of the Company provides secretarial support to the Committee.

#### Complaints

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2019.

#### PUBLIC DEPOSIT

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement for the year ended on March 31, 2019.



## **EXTRACT OF ANNUAL RETURN**

As provided under section 92(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as **Annexure - B**.

## **TRANSACTIONS WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed to this Report as **Annexure - C**.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details on Internal Financial Control and their adequacy are provided in Management Discussion and Analysis Report.

## **MATERIAL CHANGES AND COMMITMENT**

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2019 to the date of this Report.

## **PARTICULAR OF EMPLOYEES**

The ratio of the remuneration of each whole-time director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure - D**.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

## **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

To foster a positive workplace environment, free from harassment of any nature, we have adopted policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year under review, there were no incidences of sexual harassment reported.

## **RISK MANAGEMENT**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are provided as an **Annexure - E**.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Schedule V of the Listing Regulations, is presented in a separate section forming part of this Annual Report.

## **CORPORATE GOVERNANCE**

Your Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

However, Company is complying with few of the exempted regulations voluntarily and details of same are provided in this report under the respective heading.

## **ENVIRONMENTAL PROTECTION & POLLUTION CONTROL**

Your company regards preservation of the environment as one of its primary social responsibility. Accordingly the company places great emphasis on compliance with pollution control norms.

## **STATUTORY COMPLIANCES**

To the best of our knowledge your company has complied with all the rules and regulations which are stipulated on corporate sector from time to time by various statutory Authorities.

## **COST & MANAGEMENT AUDITOR**

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, the Company is required to get its cost records audited by the Practicing Cost Accountant. Accordingly, the Board of Directors at their meeting held on September 29, 2018, appointed M/s. M.I. Prajapati & Associates, Cost & Management Accountants, Ahmedabad, as Cost Auditors for auditing the cost records of your Company for the year ended March 31, 2019. Further, they are also appointed as Cost Auditors for auditing the cost records of your Company for the year ended March 31, 2020 by the Board of Directors at their meeting held on September 4, 2019.

## **STATUTORY AUDITOR AND THEIR REPORT**

M/s Nahta Jain & Associates, Chartered Accountants (Firm Registration No. 106801W) were appointed as Statutory Auditors of your Company at the Annual General Meeting held in the calendar year 2014, for a term of five consecutive years, subject to ratification of appointment at every subsequent annual general meeting to be held after that Annual General Meeting.

The present term of M/s Nahta Jain & Associates, Chartered Accountants (Firm Registration No. 106801W) is expiring at the ensuing Annual General Meeting. In terms of Rule 6 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and Section 139(2) of the Companies Act, 2013, M/s Nahta Jain & Associates, Chartered Accountants (Firm Registration No. 106801W) are eligible for appointment as Statutory Auditor from the conclusion of ensuing Annual General Meeting till the conclusion of next annual general meeting to be held in the calendar year 2020. The Company has received the consent and eligibility certificate from M/s Nahta Jain & Associates, Chartered Accountants (Firm Registration No. 106801W) and the audit committee and board recommends their

appointment as Statutory Auditor from the conclusion of ensuing Annual General Meeting till the conclusion of next annual general meeting to be held in the calendar year 2020.

The Report given by the Auditors on the financial statement of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

#### **REPORTING OF FRAUD**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

#### **SECRETARIAL AUDITOR AND THEIR REPORT**

The Company has appointed Ms. Payal Dhamecha, Practicing Company Secretary, to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2018-19 is annexed to this report as an **Annexure - F**.

The Secretarial Audit Report contain the annotation for delayed filing of Form CRA-2 with respect to appointment of Cost Auditor. Your Director states that, in terms of section 148, and other applicable provisions, the Company had appointed the Cost Auditor but due to clerical mistake and unintentional overlooked, the Form CRA-2 could not be filed within statutory time limit and the same has been filed on September 4, 2019.

#### **GENERAL DISCLOSURE**

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations, to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review or they are not applicable to the Company;

- (i) Details relating to deposits covered under Chapter V of the Act;
- (ii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iv) Annual Report and other compliances on Corporate Social Responsibility;
- (v) There is no revision in the Board Report or Financial Statement;
- (vi) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (vii) Information on subsidiary, associate and joint venture companies.

#### **APPRECIATIONS AND ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment during the year under review.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of Board of Directors,  
United Polyfab Gujarat Limited

Place: Ahmedabad  
Date: September 4, 2019

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

## NOMINATION AND REMUNERATION POLICY

### 1. PREFACE

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### 2. DEFINITION AND INTERPRETATION

In this Policy, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

- a) The term "Board" shall mean the Board of Directors of the Company.
- b) The term "Board Members" shall mean the Members on the Board of Directors of the Company.
- c) The term "Committee" means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- d) The term "Independent Directors" shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing agreement (as revised from time to time)
- e) The term Key Managerial Personnel means:
  - Executive Chairman or Chief Executive Officer and/or Managing Director;
  - Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary;
  - Such other Officer as may be prescribed under the applicable statutory provisions / regulations.
- f) The term "Senior Management Personnel/Senior Managers/Senior Management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would normally comprise all members of management one level below the Functional/Executive Directors, including all functional heads.
- g) The term "the Company" shall mean United Polyfab Gujarat Limited (UPGL).

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable law or regulation to the extent applicable to the Company.

### 3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the "Nomination and Remuneration Committee" of the Board on 19th January, 2016. This is in line with the requirements under the Companies Act, 2013 ("Act").

### 4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

### 5. TERM / TENURE

#### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serve is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 6. EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

### 7. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

### 8. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **9. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **a) Remuneration to Managing Director / Whole-time Directors:**

- The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **b) Remuneration to Non- Executive / Independent Directors:**

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes as above if the following conditions are satisfied:
  - The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

### **c) Remuneration to Key Managerial Personnel and Senior Management:**

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

## **10. IMPLEMENTATION**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

## **11. AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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## FORM MGT - 9 - EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019

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

## 1) Registration and Other Details:

CIN	:	L18109GJ2010PLC062928
Registration Date	:	16/11/2010
Name of the Company	:	United Polyfab Gujarat Limited
Category / Sub-Category of the Company	:	Public Company limited by shares/ Indian Non-Government Company
Address of the Registered Office and contact details	:	Survey No. 238, 239, Shahwadi, Opp. New Aarvee Denim, Narol-Surkhej Highway, Ahmedabad - 382 405, Gujarat, India Tel No. +91 79 2573 1155; Fax No. +91 79 2573 1144 Email: info@unitedpolyfab.com; Web: www.upgl.in
Whether listed Company	:	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	:	Satellite Corporate Services Private Limited Unit No. 49, Bldg No.13-A-B, 2nd Floor, Samhita Commercial Co-Op. Soc. Ltd., Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai - 400 072 Tel No. +91-22-2852 0461 / 2852 0462; Fax No. +91-22-2851 1809 Email: service@satellitecorporate.com; Web: www.satellitecorporate.com

## 2) Principal Business Activity of the Company: All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Fabrics Manufacturing	9988	100%

## 3) Particulars of Holding, Subsidiary and Associate Companies:

SR. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
N.A.					

## 4) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

## I. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2028250	-	2028250	43.30	2469850	-	2469850	35.37	(7.93)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	155000	-	155000	3.31	155000	-	155000	2.22	(1.09)
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	2183250	-	2183250	46.61	2624850	-	2624850	37.58	(9.03)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>2183250</b>	-	<b>2183250</b>	<b>46.61</b>	<b>2624850</b>	-	<b>2624850</b>	<b>37.58</b>	<b>(9.03)</b>
<b>B. Public Share Holding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Company	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institution</b>									
<b>a) Bodies Corporate</b>									
i. Indian	588605	-	588605	12.57	2632000	-	2632000	37.69	25.12
ii. Overseas	468000	-	468000	9.99	468000	-	468000	6.70	(3.29)
<b>b) Individuals</b>									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	86995	-	86995	1.86	71000	-	71000	1.02	(0.84)
i. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1270000	-	1270000	27.11	419000	-	419000	6.00	(21.11)
<b>c) Others (specify)</b>									
NRI (Reparable/Non Reparable basis)	45000	-	45000	0.96	48000	-	48000	0.69	(0.27)
HUF	39000	-	39000	0.83	36000	-	36000	0.52	(0.31)
LLP	-	-	-	-	400000	-	400000	5.73	5.73
Clearing Members	3000	-	3000	0.06	285000	-	285000	4.08	4.02
<b>Sub-Total (B)(2):</b>	<b>2500600</b>	-	<b>2500600</b>	<b>53.39</b>	<b>4359000</b>	-	<b>4359000</b>	<b>62.42</b>	<b>9.03</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2500600</b>	-	<b>2500600</b>	<b>53.39</b>	<b>4359000</b>	-	<b>4359000</b>	<b>62.42</b>	<b>9.03</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4683850</b>	-	<b>4683850</b>	<b>100.00</b>	<b>6983850</b>	-	<b>6983850</b>	<b>100.00</b>	-

## II. Shareholding of Promoters & Promoters Group:

Name	Shareholding at beginning of year		Date wise Increase/ Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year		% change in shareholding during the year
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company	
Nirmal Mangalchand Mittal HUF	100000	2.13				100000	1.43	100000	1.43	(0.70)
Gagan Nirmal Mittal HUF	310000	6.62	13-04-18	204000	Market Buy	514000	7.36	553000	7.92	1.30
			26-03-19	39000	Market Buy	553000	7.92			
Ritesh Kamalkishore Hada	2500	0.05	-	-	-	2500	0.04	2500	0.04	(0.01)
Nirmalkumar Mangalchand Mittal	643400	13.74	22-03-18	77600	Market Buy	721000	10.32	721000	10.32	(3.42)
Manju Sushil Kejriwal	60000	1.28	-	-	-	60000	0.86	60000	0.86	(0.42)
Sushil Radhakishan Kejriwal	60000	1.28	-	-	-	60000	0.86	60000	0.86	(0.42)
Gagan Nirmal Kumar Mittal	396550	8.47	22-03-18	82000	Market Buy	478550	6.85	517550	7.41	(1.06)
			26-03-19	39000	Market Buy	517550	7.41			
Maitri Ronak Kejriwal	45000	0.96	-	-	-	45000	0.64	45000	0.64	(0.32)
Shilpa Gagan Mittal	310800	6.64	-	-	-	310800	4.45	310800	4.45	(2.19)
Ronak Sushil Kejriwal	60000	1.28	-	-	-	60000	0.86	60000	0.86	(0.42)
Mansi Nirmal Mittal	40000	0.85	-	-	-	40000	0.57	40000	0.57	(0.28)
United Polyfab Private Limited	155000	3.31	-	-	-	155000	2.22	155000	2.22	(1.09)

\* All increase/decrease in Shareholding of Promoters & Promoters' Group are taken on the basis of disclosure submitted by respective person belonging to Promoters & Promoters' Group under SAST/PIT Regulations or contract notes for the transactions executed by them.

During the year under review, the Company has allotted 1300000 equity shares of ₹ 10 each pursuant to conversion of 1300000 equity warrants at a price of ₹ 100/- per equity shares on September 5, 2018. Due to which the Total Share Capital of the Company has been increased from ₹ 56,838,500/- to ₹ 69,838,500/-. Accordingly, "Cumulative Shareholding during the year" and "% change in shareholding during the year" have been calculated net off increase or decrease in shareholding due acquisition/sell and dilution of holding due to allotment of equity shares.

### Note:

No Equity Shares have been pledged or encumbered by any of the Shareholders belonging to Promoter of Promotes' Group.

Total 141000 equity shares were acquired by Mr. Gagan Mittal on March 22, 2018, out of which 59000 equity shares were credited in to his Demat Account and balance 82000 equity shares were lying in account of stock broker till March 31, 2018 and the same has been credited during the F.Y. 2018-19 to his Demat Account.

Total 138000 equity shares were acquired by Mr. Nirmal Mittal on March 22, 2018, out of which 60400 equity shares were credited in to his Demat Account and balance 77600 equity shares were lying in account of stock broker till March 31, 2018 and the same has been credited during the F.Y. 2018-19 to his Demat Account.

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

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Dhanshree Barter Pvt Ltd	-	-	03-08-18	3000	Market Buy	3000	0.04	600000	8.59
	-	-	30-03-19	59700	Market Buy	600000	8.59		
Amrapali Capital And Finance Services Ltd	-	-	05-09-18	450000	Allotment	450000	6.44	4500000	6.44
Amrapali Fincap Limited	-	-	05-09-18	450000	Allotment	450000	6.44	4500000	6.44
Shree Siddhi Infrabuildcon LLP	-	-	05-09-18	450000	Allotment	450000	6.44	4500000	6.44
Synergy Cosmetics Exim Limited	300000	4.30	-	-	-	-	-	300000	4.30
Saianand Commercial Limited	200000	2.86	-	-	-	-	-	200000	2.86
Lts Investment Fund Ltd	270000	4.75	-	-	-	-	-	270000	4.75
Amardhan Mercantile Private Limited	100000	1.43	-	-	-	-	-	100000	1.43
Aanand Harikishan Chudhary	548000	9.64	30-03-19	(429000)	Market Sell	119000	1.70	119000	1.70
Cresta Fund Ltd	198000	3.48	-	-	-	-	-	198000	3.48
Beeline Broking Limited	-	-	30-03-19	240000	-	-	-	240000	3.44

\* The trading in the shares of the Company took place almost on daily basis, therefore the date wise increase/ decrease in Shareholding of top ten Shareholders are taken on the basis of weekly BenPoze.

### IV. Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Gagan Nirmal Kumar Mittal	396550	8.47	22-03-18	82000	Market Buy	478550	6.85	517550	7.41
			26-03-19	39000	Market Buy	517550	7.41		
Ritesh Hada	2500	0.05	-	-	-	2500	0.04	2500	0.04
Anchit Agrawal^	-	-	-	-	-	-	-	-	-
Sumit Saraf~	-	-	-	-	-	-	-	-	-
Sejalben Parmar	-	-	-	-	-	-	-	-	-
Girish Solanki@	-	-	-	-	-	-	-	-	-
Nidhi Aggrawal\$	-	-	-	-	-	-	-	-	-
Payal Shah!	-	-	-	-	-	-	-	-	-

^ up to May 29, 2018 ~ w.e.f. August 13, 2018

@ up to March 26, 2019

\$ up to January 22, 2019

! w.e.f. March 26, 2019

\* All increase/decrease in Shareholding of Promoters' Directors are taken on the basis of disclosure submitted by them under SAST/PIT Regulations or contract notes for the transactions executed by them. Further, there are no transactions have been executed by Independent Directors and Key Managerial Personnel based on weekly BenPose of the Company and confirmation given by them.



## 5) Indebtedness

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>A. Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,059,822,399	330,038,037	-	1,389,860,436
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total A (i+ii+iii)</b>	<b>1,059,822,399</b>	<b>330,038,037</b>	<b>-</b>	<b>1,389,860,436</b>
<b>B. Change in Indebtedness during the financial year</b>				
Additions	306,659,987	-	-	306,659,987
Reduction	176,313,391	82,224,932	-	258,538,323
<b>Net Change B</b>	<b>130,346,596</b>	<b>(82,224,932)</b>	<b>-</b>	<b>48,121,664</b>
<b>C. Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,190,168,995	247,813,105	-	1,437,982,100
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total C (i+ii+iii)</b>	<b>1,190,168,995</b>	<b>247,813,105</b>	<b>-</b>	<b>1,437,982,100</b>

## 6) Remuneration of Directors and Key Managerial Personnel

## A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

Particulars of Remuneration	Mr. Gagan Mittal Managing Director	Total Amount
<b>Gross salary</b>		
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	1,500,000	1,500,000
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
<b>Stock option</b>	-	-
<b>Sweat Equity</b>	-	-
<b>Commission</b>	-	-
as % of profit	-	-
others (specify)	-	-
<b>Others, please specify</b>	-	-
<b>Total (A)</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Ceiling as per the Act:</b> Since, the Company has incurred loss during the year (profit of adequate to pay remuneration), the remuneration has been paid in terms Schedule V to the Companies Act, 2013.		<b>12,000,000</b>

## B) Remuneration to other Directors

(Amount in ₹)

Particulars of Remuneration	Ritesh Hada	Anchit Agrawal^	Sumit Saraf~	Sejalben Parmar	Total Amount
<b>a) Independent Director</b>					
(i) Fees for attending board/ committee meeting.	-	-	-	-	-
(ii) Commission	-	-	-	-	-
(iii) Other, specify	-	-	-	-	-
<b>Total (a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>b) Other Non-Executive Directors</b>					
(i) Fees for attending board/ committee meeting.	-	-	-	-	-
(ii) Commission	-	-	-	-	-
(iii) Other, specify	-	-	-	-	-

Particulars of Remuneration	Ritesh Hada	Anchit Agrawal <sup>^</sup>	Sumit Saraf~	Sejalben Parmar	Total Amount
Total (b)	-	-	-	-	-
Total (B)	-	-	-	-	-
Total Managerial Remuneration (A+B)	-	-	-	-	-
Overall Ceiling as per the Act	in terms Schedule V to the Companies Act, 2013				12,000,000

<sup>^</sup> up to May 29, 2018 ~ w.e.f. August 13, 2018

### C) Remuneration to Key Managerial Personnel

(Amount in ₹)

Particulars of Remuneration	Girish Solanki <sup>^</sup>	Nidhi Aggrawal~	Payal Shah@	Total Amount
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	256,614	262,215	28,462	547,291
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
Stock option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
as % of profit	-	-	-	-
others (specify)	-	-	-	-
Others, please specify	-	-	-	-
Total	256,614	262,215	28,462	547,291

<sup>^</sup> up to March 26, 2019

~ up to January 22, 2019

@ w.e.f. March 26, 2019

### 7) 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	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					

For and on behalf of Board of Directors,  
United Polyfab Gujarat Limited

Place: Ahmedabad  
Date: September 4, 2019

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

## Form No. AOC-2

Particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013

## A. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2019, which were not at arm's length basis.

## B. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Particulars	RPT - 1	RPT - 2	RPT - 3
1.	Name(s) of the related party and nature of relationship	Vinod Denim Limited	Vinod Denim Limited	United Polyfab Private Limited
2.	Nature of contracts/ arrangements/ transactions	Sale of Yarns	Job work	Payment of Rent
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2018-19	F.Y. 2018-19	F.Y. 2018-19
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	All transactions entered by the Company is at Market rate and on arms' length basis	All transactions entered by the Company is at Market rate and on arms' length basis	As per Lease Agreement*
5.	Date(s) of approval by the Board	May 29, 2018	May 29, 2018	May 29, 2018
6.	Amount of Transactions entered	₹ 265,965,720/-	₹ 59,218,810/-	₹ 991,200/-
7.	Amount paid as advances, if any	N.A.	N.A.	N.A.

\* The Lease agreement was entered on September 1, 2012 which is valid for 10 years w.e.f. date of agreement.

Sr. No.	Particulars	RPT - 4	RPT - 5	RPT - 6
1.	Name(s) of the related party and nature of relationship	United Polyfab Private Limited	United Techfab Private Limited	Mrs. Shilpa Mittal - Wife of Mr. Gagan Mittal, Managing Director of the Company
2.	Nature of contracts/ arrangements/ transactions	Sale of Yarn	Payment of Rent	Payment of Remuneration
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2018-19	F.Y. 2018-19	F.Y. 2018-19
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	All transactions entered by the Company is at Market rate and on arms' length basis	As per Lease Agreement**	Appointed as General Manager w.e.f. December 13, 2015
5.	Date(s) of approval by the Board	May 29, 2018	May 29, 2018	May 29, 2018
6.	Amount of Transactions entered	₹ 64,800,245/-	₹ 566,400/-	₹ 1,200,000/-
7.	Amount paid as advances, if any	N.A.	N.A.	N.A.

\*\* The Lease agreement was entered on August 30, 2016 which is valid for 10 years w.e.f. date of agreement.

For and on behalf of Board of Directors,  
United Polyfab Gujarat Limited

Place: Ahmedabad  
Date: September 4, 2019

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

## PARTICULARS OF EMPLOYEES

(Pursuant to Section 197(12) read with Rules made thereunder)

Disclosures pertaining to remuneration and other details as required under

Section 197(12) of the Companies Act, 2013 read with Rules made there under.

## A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) The ratio of remuneration of each director to the median remuneration of employees for the financial year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median Employee' Remuneration	Percentage Increase as compared to Previous Year
1.	Mr. Gagan Mittal	Chairman and Managing Director	Remuneration	9.72 : 1.00	66.67%
2.	Mr. Ritesh Hada	Non-Executive Director	Sitting Fees	-	Not Applicable
3.	Mr. Anchit Agrawal^	Independent Director	Sitting Fees	-	Not Applicable
4.	Mr. Sumit Saraf~	Independent Director	Sitting Fees	-	Not Applicable
5.	Ms. Sejal Parmar	Independent Director	Sitting Fees	-	Not Applicable
6.	Mr. Girish Solanki	Chief Financial Officer	Salary	Not Applicable	
7.	Ms. Nidhi Agrawal	Company Secretary and Compliance Officer	Salary	Not Applicable	
8.	Ms. Payal Shah	Company Secretary and Compliance Officer	Salary	Not Applicable	Not Applicable

^ up to May 29, 2018 - w.e.f. August 13, 2018

- b) The percentage increase in the median remuneration of employees in the financial year:

Median remuneration of Employees increased by 12.04% in F.Y 2018-19 as compared from F.Y. 2017-18.

- c) The number of permanent employees on the rolls of the Company: 50 Employees

- d) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average salary of the employees is decreased by 24.21% over a previous year. The average remuneration decreased due to increase in number of Unskilled and Semi-Skilled employees at New Spinning Unit of the Company. The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

For and on behalf of Board of Directors,  
United Polyfab Gujarat Limited

Place: Ahmedabad  
Date: September 4, 2019

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

**Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo**

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014]

**1. CONSERVATION OF ENERGY:****i. The steps taken or impact on conservation of energy**

Every watt counts when it comes to energy conservation. Our teams, across units, remain on a vigil to continuously improve the processes and ferret out alternatives in order to use less energy per unit of produce.

Other necessary energy conservation measures are taken on day to day basis.

**ii. The steps taken by the Company for utilizing alternate sources of energy**

The company has continued it's focus on energy conservation efforts through up gradation of process with new technology.

**iii. Capital Investment on energy conservation equipment: Nil****2. TECHNOLOGY ABSORPTION:****i. The effort made towards technology absorption**

Your Company has been very thoughtful in introducing new technology to reduce the production cost, improve yield, enhance product endurance and strengthen finish. It is inevitable on the part of your company to adopt sustainable measures to have a competitive edge as well as to continue with leadership position. The Company has specialized team to identify the customer's requirement, suitability of the product to the changes happening around, scope for enlarging product utility.

**ii. The benefits derived like product improvement, cost reduction, product development or import substitution:**

During the year, the company has installed 11 imported machines i.e. Automatic Cone winding machine with Yarn Splicer and Auto-doffing system Machine for spinning unit which is setup in Timba to improve productivity and Quality of Yarn produced improved by adoption of new technology.

**iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):****a) The details of technology imported:**

During the year, the company has installed imported 11 machines i.e. Automatic Cone winding machine with Yarn Splicer and Auto-doffing system Machine for spinning unit which helps in saving of time and increase in production.

**b) The year of Import: Financial Year 2017-18****c) Whether the technology has been fully absorbed: Yes****d) If not fully absorbed areas where absorption has not taken place, and reasons thereof: Not Applicable****iv. the expenditure incurred on Research and Development: Not Applicable****3. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE****i. Details of foreign Exchange Earnings: Nil****ii. Details of foreign Exchange Expenditure: Nil**

For and on behalf of Board of Directors,  
United Polyfab Gujarat Limited

Place: Ahmedabad  
Date: September 4, 2019

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

## SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**United Polyfab Guajrat Limited**

Survey No. 238, 239 Shahwadi,

Opp. New Aarvee Denim, Narol - Surkhej Highway,

Ahmedabad - 382 405

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by United Polyfab Gujarat Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the F.Y. ended on March 31, 2019, 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.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations");
- vi. Secretarial Standards issued by the Institute of Company Secretaries of India w.r.t. meetings of the Board of Director (SS-1) and General Meetings (SS-2);

During the period under review the Company has complied with the provisions of the Act, Rules made there under, Regulations, guidelines etc. mentioned above except *Company has delayed in filling E-Form CRA-2 for appointment of Cost Auditor.*

Further company being engaged in the business of Fabrics Manufacturing and Spinning & Weaving of Yarn, there are few major specific and general applicable acts/rules to the Company, which requires approvals or compliances under the respective acts/rules, as list out in the Annexure I. We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the said major specific and general acts/rules.

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are not applicable to the Company,

- i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; - The Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed Satellite Corporate Services Private Limited as Registrar & Share Transfer Agent in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

**I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and rules made thereunder.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions of the Board and Committees were carried with requisite majority.

**I further report that -**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that -**

During the audit period, the Company has allotted 1300000 equity shares at a price of ₹ 100/- per equity share (including premium of ₹ 90/- per equity share) to the holder of Equity Warrants pursuant to conversion of Equity Warrants held by them on September 5, 2018.

**I further report that -**

Total 2300000 equity shares which were allotted pursuant to conversion of Equity Warrants were listed at NSE Emerge Platform.

**Place:** Ahmedabad  
**Date:** September 4, 2019

**Payal Dhamecha**  
**Practicing Company Secretary**  
**ACS No. : 47303 C P No. : 20411**

**Note:** This Report is to be read with **Annexure - I** and my letter of even date which is annexed as **Annexure - II** and both Annexures form integral part of this report.

**Annexure - I**

**List of major Specific and General Acts/Rules applicable to the Company**

- i. The Textile Committee Act, 1963 (the "Committee")
- ii. The Textiles Committee (Cess) Rules, 1975
- iii. The Gujarat Textile Policy, 2012
- iv. The Cotton Control Order, 1986 ("Cotton Order")
- v. Textile (Development and Regulation) Order, 2001 ("Textile Order")
- vi. Textiles (Consumer Protection) Regulations, 1988
- vii. The Indian Boilers Act 1923
- viii. The Employees' State Insurance Act, 1948
- ix. The Child Labor Law (Prohibition & Regulation) Act, 1986
- x. The Equal Remuneration Act, 1976
- xi. The Industrial Disputes Act, 1947
- xii. The Industrial Employment (Standing Orders) Act, 1946
- xiii. The Labor Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Act, 1988
- xiv. The Maternity Benefit Act, 1961
- xv. The Minimum Wages Act, 1948
- xvi. The Payment of Bonus Act, 1965
- xvii. The Payment of Wages Act, 1936
- xviii. The Employers Liability Act, 1938
- xix. The Factories Act, 1948
- xx. The Personal Injuries (Compensation Insurance) Act, 1963
- xxi. The Personal Injuries (Emergency provisions) Act, 1962
- xxii. The Trade Unions Act, 1926
- xxiii. The Workmen's Compensation Act, 1923
- xxiv. The Competition Act, 2002
- xxv. The Negotiable Instruments Act, 1881
- xxvi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- xxvii. The Water (Prevention and Control of Pollution) Act, 1974
- xxviii. The Air (Prevention and Control of Pollution) Act, 1981
- xxix. The Income Tax Act, 1961
- xxx. The Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under

To,  
The Members,  
**United Polyfab Gujarat Limited**  
Survey No. 238, 239 Shahwadi,  
Opp. New Aarvee Denim, Narol - Surkhej Highway,  
Ahmedabad - 382 405

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
Date: September 4, 2019

Payal Dhamecha  
Practicing Company Secretary  
ACS No. : 47303      C P No. : 20411



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India's textile and apparel sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is labour intensive and is the second largest employer in India, after Agriculture, employing about 52 million people directly and 68 million people indirectly. India has an abundant supply of raw material like wool, cotton, silk, jute and manmade fibre. India has a strong spinning, weaving, knitting and apparel manufacturing capacities. The textile industry will have to constantly innovate and research for growth and to tap new markets. Based on Make in India, the textile industry is being infused with the matters of "skills, scale, speed" and "Zero-defect, Zero-effect". As per the data, maximum investment of around 475 crore came during the financial year 2016-17. In that year, as many as 51 new units were set up across Gujarat, especially in Ahmedabad and Surat regions - considered as major textile hubs in the country. During the recently-concluded fiscal 2018-19, 32 new technical textile units were set up in the state with an approximate investment of 370 crore.

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at US\$ 39.2 billion in FY18 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 31.65 billion in FY19

These are the advantages of textile industries.



### Market Size

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 250 billion by 2019. India's textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18. It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18. The sector contributed 15 per cent to the export earnings of India in 2017-18.

The production of raw cotton in India is estimated to have reached 36.1 million bales in FY19.

### Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Initiatives taken by Government of India are:

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunity and attract investments worth Rs 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018 it generated additional investments worth Rs 25,345 crore (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million).
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.
- Integrated Wool Development Programme (IWDP) approved by Government of India to provide support to the wool sector starting from wool rearer to end consumer which aims to enhance the quality and increase the production during 2017-18 and 2019-20.
- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named Scheme for Capacity Building in Textile Sector (SCBTS) with an outlay of Rs 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.

### Achievements

Following are the achievements of the government in the past four years:

- I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016.
- 381 new block level clusters were sanctioned.
- 20 new textile parks were sanctioned
- Employment increased to 8.62 million in FY18 from 8.03 in FY15.

## Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

Exchange Rate Used: INR 1 = US\$ 0.0159 in FY19.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

To refer Product Wise Performance, kindly review Note of Profit and Loss Statement: Revenue from Operations forming part of this Annual Report.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Financial Highlights:

(Amount in ₹)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Income from Operations	1,63,21,31,432	1,04,26,91,653
Other Income	40,14,780	43,42,239
<b>Total Revenue</b>	<b>1,63,61,46,212</b>	<b>1,04,70,33,892</b>
Less: Total Expenses (excluding Depreciation & Interest)	1,41,33,82,650	90,34,86,087
<b>Operating Profits (PBDIT)</b>	<b>22,27,63,562</b>	<b>14,35,47,805</b>
Less: Finance Cost	8,15,49,053	2,92,97,666
Less: Depreciation	11,02,52,922	9,46,66,015
<b>Profit Before Tax</b>	<b>3,09,61,588</b>	<b>1,95,84,124</b>
Less: Taxes	1,19,02,658	62,02,239
<b>Net Profit after Tax</b>	<b>1,90,58,930</b>	<b>1,33,81,885</b>

## REVIEW OF BUSINESS OPERATION

### Financial performance:

During the year there were new developments happened in the company by which the company may reach to a new height soon.

During the year under review, Company has earned total income of ₹ 1,63,61,46,212 as against the total income of ₹ 1,04,70,33,892 for previous year. The total income of the company was increased by 56.26% over previous year. Further, Profit before Tax in the financial year 2018-19 stood at ₹ 3,09,61,588 as compared to ₹ 1,95,84,124 of last year and Net Profit after Tax stood at ₹ 1,90,58,930 compared to profit of ₹ 1,33,81,885 for previous year. The Profit before tax and Net profit After Tax was increased by 58.10% and 42.42% respectively over previous year.

The increase in revenue from operation led the Company to generate higher profit compared to previous year.

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Control system and adequacy Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Thus, internal control is an integral component of risk management. The Internal control checks and internal audit programmes adopted by the Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management. The internal control systems are modified continuously to meet the dynamic change. Further the Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

### HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATION

“Creating peaceful industrial relation is one of the factors that boost productivity and increase job opportunities that operating in a business friendly environment helps firms to successfully produce first class goods and services, increasing jobs and developing new technologies. “Employment relations in textile and garment industry should be improved to ensure decent work and enduring industrial peace”. We think it’s time for businesses to start conducting themselves in a more honest, ethical and sustainable way. We’re passionate about, and completely committed to conducting our business in a way that has a positive impact on the people and our environment. Environmental sustainability and being ‘Green’ is so much more than just a condescending consumer add-on. Our world and the people who call it home are worthy of much more. As at March 31, 2019, the Company had 50 employees.

At industrial level, the project is expected to encourage the labour administrations’ capacity for labour inspection and dispute settlement; and employers’, workers’ and their organizations’ organizational capacity by boosting sound industrial relations and social dialogue practices.

### RISK AND CONCERN

#### Key factors affecting the results of operation:

Our Company’s future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the capital markets.
- Investment Flow in the country from the other countries.
- Government policy for textile sector
- Competition from existing players

- Company's ability to successfully implement our growth strategy
- The loss of shutdown of operations of our Company at any time due to strike or labour unrest or any other reasons,
- Loss due to delay in execution of projects in time

#### CONCLUSION

To conclude, the performance of the company during the year 2018-19 was improved in all parameters as compared to previous years. In spite of lots of challenges, the performance of the company was satisfactory. By implementing cost effective measures and aggressive marketing strategies the company will achieve further improvement in its performance and serve the stakeholder's in a way ahead.

#### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	F.Y. 2018-19	F.Y. 2017-18	Reason
Debtors Turnover	5.72 times	9.11 times	Due to reduction in collection period
Inventory Turnover	14.87 times	14.92 times	The Company is maintaining high level of inventory to meet market demand
Interest Coverage Ratio	1.40 times	0.55 times	Due to increase in operating profitability
Current Ratio	1.63 : 1.00	2.18 : 1.00	Due to increase in current liabilities
Debt Equity Ratio	2.80 : 1.00	3.44 : 1.00	Due to increase in Share Capital and Securities Premium
Operating Profit Margin (%)	6.65%	4.22%	Higher turnover resulted into higher operating profit margin
Net Profit Margin (%)	1.17%	1.25%	Due to increase in finance cost
Return on Net Worth	4.49%	4.34%	Higher turnover resulted into higher profitability

#### CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis, describing the Company's objective, projections and estimates are forward looking statements and progressive within the meaning of applicable security Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**M/S. United Polyfab Gujarat Limited**

### **Report on the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **M/S. UNITED POLYFAB GUJARAT LTD.** ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and 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<sup>st</sup> March 2019 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 (SAs) 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 Companies Act, 2013 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are responsible 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Financial Statement**

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.

A further description of the auditor's responsibilities for the audit of the financial statements is included in "Annexure A". This description forms part of our auditor's report.

#### **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 B", statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The balance sheet, 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 written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and

- 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 C”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the 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) The Company does not have any pending litigations for which provision have not been made which would impact its financial position.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) The Provisions of transfer of funds to Investor Education and Protection Fund not applicable to the Company.

For, Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 106801W

Place : Ahmedabad  
Date : 29/05/2019

(CA. I. C. Nahta)  
Partner  
M. No. 070023

**Annexure “A” to the Independent Auditor’s Report  
Responsibilities for Audit of Financial Statement**

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 internal financial controls with reference to Financial Statements 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.

For, Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 106801W

Place : Ahmedabad  
Date : 29/05/2019

(CA. I. C. Nahta)  
Partner  
M. No. 070023

**Annexure “B” to the Independent Auditor’s Report**

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that;

- (i) In respect of Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As per the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. 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) In respect of Inventory:
  - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
- (iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013:
  - (a) During the year under audit, the Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause 3 (iii) (a), (iii) (b) and (iii) (c) of the Companies (Auditor's Report) Order, 2019 are not applicable.
- 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.
- v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- vi) The central government has prescribed maintenance of cost records under section 148(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. This is applicable to the company from this year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.
- vii)
  - (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Goods & Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material dues of Income Tax, Wealth Tax, Sales Tax, Goods & Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the Term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. During the year under consideration company converted share warrant in to equity shares.
- (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, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 106801W

Place : Ahmedabad  
Date : 29/05/2019

(CA. I. C. Nahta)  
Partner  
M. No. 070023

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#### *Annexure "C" 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 **M/S. UNITED POLYFAB GUJARAT LTD.** ("the Company"), as of 31 March, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended 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 controls 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 responsibility 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 the 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.

#### **Auditor's 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 of Accounting, 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, 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 were 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 judgement, 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Nahta Jain & Associates**  
Chartered Accountants  
Firm Regn. No. 106801W

**Place :** Ahmedabad  
**Date :** 29/05/2019

**(CA. I. C. Nahta)**  
Partner  
M. No. 070023

UNITED POLYFAB GUJARAT LIMITED  
(CIN - L18109GJ2010PLC062928)  
BALANCE SHEET AS AT MARCH 31, 2019

(Amount in ₹)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	69,838,500	56,838,500
(b) Reserves and surplus	2	354,914,353	218,855,423
(c) Money received against share warrants		-	32,500,000
		424,752,853	308,193,923
<b>Share application money pending allotment</b>		-	-
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	944,340,205	1,003,558,221
(b) Deferred tax liabilities (net)		11,689,350	6,287,784
(c) Other long-term liabilities	4	247,813,105	330,038,037
(d) Long-term provisions		-	-
		1,203,842,660	1,339,884,042
<b>Current liabilities</b>			
(a) Short-term borrowings	5	136,718,749	526
(b) Trade payables	6		
(A) Total outstanding dues of MSME		-	-
(B) Total outstanding dues of creditors other than MSME		125,136,147	31,021,467
(c) Other current liabilities	7	146,153,947	142,540,854
(d) Short-term provisions	8	6,500,000	4,052,866
		414,508,843	177,615,713
<b>TOTAL</b>		<b>2,043,104,356</b>	<b>1,825,693,678</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property Plant and Equipment	9		
(i) Tangible assets		1,269,810,271	750,986,186
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		14,232,448	635,190,916
(iv) Intangible assets under development		-	-
		1,284,042,718	1,386,177,102
(b) Non-current investments		5,881,358	5,880,858
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	10	77,184,989	47,008,217
(e) Other non-current assets		-	-
		1,367,109,065	1,439,066,177
<b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories	11	115,385,214	72,705,594
(c) Trade receivables	12	403,082,498	167,617,405
(d) Cash and cash equivalents	13	29,079,051	24,634,146
(e) Short-term loans and advances	14	128,448,528	121,628,478
(f) Other current assets	15	-	41,877
		675,995,291	386,627,500
<b>TOTAL</b>		<b>2,043,104,356</b>	<b>1,825,693,678</b>
<b>See accompanying notes forming part of the financial statements</b>		-	-

As per our report of even date  
For Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 106801W

For and on behalf of the Board of Directors  
United Polyfab Gujarat Limited

(CA. I. C. Nahta)  
Partner  
(M. No. 070023)  
Place: Ahmedabad  
Date: 29/05/2019

Payal Shah  
Company Secretary  
Date: 29/05/2019

Mahesh Gupta  
Chief Financial Officer  
Place: Ahmedabad

Gagan Mittal  
Managing Director  
DIN 00593377  
Place: Ahmedabad

Ritesh Hada  
Director  
DIN 01919749  
Date: 29/05/2019



UNITED POLYFAB GUJARAT LIMITED  
(CIN - L18109GJ2010PLC062928)  
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>CONTINUING OPERATIONS</b>			
Revenue from operations (gross)	16	1,632,131,432	1,042,691,653
Less: Excise duty		-	-
Revenue from operations (net)		<b>1,632,131,432</b>	<b>1,042,691,653</b>
Other income	17	4,014,780	4,342,239
<b>Total revenue</b>		<b>1,636,146,212</b>	<b>1,047,033,892</b>
<b>Expenses</b>			
a) Cost of materials consumed	18	1150,561,461	678,793,791
b) Purchases of stock-in-trade		0	94,596,094
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	-15,010,779	-36,596,508
d) Employee benefits expense	20	69,601,777	40,863,787
e) Finance costs	21	81,549,053	29,297,666
f) Depreciation and amortization expense	9	110,252,922	94,666,015
g) Other expenses	22	208,230,190	125,828,923
<b>Total expenses</b>		<b>1,605,184,624</b>	<b>1,027,449,768</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>30,961,588</b>	<b>19,584,124</b>
Exceptional items		-	-
Extraordinary items		-	-
<b>Profit / (Loss) before tax</b>		<b>30,961,588</b>	<b>19,584,124</b>
<b>Tax expense:</b>			
(a) Current tax expense		6,500,000	4,052,866
(b) Deferred tax		5,401,566	2,113,069
(c) Add/Less : Excess/Short Provision of Income Tax		1,092	36,304
<b>Profit / (Loss) for the year</b>		<b>19,058,930</b>	<b>13,381,885</b>
<b>Earnings per equity share of face value of ₹ 10/- each :</b>			
Basic (in ₹)		2.73	2.35
Diluted (in ₹)		2.73	1.85
<b>See accompanying notes forming part of the financial statements</b>			

As per our report of even date  
For Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 106801W

For and on behalf of the Board of Directors  
United Polyfab Gujarat Limited

(CA. I. C. Nahta)  
Partner  
(M. No. 070023)  
Place: Ahmedabad  
Date: 29/05/2019

Payal Shah  
Company Secretary  
Date: 29/05/2019

Mahesh Gupta  
Chief Financial Officer  
Place: Ahmedabad

Gagan Mittal  
Managing Director  
DIN 00593377  
Place: Ahmedabad

Ritesh Hada  
Director  
DIN 01919749  
Date: 29/05/2019

UNITED POLYFAB GUJARAT LIMITED  
(CIN - L18109GJ2010PLC062928)  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2019

(Amount in ₹)

PARTICULARS	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Net Profit Before Tax And Extra Ordinary Items	30,961,588	19584124
Adjustment For:		
Depreciation	110,252,922	94666015
Preliminary Expense	41,877	41877
Interest Received	(3,017,547)	(4088933)
Fees For Increase In Authorized Share Capital	125,000	125000
Loss On Sale Of Assets	2,302,197	
Interest Paid	81,549,053	29297666
Operating Profit Before Working Capital Changes	222,215,090	139625749
Trade And Other Receivable	(235,465,092)	(106246952)
Increase In Long Term Loans And Advances	(30,176,772)	23540345
Increase In Short Term Loans And Advances	(6,820,050)	(95340501)
Inventories	(42,679,620)	(38305988)
Trade Payables	94,114,680	(39468128)
Increase In Current Liabilities	3,613,094	84581682
Increase In Short Term Borrowings	136,718,223	
Decrease In Short Term Provisions		862645
Cash In Flow From Operations	141,519,552	(30751147)
Cash In Flow Before Extraordinary Items	141,519,552	(30751147)
Direct Tax Paid	(4,053,958)	(4089170)
Extra Ordinary Items (Prior Period Adjustment)		
Net Cash In Flow From Operating Activities	137,465,594	(34840317)
Cash Out Flow From Investing Activities		
Interest Received	3,017,547	4088933
Purchases Of Fixed Assets	(36,516,735)	(597020393)
Sales Of Fixed Assets	26,096,000	
Change In Non-Current Investment	(500)	
Net Cash Out Flow From Investing Activities	(7,403,688)	(592931460)
Cash In Flow From Financing Activities:		
Interest Paid	(81,549,053)	(29297666)
Proceeds Received From New Bond Issued	(32,500,000)	32500000
Repayment Of Long Term Borrowing	(59,218,016)	430473662
Increase In Unsecured Loans	(82,224,932)	159642331
Fees For Increase In Authorised Share Capital	(125,000)	(125000)
Preliminary Exp.	-	0
Increase In Share Capital	130,000,000	0
Increase In Share Premium		
Net Cash In Flow From Financing Activities	(125,617,000)	593193326
Net Increase In Cash And Cash Equivalent	4,444,906	(34578450)
Net Cash And Cash Equivalent	24,634,146	59212596
(Opening Cash Balance)		
Net Cash And Cash Equivalent	29,079,051	24634146
(Closing Cash Balance)		

We have verified that attached Cash Flow Statement of United Polyfab Gujarat Ltd. derived from the audited financial statements and the books of records maintained by the company for the year ended 31st March 2019 and found the same in agreement therewith.

As per our report of even date  
For Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 106801W

For and on behalf of the Board of Directors  
United Polyfab Gujarat Limited

(CA. I. C. Nahta)  
Partner  
(M. No. 070023)  
Place: Ahmedabad  
Date: 29/05/2019

Payal Shah  
Company Secretary  
Date: 29/05/2019

Mahesh Gupta  
Chief Financial Officer  
Place: Ahmedabad

Gagan Mittal  
Managing Director  
DIN 00593377

Ritesh Hada  
Director  
DIN 01919749

Date: 29/05/2019

## SIGNIFICANT ACCOUNTING POLICIES

### Accounting Convention

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 2013.

### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

### Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition / construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

### Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

### Depreciation

All fixed assets, except capital work in progress, are depreciated on a Straight Line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

### Investments

Long term investments are stated at cost. Current investments are stated at lower of cost and market price. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

### Inventories

Inventories are measured at lower of cost and net realizable value. Cost of raw materials, stores & spares parts are ascertained on FIFO basis. Cost of finished goods and process stock is ascertained on full absorption cost basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing in them to their present location & condition.

### Revenue Recognition

Sales are recognized when goods are supplied. Sales are net of trade discounts, rebates and applicable taxes. It does not include interdivisional sales.

Revenue in respect of other items is recognized when no significant uncertainty as to its determination or realization exists.

### Borrowing Cost

Borrowing cost that is attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### Employee Benefits

Short - term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized

### Taxes on Income.

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

### Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

**Note 1 : Share Capital**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Authorised Share Capital</b>		
7000000 (P.Y. 7000000) Equity Shares of ₹ 10/- each	70,000,000	70,000,000
<b>Issued, Subscribed and fully paid up shares</b>		
6983850 (P.Y. 5683850) Equity Shares of ₹ 10/- each	69,838,500	56,838,500
<b>Total Issued, Subscribed and fully paid up shares</b>	<b>69,838,500</b>	<b>56,838,500</b>

**Notes:****a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Share	As at 31 March, 2019		As at 31 March, 2018	
	No.	₹	No.	₹
<b>At the beginning of the period</b>	5683850	56,83,8500	5683850	56,83,8500
Issued during the period (Company has issued 1300000 equity shares by conversion of Share Warrant at price of ₹100 each including premium of ₹ 90/-)	1300000	13,000,000	-	-
<b>Outstanding at the end of the period</b>	<b>6983850</b>	<b>69,838,500</b>	<b>5683850</b>	<b>56,838,500</b>

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declare and pays dividend in Indian rupee.

**c. Details of shareholders holding more than 5% shares in the company.**

Equity Share	As at 31 March, 2019		As at 31 March, 2018	
	No.	%	No.	%
Gagan Mittal	517550	7.41	478550	8.42
Gagan N. Mittal HUF	553000	7.92	310000	5.45
Nirmal Mittal	721000	10.32	721000	12.69
Smt. Shilpa Gagan Mittal	310800	4.45	310800	5.47
Anand H. Chaudhary	119000	1.70	548000	9.64
Kishan Sohanlal Safaria	2000	0.03	491000	8.64
Synergy Cosmetics (Exim) Ltd.	300000	4.30	300000	5.28
Amrapali Capital and Financial Services Limited	450000	6.44	0	0.00
Amrapali Fincap Limited	450000	6.44	0	0.00
Shree Siddhi Infrabuildcon LLP	400000	5.73	0	0.00
Others	3160500	45.25	2524500	44.42
<b>Total</b>	<b>6983850</b>	<b>100.00</b>	<b>5683850</b>	<b>100.00</b>

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

**Note 2 : Reserves & Surplus**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Securities Premium Account</b>		
Balance as per last financial statement	179,880,500	179,880,500
Add: Premium on shares issued during the year	117,000,000	-
<b>Closing Balance</b>	<b>296,880,500</b>	<b>179,880,500</b>
<b>General Reserve (Shree Ganesh Maharaj)</b>	<b>11</b>	<b>11</b>
<b>Profit &amp; Loss A/c</b>		
Balance as per last financial statement	38,974,912	25,593,027
Profit for the year	19,058,930	13,381,885
<b>Closing Balance</b>	<b>58,033,842</b>	<b>38,974,912</b>
<b>Total</b>	<b>354,914,353</b>	<b>218,855,423</b>

**Note 3 : Long-term Borrowing****(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Secured</b>		
SBI Term Loan	638,063,623	658,685,801
OBC Term Loan	270,125,000	100,649,831
Union Bank of India (Hong Kong) Buyer Credit	-	155,441,475
Indian Bank Term Loan	142,327,961	142,285,927
HDFC Bank (Car Loan, secured by hypothecation of car)	2,388,400	1,963,839
Yes Bank (Car Loan, secured by hypothecation of car)	545,262	795,000
	<b>1,053,450,246</b>	<b>1,059,821,873</b>
Less: Current Maturity of Term Loan	109,110,041	56,263,652
<b>Total</b>	<b>944,340,205</b>	<b>1,003,558,221</b>

1. Term Loan from State Bank of India is primarily secured by Hypothecation of machineries purchased out of bank finance. Another Term Loan Primarily secured by way of RM over factory land and building located at survey no. 188 (east), village timba and owned by United Polyfab Gujarat Ltd. Another Term Loan primarily secured by way of RM over factory Land and Building located at Survey No. 188(west), village Timba owned by United Techfab Pvt. Ltd. Further as a Collateral security Extension of Equitable Mortgage charge over factory land & building situated at survey No. 238 & 239, Shahwadi, Opp. Pirana Octroi Naka, Narol Highway, Ahmedabad which is owned by the M/s United Polyfab Pvt. Ltd. and Extension of charge over Unit- No-A-38 & B-09 On Ground Floor at Sumel Business Park-IV, Ahmedabad and Survey no-372/450 Plot No A-4 Belle View Farms Lapkaman Village Ahmedabad. Further, the loan has been guaranteed by Personal guarantee of Shri Gagan Mittal, Shri Ritesh Hada, Mrs. Shilpa Mittal, Mrs. Neeti Hada, Mr. Nilesh Kamal Kishor Hada and also Corporate Guarantee of M/s United Polyfab Pvt. Ltd. & M/s United Techfab Pvt. Ltd.
2. Term Loan from Oriental Bank of Commerce is primarily secured by Hypothecation of entire machineries, Electrical Installations, Furniture & Fixtures, Office Equipments & other Movable Fixed Assets Standing in the Company (Spinning Division-Existing & Future) with State Bank of India. Further as an Equitable Mortgage charge over Factory Land & Building situated at survey No. 188, Village-Timba, Taluka-Daskroi, Ahmedabad with State Bank of India. Further, the loan has been guaranteed by Personal guarantee of Shri Gagan Mittal, Shri Ritesh Hada, Mrs. Shilpa Mittal, Mrs. Neeti Hada, Mr. Nilesh Hada and also Corporate Guarantee of M/s United Polyfab Pvt. Ltd. & M/s United Techfab Pvt. Ltd.
3. Term Loan from Indian Bank is primarily secured by Pari passu first charge by way of EM over factory Land and Building located at survey no. 188 (west), village Timba, Mouje Dascroi, Ahmedabad owned by United Techfab Pvt. Ltd. admesuring 15934 sq. mt. and construction thereupon and hypothecation of entire movable fixed assets of spinning division. It is also secured by collateral security as per sanction letter and personal guarantee of Shri Gagan Mittal, Shri Ritesh Hada, Mrs. Shilpa Mittal, Mrs. Neeti Hada and Mr. Nilesh Hada and also corporate gurantee of M/s United Polyfab Pvt. Ltd. and M/s United Techfab Pvt. Ltd. It is further stated that term loan from Indian Bank received in USD and payment of the same also made in USD only.
4. Installments falling due in respect of all the above term loans upto 31.03.2020 have been grouped under "Current maturities of long term borrowing." (Refer Note 7).

**Note 4 : Other Long-term Borrowing****(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Loan From :</b>		
Directors	18,366,001	36,186,886
Directors' Relative	40,532,408	69,083,924
Inter Corporate Deposit	188,914,696	224,767,227
<b>Total</b>	<b>247,813,105</b>	<b>330,038,037</b>

**Note 5 : Short-term Borrowing****(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Secured</b>		
SBI Cash Credit Ac No-37440324769 (Spinning)	30,132,645	526
Indian Bank CC Ac-No-6652533488	60,474,248	-
OBC Bank Cash Credit Ac No-01204011001851	46,111,856	-
<b>Total</b>	<b>136,718,749</b>	<b>526</b>

**Note 6 : Trade Payables**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Payables		
Total outstanding dues of MSME	-	-
Total outstanding dues of creditors other than MSME	125,136,147	31,021,467
<b>Total</b>	<b>125,136,147</b>	<b>31,021,467</b>

**Note 7 : Other Current Liabilities**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current Maturities of Long term Borrowing	109,110,041	56,263,652
Statutory Dues	2,297,011	1,717,232
Payables for Purchase of Fixed Assets	2,955,140	63,747,154
Payables for expenses	31,791,756	20,812,816
<b>Total</b>	<b>146,153,948</b>	<b>142,540,854</b>

**Note 8 : Short Term Provisions**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for Income Tax	6,500,000	4,052,866
<b>Total</b>	<b>6,500,000</b>	<b>4,052,866</b>

**Note 10 : Long term Loans & Advances**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Fixed Deposits with State Bank of India held as Security by Govt. Departments & Other Authorities	42,816,300	12,031,000
Interest Accrued on Fixed Deposit	5,408,205	408,180
Fixed Deposits with Oriental Bank of Commerce	25,739,000	31,531,013
Fixed Deposits with Indian Bank	3,221,484	3,038,024
<b>Total</b>	<b>77,184,989</b>	<b>47,008,217</b>

**Note 11 : Inventories**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Raw Material	43,636,944	16,182,662
Store & Spare	332,700	51,600
Work in Progress	37,427,528	33,163,894
Work - in - progress (Job)	33,258	-
Work - in - progress (Yarn)	1,049,033	-
Finished Goods	29,879,502	19,595,598
Cotton Waste (Spinning)	2,206,641	2,825,691
Packing Material	819,608	886,149
<b>Total</b>	<b>43,636,944</b>	<b>16,182,662</b>

**Note 12 : Trader Receivables**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	6,332,117	3,560,592
Unsecured considered good		
<b>Other Trade receivables</b>	<b>396,750,380</b>	<b>164,056,813</b>
<b>Total</b>	<b>403,082,497</b>	<b>167,617,405</b>

**Note 9 : Fixed Assets**
**(Amount in ₹)**

Name of the Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01/04/2018	Addition	Capital Subsidy	Deduction	Total as on 31/03/2019	As on 01/04/2018	For the Year	Adjusted	Total as on 31/03/2019	As on 31/03/2019	As on 31/03/2018
<b><u>WEAVING UNIT</u></b>											
Factory Land	6,299,981	-	-	-	6,299,981	-	-	-	-	6,299,981	6,299,981
Plant & Machinery	177,073,236	-	-	55,376,050	121,697,186	71,680,625	16,208,440	26,977,853	60,911,212	60,785,974	105,392,611
Electric Installation	15,362,374	-	-	-	15,362,374	4,876,353	971,790	-	5,848,143	9,514,231	10,486,021
Fire Safety System	52,095	-	-	-	52,095	16,557	3,293	-	19,850	32,245	35,538
Furniture & Fixtures	99,205	-	-	-	99,205	37,708	9,644	-	47,352	51,853	61,497
Vehicles	968,371	-	-	-	968,371	289,793	114,994	-	404,787	563,584	678,578
<b><u>SPINNING UNIT</u></b>											
Plant & Machinery (Phase-1)	561,775,680	16,008,704	31,001,922	-	546,782,462	75,377,367	53,202,959	-	128,580,326	418,202,136	119,213,166
Plant & Machinery(Phase-2)	-	568,507,275	-	-	568,507,275	-	30,582,527	-	30,582,527	537,924,748	486,514,259
Factory Building	123,349,603	82,131,943	-	-	205,481,546	4,136,437	6,092,093	-	10,228,530	195,253,016	18,434,944
Electric Installation	19,756,328	15,869,469	353,750	-	35,272,047	1,321,384	2,087,159	-	3,408,543	31,863,505	490,215
Air Condition	548,927	263,787	-	-	812,714	58,712	73,089	-	131,801	680,913	9,753
CC TV Camera	25,000	474,234	-	-	499,234	15,247	78,498	-	93,745	405,489	183,102
Computer	272,382	67,203	-	-	339,585	89,280	99,055	-	188,335	151,250	2,337,144
Furniture & Fixtures	2,598,835	336,427	-	-	2,935,262	261,691	273,645	-	535,336	2,399,926	104,571
Fire Safety System & Equipment	124,291	535,679	-	-	659,970	8,346	35,688	-	44,034	615,936	358,040
Water Cooler	132,522	68,000	-	-	200,522	27,951	34,985	-	62,936	137,586	374,679

Name of the Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01/04/2018	Addition	Capital Subsidy	Deduction	Total as on 31/03/2019	As on 01/04/2018	For the Year	Adjusted	Total as on 31/03/2019	As on 31/03/2019	As on 31/03/2018
Vehicles	415,332	4,328,590	-	-	4,743,922	57,292	329,404	-	386,696	4,357,226	12,087
Weight Scale	401,792	66,400	-	-	468,192	27,113	28,283	-	55,396	412,796	-
Office Equipment	13,022	173,165	-	-	186,187	935	27,375	-	28,310	157,877	-
<b>Total (A)</b>	<b>909,268,977</b>	<b>688,830,876</b>	<b>31,355,672</b>	<b>55,376,050</b>	<b>1,511,368,130</b>	<b>158,282,791</b>	<b>110,252,922</b>	<b>26,977,853</b>	<b>241,557,860</b>	<b>1,269,810,271</b>	<b>750,986,186</b>
<b>WORK-IN-PROGRESS</b>											
<u><b>Spinning Unit Phase 2</b></u>											
Factory Building	75,000,334	16,829,167	-	80,399,842	11,429,659	-	-	-	-	11,429,659	75,000,334
Plant & Machinery	519,601,067	-	-	519,601,067	-	-	-	-	-	-	519,601,067
Electric Installation	10,098,433	8,696,941	-	16,219,406	2,575,968	-	-	-	-	2,575,968	10,098,433
Fire Safety System	350,654	-	-	350,654	-	-	-	-	-	-	350,654
Pre-Operative Exps.	27,923,479	6,466,345	-	34,389,824	(0)	-	-	-	-	(0)	27,923,479
Commercial Vehicle	2,216,950	-	-	2,216,950	-	-	-	-	-	-	2,216,950
Furniture & Fixtures	-	226,821	-	-	226,821	-	-	-	-	226,821	-
<b>Total (B)</b>	<b>635,190,916</b>	<b>32,219,274</b>	<b>-</b>	<b>653,177,743</b>	<b>14,232,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,232,448</b>	<b>635,190,916</b>
<b>Total (A+B)</b>	<b>1,544,459,893</b>	<b>721,050,150</b>	<b>31,355,672</b>	<b>708,553,793</b>	<b>1,525,600,578</b>	<b>158,282,791</b>	<b>110,252,922</b>	<b>26,977,853</b>	<b>241,557,860</b>	<b>1,284,042,718</b>	<b>1,386,177,102</b>
<b>Total Previous Year</b>	<b>947,439,501</b>	<b>597,020,393</b>	<b>-</b>	<b>-</b>	<b>1,544,459,893</b>	<b>63,616,776</b>	<b>94,666,015</b>	<b>-</b>	<b>158,282,791</b>	<b>1,386,177,102</b>	<b>883,822,725</b>



**Note 13 : Cash and Bank Balance**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Balance with Banks</b>		
State Bank Of India C.C.AC-6997	28,571,325	24,216,228
SBI Current Ac No-31531345930	52,955	32,976
OBC Bank Current A/C-No-01201131006056	66,425	-
Indian Bank-Current Ac No-6517861392	27,833	64,080
<b>Cash on Hand</b>	<b>360,512</b>	<b>320,862</b>
<b>Total</b>	<b>29,079,051</b>	<b>24,634,146</b>

**Note 14 : Short Term Loans & Advances**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deposit for Land & Building	16,000	8,000
Subsidy Receivable	26,213,941	24,096,772
Balance with Statutory / Govt. Authority (TDS)	1,583,512	2,101,673
Other Loans & Advances (Unsecured but considered Good)	100,635,075	95,422,033
<b>Total</b>	<b>128,448,528</b>	<b>121,628,478</b>

**Note 15 : Other Current Assets**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Preliminary Exps. A/c	-	41,877
<b>Total</b>	<b>-</b>	<b>41,877</b>

**Note 16 : Revenue From Operations**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Revenue from operations</b>		
<b>Sales of Products</b>		
Sales (Grey/Dyed) (Net of Returns)	1,736,448	898,057,001
Yarn Sales	1,463,394,587	-
Cotton Waste-Sales	109,177,391	61,023,022
<b>Sale of Services</b>		
Job Sales	57,823,006	83,611,630
<b>Revenue from Operations (Gross)</b>	<b>1,632,131,432</b>	<b>1,042,691,653</b>
Less: Excise Duty	-	-
<b>Revenue from Operations (Net)</b>	<b>1,632,131,432</b>	<b>1,042,691,653</b>

**Note 17 : Other Income**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Interest income on		
Bank Deposit	3,017,547	4,088,933
Insurance Claim	758,524	-
Rent Income	222,930	252,500
Round / Off	2,887	-
Sundry Balance W/Off	12,892	806
<b>Total</b>	<b>4,014,780</b>	<b>4,342,239</b>

**Note 18 : Cost of raw material and components consumed****(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Inventory at the beginning of the year	16,182,662	15,404,431
Add.: Purchase	1,178,015,743	679,572,022
Less: inventory at the end of the year	43,636,944	16,182,662
<b>Cost of raw material and components consumed</b>	<b>1,150,561,461</b>	<b>678,793,791</b>
<b>Details of Raw Materials Consumed</b>		
Cotton & Synthetic Yarn	1,150,561,461	678,793,791
<b>Total</b>	<b>1,150,561,461</b>	<b>678,793,791</b>

**Note 19 : (Increase) / decrease in inventories****(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Inventories at the end of the year</b>		
Finished Goods	29,879,502	19,595,598
Work-in-Progress	37,427,528	33,163,894
Job Stock (Semi Finished)	33,258	-
Work-in-Progress (Yarn)	1,049,033	-
Cotton Waste (Spinning)	2,206,641	2,825,691
<b>Total</b>	<b>70,595,962</b>	<b>55,585,183</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	19,595,598	8,788,350
Work-in-Progress	33,163,894	7,777,318
Job Stock (Semi Finished)	-	258,384
Cotton Waste (Spinning)	2,825,691	2,164,623
<b>Total</b>	<b>55,585,183</b>	<b>18,988,675</b>
<b>Net (Increase)/decrease</b>	<b>(15,010,779)</b>	<b>(36,596,508)</b>

**Note 20 : Employee Benefit Expenses****(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Salary, Wages, Allowances & Bonus	65,559,796	38,660,274
Staff Welfare	2,541,981	1,303,513
Director Remuneration	1,500,000	900,000
<b>Total</b>	<b>69,601,777</b>	<b>40,863,787</b>

**Note 21 : Finance Costs****(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Bank Charges	4,020,489	4,926,475
Interest Paid (Net of Interest subsidy)	59,563,235	12,794,293
Interest Paid on Unsecured Loan (Net of Interest Income)	17,733,351	11,456,347
Interest on Vehicle Loan	231,977	120,552
<b>Total</b>	<b>81,549,053</b>	<b>29,297,666</b>

**Note 22 : Other Expenses**
**(Amount in ₹)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Manufacturing Expenses</b>		
Cartage Exps.	3,166,273	290,160
Drawing & Design Exp	633,376	280,470
Electricity Exps. (Net off Subsidy)	157,743,951	98,520,832
Insurance Exps.	756,097	381,256
Loading & Unloading Exps.	402,013	203,038
Repairs & Maintenance - Machinery	479,936	357,936
Repairs & Maintenance - Building & Others	797,005	352,890
Labour / Contractor Charges	2,170,575	-
Folding, Packing & Testing Charges	22,388,358	13,673,176
Stores & Spares Consumption	6,266,795	2,903,674
<b>Sub Total A</b>	<b>194,804,380</b>	<b>116,963,432</b>
<b>Administrative Expenses</b>		
Audit Fee	150,000	150,000
Angadia & Courier Exps.	53,613	9,999
Advertisement Exp	34,254	37,861
Conveyance & Petrol Exps.	105,388	151,531
Commission & Brokerage	4,078,496	2,707,751
Donation	11,000	11,000
Fire Safety Systems Exp	19,625	14,750
GST Penalty	71,158	-
Expenses for Increase in Authorise Share Capital	-	125,000
Insurance Claim Short Received	-	10,001
Insurance Charges (Marine)	-	42,815
Interest on Late Payment (GST)	8,600	40,544
Interest on Late Payment (TDS/TCS)	27,129	-
Interest on Late Payment (VAT)	365,000	-
Loss on Sale of Assets	2,302,197	-
Legal Professional & Consultancy Exps	503,505	928,554
Membership Fees & Subscription	69,253	12,650
Municipal Tax-Sumel	31,689	120,827
Office Factory Exps.	253,922	403,821
Preliminary Expenses W/Off	41,877	41,877
Printing & Stationery	235,724	155,034
Pollution Expenses	8,500	9,908
Puja Expenses	54,072	33,000
Telephone/Mobile/internet Exps.	26,098	99,159
Sumel Shop-Maintanance Charges	-	57,304
Rent,Rates & Taxes	1,240,000	840,000
Stamp charges	1,020	1,400
Timba Gram Panchyat Tax	7,572	-

Particulars	As at 31 March, 2019	As at 31 March, 2018
Traveling Exps.	109,296	-
Sales Promotion Exp	312,616	-
Transporation Exp. for F.G.	2,802,471	2,343,553
Vat Reduction on CST SALES	-	15,416
I. P. O. Exp. (W/off)	501,735	501,735
<b>Sub Total B</b>	<b>13,425,810</b>	<b>8,865,491</b>
<b>Grand Total</b>	<b>208,230,190</b>	<b>125,828,923</b>

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

24. Balance of Trade Payables, Receivables, Loans and advances, unsecured loans are subject to confirmation.

25. Value of Import on CIF basis during the year;

Particulars	As at 31 March, 2019	As at 31 March, 2018
1) Raw Material	Nil	Nil
2) Components & Spare Parts	Nil	Nil
3) Capital Goods	Nil	Nil

26. Expenditure in foreign currency, remittance in foreign currency and earnings in foreign currency during the year;

Particulars	As at 31 March, 2019	As at 31 March, 2018
Expenditure in foreign currency, remittance in foreign currency and earnings in foreign currency during the year	Nil	Nil

27. Contingent liabilities & Commitments;

Particulars	As at 31 March, 2019	As at 31 March, 2018
Contingent liabilities & Commitments	Nil	Nil

28. Disclosures in respect of related parties as defined in Accounting Standard 18, with whom transactions have taken place during the year are given below:-

Concern in which directors are interested	United Polyfab Pvt. Ltd. United Techfab Pvt. Ltd. Vinod Fabrics Pvt. Ltd. Vinod Denim Ltd. United Edu Plus Pvt. Ltd. Univation Media and Communication Pvt. Ltd. (Formerly known Uniworld Edusoft Pvt. Ltd.) Karnavati Infracon LLP Karnavati Realty Private Limited	
Directors and their relatives:	Ritesh Hada	Shilpa G. Mittal
	Gagan N. Mittal	Mansi N. Mittal
	Gagan N. Mittal HUF	Nirmal Mittal
	Kamal Kishore Hada & Others HUF	Urmila Mittal
	Dropadi Kamal Kishore Hada	

Following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Associates Companies	Directors' & Relatives	Concerns in which Directors are interested
Sales & other Inc.	Nil	Nil	383,976,300
Purchase & Other Exps.	Nil	Nil	Nil
Remuneration	Nil	2,700,000	Nil
Purchase of Assets	Nil	Nil	Nil
Loan Received	Nil	15,000,000	Nil
Loan Paid	Nil	65,590,000	Nil
Interest Recd.	Nil	Nil	Nil
Interest Paid	Nil	5,957,583	10,642,711
Rent Paid	Nil	NIL	1,320,000
Investment in Equity	Nil	NIL	NIL
Balance outstanding Dr./Cr. (Net)	Nil	59,087,789 (CR)	316,852,708 (DR)

The particulars given above have been identified on the basis of information available with the company.

29. Break up of expenditure incurred on employees who were in receipt of remuneration aggregating ₹ 10200000/- or more for year or ₹ 850000/- or more, where employed for a part of the year. Nil (Previous Year ₹ Nil).

30. DEFERRED TAX

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Major Components of deferred tax are:		
Deferred Tax Liability	11,689,350	6,287,784
Depreciation		
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961		
Deferred Tax Liability (Net)	11,689,350	6,287,784

31. The Profit and Loss Account includes:

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Audit Fees	75,000	50,000
Tax Audit Fees	25,000	25,000
Other Matter Fees	50,000	75,000
Total	150,000	150,000

32. Micro & Small Enterprises Dues

As per information given to us there were no amount overdue and remaining outstanding to small scale and /or ancillary Industrial suppliers on account of principal and /or interest as at the close of the year. Based on the information available with company, there are no dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for more than 45 days as at March 31, 2019.

33. Note of Nature of Business: The Company is having two units, in one Unit Company is carrying the business of manufacturing of Grey Cloth & Job Work. It uses Yarn Cloth as its Raw Material & Manufactures Grey Cloth. In the second unit company is running spinning unit which uses cotton as its raw material & Manufactures Yarn.

34. Previous year's figures have been regrouped/rearranged wherever necessary so as to make them comparable with the figures of the current year.

As per our report of even date  
For Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 106801W

For and on behalf of the Board of Directors  
United Polyfab Gujarat Limited

(CA. I. C. Nahta)  
Partner  
(M. No. 070023)  
Place: Ahmedabad  
Date: 29/05/2019

Payal Shah  
Company Secretary  
Date: 29/05/2019

Mahesh Gupta  
Chief Financial Officer  
Place: Ahmedabad

Gagan Mittal  
Managing Director  
DIN 00593377  
Place: Ahmedabad

Ritesh Hada  
Director  
DIN 01919749  
Date: 29/05/2019

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting of the Members of United Polyfab Gujarat Limited will be held on Monday, September 30, 2019 at 12:00 Noon at the Registered Office of the Company situated at Survey No. 238, 239, Shahwadi, Opp. New Aarvee Denim, Narol- Sarkhej Highway, Ahmedabad - 382 405, Gujarat, India to transact the following businesses:-

### ORDINARY BUSINESSES

#### **Item No. 1 - Adoption of financial statements.**

To receive, consider and adopt audited financial statements of the company for the financial year ended on March 31, 2019 and the reports of the Board of Director's and the Auditor's thereon.

#### **Item No. 2 - Appointment of Mr. Ritesh Hada (DIN: 01919749) as a director liable to retire by rotation.**

**Explanation:** Based on the terms of appointment, Non-Executive Director is subject to retirement by rotation. Mr. Ritesh Hada (DIN: 01919749), who was appointed as Non-Executive Director for the current term, and is the longest-serving member on the Board, retires by rotation and, being eligible, seeks re-appointment.

To the extent that Mr. Ritesh Hada (DIN: 01919749) is required to retire by rotation, he would need to be reappointed as such. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded for the reappointment of Mr. Ritesh Hada (DIN: 01919749) as such, to the extent that he is required to retire by rotation."

#### **Item No. 3 - Appointment of Statutory Auditor and to fix their remuneration.**

**"RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Rule 6 of the Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Nahta Jain & Associates, Chartered Accountants (Firm Registration No. 106801W), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit.

### SPECIAL BUSINESSES

#### **Item No. 4 - Ratification of Remuneration to Cost Auditor payable for the financial year 2018-19.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the financial year 2018-19 to M/s. M.I. Prajapati & Associates, Cost & Management Accountants, Ahmedabad appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19, amounting to ₹ 35,000/- (Rupees Thirty Five Thousand Only) per annum be and is hereby ratified and confirmed."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### **Item No. 5 - Ratification of Remuneration to Cost Auditor payable for the financial year 2019-20.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the financial year 2019-20 to M/s. M.I. Prajapati & Associates, Cost & Management Accountants, Ahmedabad appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-20, amounting to ₹ 35,000/- (Rupees Thirty Five Thousand Only) per annum be and is hereby ratified and confirmed."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### **Item No. 5 - Revision in Remuneration payable to Mr. Gagan Mittal (DIN: 00593377), Chairman and Managing Director of the Company.**

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

**"RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as "the Board"), the approval of the Members of the Company be and is hereby accorded for revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Mr. Gagan Mittal (DIN: 00593377), Chairman and Managing Director of the Company as set out in the explanatory statement attached hereto with effect from January 16, 2019, for the existing term until revised further with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company.

**RESOLVED FURTHER THAT**, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Gagan Mittal (DIN: 00593377) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to enter into relevant agreement with the Director, as required, from time to time and to undertake all such steps, as may be deemed necessary in this matter."

**RESOLVED FURTHER THAT** the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

**For and on behalf of Board of Directors,  
United Polyfab Gujarat Limited**

Place: Ahmedabad  
Date: September 4, 2019

**Gagan Mittal  
Chairman and Managing Director  
DIN 00593377**

**Notes for Shareholders for AGM:**

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.**

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting (on or before September 28, 2019, 12:00 Noon). A proxy form for the AGM is enclosed. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.

2. Members/Proxies should bring their Attendance slip duly signed and completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In case of joint holders attending the meeting together, only holder whose name appearing first will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 21, 2019 to Monday, September 30, 2019 (both days inclusive) and same will be re-opened from Tuesday, October 1, 2019 onwards.
6. The route map showing directions to reach the venue of the 9<sup>th</sup> AGM is provided at the end of this Notice.
7. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. [www.upgl.in](http://www.upgl.in).
8. The Company has not declared any dividend. Further, the Company does not have any unpaid or unclaimed dividend amount outstanding as on the closure of F.Y. 2018-19. Therefore, the Company is not required to upload the details of Unpaid and unclaimed dividend amounts.

Further, during the year, the Company has not transferred any amount to fund established under Section 125 of the Companies Act, 2013.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
10. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
11. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Annual General Meeting.
12. In pursuance of the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, the Company is exempted from giving the Members, the facility to cast their vote electronically, through the e-voting services on the resolutions set forth in this Notice. However, voting through permitted mode under Section 108 and in case Poll has been demanded, under Section 109 of the Companies Act, 2013 will be allowed at the venue of Annual General Meeting.
13. All documents specifically referred to in this Notice are opened for inspection at the registered office of the Company between 02.00 p.m. and 04.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of AGM.

**Specific Attention of the Members is drawn to the followings:**

1. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
2. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services.
3. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Satellite Corporate Services Private Limited ("SCSPL").
4. As per the provisions of Section 72 of the Act, the facility for making nomination/nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Nomination Form can be obtained from the Satellite Corporate Services Private Limited.

Members holding shares in physical form may submit the same to Satellite Corporate Services Private Limited. Members holding shares in electronic form may submit the same to their respective depository participant.

5. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request every member to update their email address with concerned Depository Participant and Satellite Corporate Services Private Limited to enable us to send you the communications via email.

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#### EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act, 2013 and Secretary Standard 2 on General Meetings)

##### Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. M.I. Prajapati & Associates, Cost & Management Accountants, Ahmedabad to conduct the audit of the cost records of the Company for the financial year 2018-19 at a remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand Only) per annum at its meeting held on September 29, 2018.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. As the Board approved the appointment and remuneration payable to cost auditor for the financial year 2018-19 on September 29, 2018, the same is now being placed for the ratification by the Members.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

The Board recommends the passing of Ordinary Resolution as set out at Item No. 4 of the Notice by the members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

##### Item No. 5

The Board of Directors of the Company, upon the recommendation of the Audit Committee, has approved the appointment of M/s. M.I. Prajapati & Associates, Cost & Management Accountants, Ahmedabad to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand Only) per annum, as applicable, at its meeting held on September 4, 2019.

In pursuance of Section 148 of the Companies Act, 2013, Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

The Board recommends the passing of Ordinary Resolution as set out at Item No. 5 of the Notice by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the resolution set out at Item No. 5 of the Notice.

##### Item No. 6

**Revision in Remuneration payable to Mr. Gagan Mittal (DIN: 00593377), Chairman and Managing Director of the Company:**

The Board of Directors of the Company, in their Meeting held on December 24, 2015, had appointed Mr. Gagan Mittal (DIN: 00593377) as Chairman and Managing Director of the Company for a period of 5 years w.e.f. January 16, 2016. The terms and conditions of appointment and remuneration of Mr. Gagan Mittal (DIN: 00593377) as Chairman and Managing Director of the Company was also approved by the Members of the Company in their Extra-ordinary General Meeting held on January 16, 2016.

However, looking to the contributions made by Mr. Gagan Mittal (DIN: 00593377) which helped the Company to grow at faster rate than past, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on January 22, 2019 has considered the revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Mr. Gagan Mittal (DIN: 00593377), Chairman and Managing Director of the Company as set out in this explanatory statement with effect from January 16, 2019, subject to the approval of the Shareholders at this Annual General Meeting. The other terms and conditions of his appointment, as approved by the Shareholders shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the minimum Remuneration payable to Mr. Gagan Mittal (DIN: 00593377), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Gagan Mittal (DIN: 00593377) is now being placed before the Members for their approval by way of Special Resolution.

**The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;**

##### General Information:

**Nature of Industry:** The Company is engaged in the manufacturing, weaving and spinning of grey denim/grey fabric/cotton grey fabric and yarn.

**Date or expected date of commencement of commercial production:** The Commercial Production in the month of October, 2013.

**In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

**Financial performance based on given indicators:**



**Financial Highlights**

(Amount in ₹)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Income from Operations	1,63,21,31,432	1,04,26,91,653
Other Income	40,14,780	43,42,239
<b>Total Revenue</b>	<b>1,63,61,46,212</b>	<b>1,04,70,33,892</b>
Less: Total Expenses (excluding Depreciation & Interest)	1,41,33,82,650	90,34,86,087
<b>Operating Profits (PBDIT)</b>	<b>22,27,63,562</b>	<b>14,35,47,805</b>
Less: Finance Cost	8,15,49,053	2,92,97,666
Less: Depreciation	11,02,52,922	9,46,66,015
<b>Profit Before Tax</b>	<b>3,09,61,588</b>	<b>1,95,84,124</b>
Less: Taxes	1,19,02,658	62,02,239
<b>Net Profit after Tax</b>	<b>1,90,58,930</b>	<b>1,33,81,885</b>

**Foreign investments or collaborations, if any:** No collaborations has been made by the Company with any of foreign entity. Further, as at March 31, 2019, total holding of Foreign Shareholders including Overseas Bodies Corporates was 516000 Equity Shares.

**Information about the appointee:**

**Background Details:** Mr. Gagan Mittal aged 36 Years is a promoter of the Company. He has cleared the Higher Secondary examination from Gujarat. He has been into Textile business since last twelve years. He looks after day to day operations including manufacturing, management and finance of the company.

**Past Remuneration:** In the financial year 2018-19, Mr. Gagan Mittal was paid total remuneration of ₹ 1,500,000 as Chairman and Managing Director.

**Recognition or awards:** Nil.

**Job Profile and his suitability:** Mr. Gagan Mittal has been into Textile business since last twelve years. He looks after day to day operations including manufacturing, management and finance of the company.

**Revised Terms and conditions of Remuneration:-**

1. Basic Salary up to ₹ 30,00,000/- per annum excluding perquisite mentioned hereunder for the existing term;
2. Perquisites and Allowances.

Mr. Gagan Mittal will be paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Gagan Mittal, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

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

Mr. Gagan Mittal has pecuniary relationship to the extent he is Promoter - Shareholders of the Company.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of revised remuneration specified above are now being placed before the Members for their approval. Further, remuneration proposed above shall be valid for the existing term of Mr. Gagan Mittal until revised further with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company.

The Board of Directors is of the view that the revision in Remuneration payable to Mr. Gagan Mittal for the existing term as Chairman and Managing Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Gagan Mittal himself and his relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

For and on behalf of Board of Directors,  
United Polyfab Gujarat Limited

Place: Ahmedabad  
Date: September 4, 2019

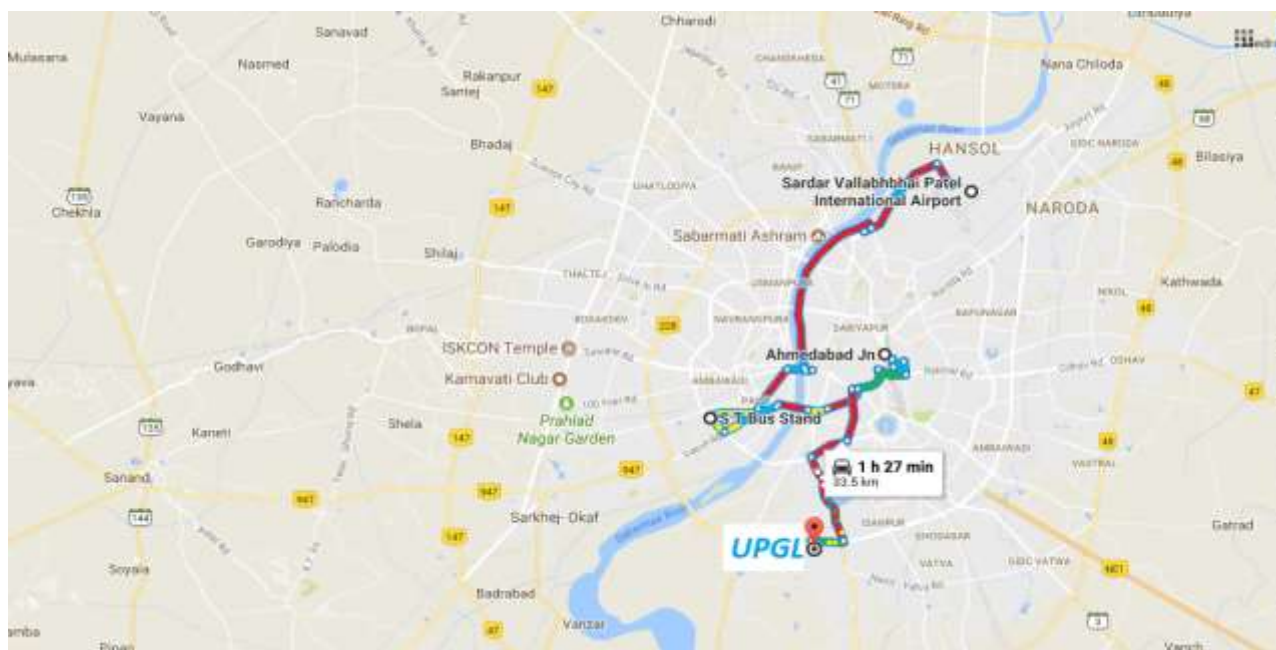
Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

**Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI for Item No. 2 and 6:**

Name	Mr. Ritesh Hada	Mr. Gagan Mittal
Date of Birth	October 26, 1980	February 6, 1982
Qualification	Master of Arts in Market Administration	H.S.C.
Experience - Expertise in specific functional areas - Job profile and suitability	having more than 10 years of experience in the field of education and presently he is also associated with Karnavati Dental College	He has been into Textile business since last nine years. He looks after day to day operations including manufacturing, management and finance of the company
No. of Shares held as on March 31, 2019	2500 Equity Shares	517550 Equity Shares
Terms & Conditions	Liabie to retire by rotation	No change in terms of appointment. Only Remuneration terms are changed as stated in explanatory statement for Item No. 6
Remuneration Last Drawn	Not Applicable	₹ 1,500,000/- for F.Y. 2018-19
Remuneration sought to be paid	Not Applicable	₹ 3,000,000/- per annum for remaining tenure
Number of Board Meetings attended during the Financial Year 2018-19	10 out of 10	10 out of 10
Date of Original Appointment	November 16, 2010	November 16, 2010
Date of Appointment in current terms	November 16, 2010	January 16, 2016
Directorships held in other public companies including deemed public companies and excluding our Company, Section 8 Companies, Struck off Companies and LLPs.	Omega Realty Limited	Vinod Denim Limited SPG Chemical Industries Limited
Memberships / Chairmanships of committees of public companies*	Membership - Nil Chairmanship - Nil	Membership - 2 Committees Chairmanship - Nil
Inter-se Relationship with other Directors.	No Relation	No Relation

\*Committee includes the Audit Committee and Stakeholders' Grievance Committee

**Route Map to the Venue of Annual General Meeting**



NEAR BY RAILWAY STATION

AIRPORT

NEAR BY BUS ROUTE

VENUE- SURVEY NO. 238, 239, SHAHWADI, OPP. NEW AARVEE DENIM, NAROL-SURKHEJ HIGHWAY, AHMEDABAD GJ 382405

**UNITED POLYFAB GUJARAT LIMITED**

CIN: L18109GJ2010PLC062928

**Regd. Off:** Survey No. 238, 239, Shahwadi, Opp. New Aarvee Denim, Narol-Surkhej Highway, Ahmedabad - 382 405, Gujarat, India

**Phone: +91-79-2573 1155; Fax: +91-2573 1144; E-mail: info@unitedpolyfab.com; Web: www.upgl.in**

**ATTENDANCE SLIP**

Regd. Folio No./DP Id No./Client Id No.* (*Applicable for investor holding shares in electronic form.)	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 9<sup>th</sup> Annual General Meeting of United Polyfab Gujarat Limited held on Monday, September 30, 2019 at 12:00 Noon at the Registered Office of the Company situated at Survey No. 238, 239, Shahwadi, Opp. New Aarvee Denim, Narol-Surkhej Highway, Ahmedabad - 382 405, Gujarat, India.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

**Notes:** Please fill up this attendance slip and hand it over at the entrance of the venue of meeting. Members are requested to bring their copies of the Annual Report to the AGM.

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**PROXY FORM**

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 Rules made thereunder)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/Client Id	

I/We, being the member (s) of.....shares of the above named company, hereby appoint

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9<sup>th</sup> Annual General Meeting and/or any adjournment thereof of United Polyfab Gujarat Limited to be held on Monday, September 30, 2019 at 12:00 Noon at the Registered Office of the Company at Survey No. 238, 239, Shahwadi, Opp. New Aarvee Denim, Narol-Surkhej Highway, Ahmedabad - 382 405, Gujarat, India and/or any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
Ordinary businesses		For	Against	Abstain
1.	To receive, consider and adopt audited financial statements of the company for the financial year ended on March 31, 2019 and the reports of the Board of Director's and the Auditor's thereon.			
2.	Appointment of Mr. Gagan Mittal (DIN: 00593377) as a director liable to retire by rotation.			
3.	Appointment of Statutory Auditor and to fix their remuneration.			
Special Businesses				
4.	Ratification of Remuneration to Cost Auditor payable for the financial year 2018-19.			
5.	Ratification of Remuneration to Cost Auditor payable for the financial year 2019-20.			
6.	Revision in Remuneration payable to Mr. Gagan Mittal (DIN: 00593377), Chairman and Managing Director of the Company			

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

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp of not  
less than  
₹ 1

**Note:**

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting on or before September 28, 2019, 12:00 Noon)
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

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To,  
**Satellite Corporate Services Private Limited**  
Unit No. 49, Bldg No.13-A-B, 2nd Floor,  
Samhita Commercial Co-Op. Soc. Ltd.  
Off Andheri Kurla Road, MTNL Lane,  
Sakinaka, Mumbai - 400 072

Dear Sir/Ma'am,

**Sub: Updation of Shareholder Information**

**Ref: UNITED POLYFAB GUJARAT LIMITED (CIN: L18109GJ2010PLC062928)**

I/we request you to record the following information against my/our folio no;

Folio Number		No of Shares Held	
Name of the Shareholder	1. 2.		
Address of The First Holder			
Email Id			
PAN		Telephone No(s)	
Specimen Signature(s)	1. 2.		
<b>Attestation By Bank Under Their Stamp</b> Name of the officer Authorization Code Number Contact Number			

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete/incorrect information, I/we would not hold the Company /RTA responsible. I/We understand that the above details shall be maintained till I/we hold the securities under above folio number. Pursuant to Section 101 of the Companies Act, 2013 read with Rule made thereunder, I also give consent to the company to send the Notices, Annual Reports etc. through electronically.

**Place:**

**Date:**

\_\_\_\_\_  
**Signature of sole/ First Holder**

**Note:**

- Shareholders who hold the shares in demat mode are requested to update the details with their Depository Participant.
- Members who hold shares in physical mode are requested to send this form duly filled and signed with their signature which shall be duly attested by their banker under their name, authorization code number, contact number and Account number with the bank.
- Attach following documents along with form;
  - Attested copy of the PAN card.
  - Attested copy of Aadhar Card/Passport/ration Card/Driving Licence/Voter Id (any one) (If PAN card is not obtained)
  - Attested copy of latest utility Bill (Telephone/Electricity/Gas) (any one) (if the address is changed)
  - In case of death of any holder kindly send attested copy of the death certificate.

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