

**UNITED POLYFAB GUJARAT LIMITED  
(FORMERLY KNOWN AS UNITED POLYFAB  
(UNIT-II) PRIVATE LIMITED)  
CIN: L18109GJ2010PLC062928**

**ANNUAL REPORT  
F.Y. 2019-20**



## 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. Mail ID: 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 Mail ID: 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

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

### Date and Time:

Saturday, September 26, 2020 at 12:30 Noon

### Registered Office:

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

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## 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, 2020.

### Financial Highlights

(Amount in ₹)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Income from Operations	2,64,13,78,361	1,63,21,31,432
Other Income	69,65,604	40,14,780
<b>Total Revenue</b>	<b>2,64,83,43,965</b>	<b>1,63,61,46,212</b>
Less: Total Expenses (excluding Depreciation & Interest)	2426948512	1,41,33,82,650
<b>Operating Profits (PBDIT)</b>	<b>22,13,95,453</b>	<b>22,27,63,562</b>
Less: Finance Cost	6,89,22,112	8,15,49,053
Less: Depreciation	11,13,74,840	11,02,52,922
<b>Profit Before Tax</b>	<b>4,10,98,501</b>	<b>3,09,61,588</b>
Less: Taxes	65,42,625	1,19,02,658
<b>Net Profit after Tax</b>	<b>3,45,55,875</b>	<b>1,90,58,930</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 ₹2,64,83,43,965 as against the total income of ₹1,63,61,46,212 for previous year. The total income of the company was increased by 61.86% over previous year. Further, Profit before Tax in the financial year 2019-20 stood at ₹ 4,10,98,501 as compared to ₹ 3,09,61,588 of last year and Net Profit after Tax stood at ₹ 3,45,55,875 compared to profit of ₹ 1,90,58,930 for previous year. The Profit before tax and Net profit After Tax was increased by 32.74% and 81.31% 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 2019-20 (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, 2020, 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, 2020
				in which Director is Members	in which Director is Chairman	
Mr. Gagan Mittal	Promoter Chairman and Managing Director	January 16, 2016	5	2	-	517550 Equity Shares
Mr. Ritesh Hada	Promoter Non-Executive Director	January 12, 2016	18	-	-	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 9 (Nine) times on 15<sup>th</sup> April, 2019, 29<sup>th</sup> May, 2019, 14<sup>th</sup> June, 2019, 12<sup>th</sup> July, 2019, 27<sup>th</sup> July, 2019, 04<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019, 30<sup>th</sup> January, 2020 and 18<sup>th</sup> March 2020. 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	Ms. Sejalben Parmar
Number of Board Meeting held	9	9	9	9
Number of Board Meetings Eligible to attend	9	9	9	9
Number of Board Meeting attended	9	9	9	9
Presence at the previous AGM	Yes	Yes	Yes	Yes

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 18, 2020 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, There were no change in director.

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.

In accordance with 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, **Re-appointment of Mr. Gagan Mittal (DIN:00593377) as a Chairman and Managing Director of the Company** for a period of 5 years with effect from October 01, 2020, liable to retire by rotation and on such terms and conditions including salary and perquisites. 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 10<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. Mahesh Gupta acting as Chief Financial Officer of the company and Ms. Payal Shah acting as Company Secretary of the Company.

#### 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, 2020, 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, 2020 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, 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 under review, Audit Committee met 5 (Five) times viz. April 15, 2019, 29<sup>th</sup> May, 2019, 4<sup>th</sup> Sep. 2019, 14<sup>th</sup> Nov. 2019 and 18<sup>th</sup> March, 2020.

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 2019-20		
			Held	Eligible to attend	Attended
Mr. SumitSaraf	Independent Director	Chairperson-	5	5	5
Ms. SejalParmar	Independent Director	Member	5	5	5
Mr. Gagan Mittal	Executive Director	Member	5	5	5

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.

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 under review, Nomination and Remuneration Committee met 3 (Three) times viz. 15<sup>th</sup> April, 2019, 4<sup>th</sup> Sep. 2019, and 18<sup>th</sup> March, 2020

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 2019-20		
			Held	Eligible to attend	Attended
Mr. SumitSaraf	Independent Director	Chairperson-	3	2	2
Ms. SejalParmar	Independent Director	Member	3	3	3
Mr. RiteshHada	Non-Executive Director	Member*	3	3	3

#### 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 2019-20 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 under review, Stakeholder's Grievance & Relationship Committee met 4 (Four) times viz. 29<sup>th</sup> May, 2019, 27<sup>th</sup> July, 2019, 14<sup>th</sup> Nov. 2019, and 30<sup>th</sup> Jan., 2020.

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 2019-20		
			Held	Eligible to attend	Attended
Ms. SejalParmar	Independent Director	Chairperson	4	4	4
Mr. SumitSaraf	Independent Director	Member -	4	2	2
Mr. Gagan Mittal	Executive Director	Member	4	4	4

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, 2020.

#### 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, 2020.

#### 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, 2020 to the date of this Report except during the year under consideration all manufacturing activity of unit I is closed and few machinery have been sold and other machinery transfer to unit II. In the second unit company is running spinning unit, In that company uses cotton & Manufactures Yarn.

The COVID - 19 pandemic is rapidly spreading across the world as well as in India and had caused nationwide shutdown. The company has resumed its business activities in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business and believes that the impact is not material in nature. As informed to us the management does not see any medium to long term risks in the company's ability to continue as going concern and meeting its liabilities as and when they fall due.

#### 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. The Company has 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, 2020.

Further, the Board of Directors at their meeting held on September 1, 2020, 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, 2021 subject to approval of shareholders in the ensuing 10<sup>th</sup> Annual General Meeting. The Board recommends ratification of Remuneration to Cost Auditor M/s. M.I. Prajapati & Associates, Cost & Management Accountants payable for the financial year 2020-21.

#### **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. 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 there under 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. Rajiv Shah & Associates, Chartered Accountants (Firm Registration No. 108554W), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of 10<sup>th</sup> Annual General Meeting till the conclusion of 12<sup>th</sup> (Twelfth) Annual General Meeting of the Company to be held in the calendar year 2022 at a remuneration to be fixed by the 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.

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 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2019-20 is annexed to this report as an **Annexure - F**.

#### **WEBSITE**

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has maintained a functional website namely "www.groupmangalam.com" containing basic information about the Company. The website of the Company is containing information like Policies, Shareholding Pattern, Financial and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

#### **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 1, 2020

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. The committee was reconstituted on August 13, 2018 due to appointment of Mr. Sumit Saraf as Non-Executive Independent Director. 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.

## FORM MGT - 9 -EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

[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 AndheriKurla 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	2469850	-	2469850	35.37	2244850	-	2244850	32.14	(3.22)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	155000	-	155000	3.31	155000	-	155000	2.22	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	2624850	-	2624850	37.58	2399850	-	2399850	34.36	(3.22)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-



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	
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	2624850	-	2624850	37.58	2399850	-	2399850	34.36	(3.22)
<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) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institution</b>									
<b>a) Bodies Corporate</b>									
i. Indian	3032000	-	3032000	43.41	2944000	-	2944000	42.15	-1.26
ii. Overseas	468000	-	468000	6.70	468000	-	468000	6.70	-
<b>b) Individuals</b>									
i. Individual Shareholders holding nominal share capital up to ₹ 2 lakh	116000	-	116000	1.66	83000	-	83000	1.19	(0.47)
i. Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh	374000	-	374000	5.36	1002000	-	1002000	14.35	8.99
<b>c) Others (specify)</b>									
NRI (Reparable/Non Reparable basis)	48000	-	48000	0.69	48000	-	48000	0.69	-
HUF	36000	-	36000	0.52	39000	-	39000	0.56	0.04
LLP	-	-	-	-	-	-	-	-	-
Clearing Members	285000	-	285000	4.08	-	-	-	-	-
Sub-Total (B)(2):	4359000	-	4359000	62.42	4584000	-	4584000	65.64	3.22
Total Public Shareholding (B)=(B)(1)+(B)(2)	4359000	-	4359000	62.42	4584000	-	4584000	65.64	3.22
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-

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	
Grand Total (A+B+C)	6983850	-	6983850	100.00	6983850	-	6983850	100.00	-

## 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	1.43				100000	1.43	100000	1.43	-
GaganNirmal Mittal HUF	553000	7.92				553000	7.92	553000	7.92	-
RiteshKamalki shoreHada	2500	0.05	-	-	-	2500	0.04	2500	0.04	-
NirmalkumarM angalchand Mittal	721000	10.32	-	-	-	721000	10.32	721000	10.32	-
ManjuSushilKejriwal	60000	0.86	27.12.2019	(60000)	Market Sale	0	0	0	0	(0.86)
SushilRadhakishanKejriwal	60000	0.86	27.12.2019	(60000)	Market Sale	0	0	0	0	(0.86)
GaganNirmal Kumar Mittal	517550	7.41	-	-	-	517550	7.41	517550	7.41	-
MaitriRonak Kejriwal	45000	0.64	27.12.2019	(45000)	Market Sale	0	0.	0	0.	(0.64)
Shilpa Gagan Mittal	310800	4.45	-	-	-	310800	4.45	310800	4.45	-
Ronak Sushil Kejriwal	60000	0.86	27.12.2019	(60000)	Market Sale	0	0	0	0	(0.86)
Mansi Nirmal Mittal	40000	0.57	-	-	-	40000	0.57	0	0	-
United Polyfab Private Limited	155000	2.22	-	-	-	155000	2.22	155000	2.22	-

\* 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.

### Note:

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

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	693000	9.92	12.04.2019	120000	Market Buy	813000	11.64	738000	10.57
			19.04.2019	3000	Market Buy	816000	11.68		
			15.11.2019	(63000)	Market Sale	753000	10.78		
			13.03.2020	(3000)	Market Sale	750000	10.74		
			20.03.2020	(12000)	Market Sale	738000	10.57		
Amaysha Textiles Pvt. Ltd.	6000	0.09	19.04.2019	159000	Market Buy	165000	2.36	585000	8.38
			15.11.2019	180000	Market Buy	345000	4.94		
			31.12.2019	225000	Market Buy	570000	8.16		
			20.03.2020	9000	Market Buy	579000	8.29		
			27.03.2020	6000	Market Buy	585000	8.38		
KishanSohanlalSafaria	2000	0.03	21.02.2020	500000	Market Buy	502000	7.19	502000	7.19
AmrapaliFincap Limited	450000	6.44	-	-	-	-	-	450000	6.44
Amrapali Capital And Finance Services Lt	450000	6.44	-	-	-	-	-	450000	6.44
Shree Siddhi InfrabuildconLlp	400000	5.73	-	-	-	-	-	400000	5.73
Synergy Cosmetics Exim Limited	300000	4.30	21.02.2020	(300000)	Market Sale	0	0	0	0
Lts Investment Fund Ltd	270000	3.87	-	-	-	-	-	270000	3.87
Bee Line Broking Limited	240000	3.44	12.04.2019	(240000)	Market Sale	0	0	0	0
Pranavbhai Padshah	-	-	13.03.2020	200000	Market Buy	200000	2.86	200000	2.86
SaiNanad Commercial Limited	200000	2.86	13.03.2020	(200000)	Market Sale	0	0	0	0
Cresta Fund Ltd	198000	2.84	-	-	-	-	-	198000	2.84
AnandHarikishan Chaudhary	119000	1.70	15.11.2019	(117000)	Market Sale	2000	0.03	2000	0.03
Divyanshi Infra Projects Ltd.	100000	1.43	-	-	-	100000	1.43	100000	1.43

\* 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
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	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
GaganNirmal Kumar Mittal	517550	7.41	-	-	-	517550	7.41	517550	7.41
RiteshHada	2500	0.04	-	-	-	2500	0.04	2500	0.04
SumitSaraf-	-	-	-	-	-	-	-	-	-
SejalbenParmar	-	-	-	-	-	-	-	-	-
Mahesh Gupta	-	-	-	-	-	-	-	-	-
Payal Shah!	-	-	-	-	-	-	-	-	-

#### 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	1,190,168,995	247,813,105	-	1,437,982,100
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total A (i+ii+iii)</b>	<b>1,190,168,995</b>	<b>247,813,105</b>	<b>-</b>	<b>1,437,982,100</b>
<b>B. Change in Indebtedness during the financial year</b>				
Additions	-	12,778,632	-	12,778,632
Reduction	203,487,752	15,396,395	-	218,884,137
<b>Net Change B</b>	<b>203,487,752</b>	<b>-26,17,763</b>	<b>-</b>	<b>200,869,989</b>
<b>C. Indebtedness at the end of the financial year</b>				
i) Principal Amount	986,681,243	245,195,342	-	1,234,494,348
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total C (i+ii+iii)</b>	<b>986,681,243</b>	<b>245,195,342</b>	<b>-</b>	<b>1,234,494,348</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: Limit as per companies Act as per Section 197/198 of Companies Act, 2013</b>		<b>21,54,515</b>

##### B) Remuneration to other Directors

(Amount in ₹)

Particulars of Remuneration	Ritesh Hada	Sumit Saraf-	Sejalben Parmar	Total Amount
<b>a) Independent Director</b>				
(i) Fees for attending board/committee	-	-	-	-

Particulars of Remuneration	Ritesh Hada	Sumit Saraf~	Sejalben Parmar	Total Amount
meeting.				
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
<b>Total (a)</b>	-	-	-	-
<b>b) Other Non-Executive Directors</b>				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
<b>Total (b)</b>	-	-	-	-
<b>Total (B)</b>	-	-	-	-
<b>Total Managerial Remuneration (A+B)</b>	-	-	-	-
<b>Overall Ceiling as per the Act</b>	<b>47,39,933</b>			

**C) Remuneration to Key Managerial Personnel**

(Amount in ₹)

Particulars of Remuneration	Mahesh Gupta	Payal Shah	Total Amount
<b>Gross salary</b>			
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	4,02,750	2,48,689	<b>6,51,439</b>
(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</b>	<b>4,02,750</b>	<b>2,48,689</b>	<b>6,51,439</b>

**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 1, 2020

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, 2020, 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. 2019-20	F.Y. 2019-20	F.Y. 2019-20
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	April 15, 2019	April 15, 2019	April 15, 2019
6.	Amount of Transactions entered	29,14,09,093/-	1,53,44,508/-	6,00,000
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	RPT- 7	RPT - 8
1.	Name(s) of the related party and nature of relationship	United Polyfab Private Limited	United Polyfab Private Limited	United Techfab Private Limited	Mrs. Shilpa Mittal - Wife of Mr. Gagan Mittal, Managing Director of the Company	United Techfab Private Limited
2.	Nature of contracts/ arrangements/ transactions	Sale of Yarn	Purchase of Cloth	Payment of Rent	Payment of Remuneration	Sale of Yarn
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20
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**	Appointed as General Manager w.e.f. December 13, 2015	All transactions entered by the Company is at Market rate and on arms' length basis
5.	Date(s) of approval by the Board	April 15, 2019	April 15, 2019	April 15, 2019	April 15, 2019	April 15, 2019
6.	Amount of Transactions entered	8,55,36,958/-	₹98,81,915	₹4,80,000/-	₹ 1,200,000/-	46,58,429/-
7.	Amount paid as advances, if any	N.A.	N.A.	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 1, 2020

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	9.21 : 1.00	Nil
2.	Mr. Ritesh Hada	Non-Executive Director	Sitting Fees	-	Not Applicable
3.	Mr. Sumit Saraf	Independent Director	Sitting Fees	-	Not Applicable
4.	Ms. Sejal Parmar	Independent Director	Sitting Fees	-	Not Applicable
5.	Mr. Mahesh Gupta	Chief Financial Officer	Salary	2.16:1	Not Applicable
6.	Ms. Payal Shah	Company Secretary and Compliance Officer	Salary	1.53:1	Not Applicable

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

Median remuneration of Employees increased by 17.42% in F.Y 2019-20 as compared from F.Y. 2018-19.

- c) The number of permanent employees on the rolls of the Company: 85 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 increased by 40% over a previous year. The average remuneration increased 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 1, 2020

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 not purchase any machinery.

**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 1, 2020

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

## SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2020

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

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, 2020 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 (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.

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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- vii. 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.



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.

**Place:** Ahmedabad  
**Date:** August 29, 2020

**Payal Dhamecha**  
**Practicing Company Secretary**  
**ACS No. : 47303 C P No. : 20411**  
**UDIN:A047303B000634109**

**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 Guajrat 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: August 29, 2020

**Payal Dhamecha**  
**Practicing Company Secretary**  
ACS No. : 47303      C P No. : 20411  
UDIN:A047303B000634109

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Introduction**

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries.

The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralised power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

### **Market Size**

India's textiles industry contributed seven per cent of the industry output (in value terms) in FY19. It contributed two per cent to the GDP of India and employed more than 45 million people in FY19. The sector contributed 15 per cent to India's export earnings in FY19.

Textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

The domestic textiles and apparel market stood at an estimated US\$ 100 billion in FY19.

The production of raw cotton in India is estimated to have reached 36.04 million bales in FY20<sup>^</sup>. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 1.60 MT in FY20 (till January 2020), while that for yarn, the production stood at 4,762 million kgs during same period.

### **Investment**

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.44 billion from April 2000 to March 2020.

### **Government Initiatives**

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 sector under the automatic route.

Initiatives taken by Government of India are:

- Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs 1,480 crore (US\$ 211.76 million).
- In 2020, New Textiles Policy 2020 is expected to be released by the Ministry of Textiles.
- CCEA approved mandatory packaging of foodgrains and sugar in jute material for the Jute Year 2019-20.
- In September 2019, textiles export witnessed a 6.2 per cent increase post GST as compared to the period pre-GST.
- 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 two per cent to four per cent.
- The Government announced a special package of US\$ 31 billion to boost export, create one crore job opportunity and attract investment 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), estimated to create employment for 35 lakh people and enable investment worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.
- Integrated Wool Development Programme (IWDP) was approved by Government of India to provide support to the wool sector, starting from wool rearer to end consumer, with an aim to enhance quality and increase production during 2017-18 and 2019-20.
- The Cabinet Committee on Economic Affairs (CCEA), Government of India 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. As of August 2019, 16 states signed pacts with the Ministry of Textiles to partner with it for skilling about four lakh workers under the scheme.

### **Achievements**

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

- As of 2019, 348 technical textiles products were developed according to Bureau of Indian Standards (BIS).
- I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016. 381 new block level clusters were sanctioned.
- Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned, out of which, 22 have been completed.
- Employment increased to 45 million in FY19 from 8.03 in FY15.

### **Road Ahead**

The future for the Indian textiles industry looks promising, buoyed by 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.

#### 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. 2019-20	F.Y. 2018-19
Income from Operations	2,64,13,78,361	1,63,21,31,432
Other Income	69,65,604	40,14,780
<b>Total Revenue</b>	<b>2,64,83,43,965</b>	<b>1,63,61,46,212</b>
Less: Total Expenses (excluding Depreciation & Interest)	2426948512	1,41,33,82,650
<b>Operating Profits (PBDIT)</b>	<b>22,13,95,453</b>	<b>22,27,63,562</b>
Less: Finance Cost	6,89,22,112	8,15,49,053
Less: Depreciation	11,13,74,840	11,02,52,922
<b>Profit Before Tax</b>	<b>4,10,98,501</b>	<b>3,09,61,588</b>
Less: Taxes	65,42,625	1,19,02,658
<b>Net Profit after Tax</b>	<b>3,45,55,875</b>	<b>1,90,58,930</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 ₹2,64,83,43,965 as against the total income of ₹1,63,61,46,212 for previous year. The total income of the company was increased by 61.86% over previous year. Further, Profit before Tax in the financial year 2019-20 stood at ₹ 4,10,98,501 as compared to ₹ 3,09,61,588 of last year and Net Profit after Tax stood at ₹ 3,45,55,875 compared to profit of ₹ 1,90,58,930 for previous year. The Profit before tax and Net profit After Tax was increased by 32.74% and 81.31% 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, 2020, the Company had 85 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 2019-20 was marginally increased 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. 2019-20	F.Y. 2018-19	Reason
Debtors Turnover	5.79 times	5.72 times	Due to marginal increase in credit period given to debtors
Interest Coverage Ratio	1.63 times	1.40 times	Due to increase in operating profitability
Current Ratio	1.74:1.00	1.63 : 1.00	Due to increase in current liabilities as compared to current assets
Debt Equity Ratio	2.27 :1.00	2.80 : 1.00	Due to increase in profitability resulting into increases in reserves and surplus. Therefore Debt Equity Ratio is resulted positively.
Net Profit Margin (%)	1.31%	1.17%	Due to increase in finance employment and other expenses
Return on Net Worth	7.75%	4.49%	Due to increase in profitability against the same network.

#### 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, 2020, 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 2020 and its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

As per our Report of Even Date For and  
on Behalf of

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

Place : Ahmedabad

Date : 06/07/2020

(CA. GauravNahta)  
Partner  
M. No. 116735  
UDIN : 20116735AAAAEG3038

**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.

As per our Report of Even Date For and  
on Behalf of

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

Place : Ahmedabad

Date : 06/07/2020

(CA. GauravNahta)  
Partner  
M. No. 116735

***[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 2020, 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, 2020 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. Company has obtained cost audit report for the F.Y. 2018-19 during the 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 Income Tax, Goods & Service Tax, Custom Duty, Excise Duty, Service 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 2020 for a period of more than six months from the date they became payable. As per information available company has not yet made application for registration for Provident fund and ESI.

(b) According to the information and explanations given to us, there are no material dues of Income Tax, Goods & Service Tax, Custom Duty, Excise Duty, Service 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.

(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.

**As per our Report of Even Date For and  
on Behalf of**

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

**Place : Ahmedabad**

**Date : 06/07/2020**

**(CA. GauravNahta)  
Partner  
M. No. 116735**

## **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, 2020, 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

As per our Report of Even Date For and  
on Behalf of

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

Place : Ahmedabad

Date : 06/07/2020

(CA. GauravNahta)  
Partner  
M. No. 116735

## **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. Differences 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 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.

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

**For and On Behalf of the Board of Directors**  
**UNITED POLYFAB GUJARAT LTD.**

**CA. GauravNahta**  
**Partner**  
**M. No. 116735**  
**UDIN : 20116735AAAAEG3038**

**Gagan Mittal**  
**(Managing Director)**  
**(DIN-00593377)**

**RiteshHada**  
**(Director)**  
**(DIN-01919749)**

**Payal Shah**  
**(C.S.)**  
**(M.No. A47683)**

**Mahesh Gupta**  
**(C.F.O.)**

**Place : Ahmedabad**  
**Date : 06/07/2020**

**Place : Ahmedabad**  
**Date : 06/07/2020**

UNITED POLYFAB GUJARAT LIMITED  
(CIN - L18109GJ2010PLC062928)  
BALANCE SHEET AS AT MARCH 31, 2020

(Amount in ₹)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	69,838,500	69,838,500
(b) Reserves and surplus	2	389,470,228	354,914,353
(c) Money received against share warrants		-	-
		459,308,728	424,752,853
<b>Share application money pending allotment</b>		-	-
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	797,177,892	944,340,205
(b) Deferred tax liabilities (net)		11,383,080	11,689,350
(c) Other long-term liabilities	4	245,195,342	247,813,105
(d) Long-term provisions		-	-
		1,053,756,314	1,203,842,660
<b>Current liabilities</b>			
(a) Short-term borrowings	5	40,498,116	136,718,749
(b) Trade payables	6		
(A) Total outstanding dues of MSME		-	-
(B) Total outstanding dues of creditors other than MSME		143,112,551	125,136,147
(c) Other current liabilities	7	203,360,076	146,153,947
(d) Short-term provisions	8	6,860,000	6,500,000
		393,830,743	414,508,843
<b>TOTAL</b>		<b>1,906,895,785</b>	<b>2,043,104,356</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property Plant and Equipment			
(i) Tangible assets	9	1,166,496,796	1,269,810,271
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	14,232,448
(iv) Intangible assets under development		-	-
		1,166,496,796	1,284,042,718
(b) Non-current investments		5,881,358	5,881,358
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	10	48,187,516	77,184,989
(e) Other non-current assets		-	-
		1,220,565,670	1,367,109,065
<b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories	11	583,866,547	115,385,214
(c) Trade receivables	12	509,910,320	403,082,498
(d) Cash and cash equivalents	13	19,232,172	29,079,051
(e) Short-term loans and advances	14	98,801,076	128,448,528
(f) Other current assets		-	-
		686,330,115	675,995,291
<b>TOTAL</b>		<b>1,906,895,785</b>	<b>2,043,104,356</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. GauravNahta) Partner (M. No. 116735) Place: Ahmedabad Date: 06/07/2020	Payal Shah Company Secretary	Mahesh Gupta Chief Financial Officer	Gagan Mittal Managing Director DIN 00593377
			RiteshHada Director DIN 01919749
Date: 06/07/2020	Place: Ahmedabad	Place: Ahmedabad	Date: 06/07/2020

UNITED POLYFAB GUJARAT LIMITED  
(CIN - L18109GJ2010PLC062928)  
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH31, 2020

(Amount in ₹)

Particulars	Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>CONTINUING OPERATIONS</b>			
Revenue from operations (gross)	15	2,641,378,361	1,632,131,432
Less: Excise duty		-	-
Revenue from operations (net)		<b>2,641,378,361</b>	<b>1,632,131,432</b>
Other income	16	6,965,604	4,014,780
<b>Total revenue</b>		<b>2,648,343,965</b>	<b>1,636,146,212</b>
<b>Expenses</b>			
a) Cost of materials consumed	17	2,028,522,731	1150,561,461
b) Purchases of stock-in-trade		40,365,359	0
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	32,955,776	-15,010,779
d) Employee benefits expense	19	82,753,937	69,601,777
e) Finance costs	20	68,922,112	81,549,053
f) Depreciation and amortization expense	9	111,374,840	110,252,922
g) Other expenses	21	242,350,709	208,230,190
<b>Total expenses</b>		<b>2,607,245,464</b>	<b>1,605,184,624</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>41,098,501</b>	<b>30,961,588</b>
Exceptional items		-	-
Extraordinary items		-	-
<b>Profit / (Loss) before tax</b>		<b>41,098,501</b>	<b>30,961,588</b>
<b>Tax expense:</b>			
(a) Current tax expense		6,860,000	6,500,000
(b) Deferred tax		-306,270	5,401,566
(c) Add/Less : Excess/Short Provision of Income Tax		-11,105	1,092
<b>Profit / (Loss) for the year</b>		<b>34,555,875</b>	<b>19,058,930</b>
<b>Earnings per equity share of face value of ₹ 10/- each :</b>			
Basic (in ₹)		4.95	2.73
Diluted (in ₹)		4.95	2.73
<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

(CAGauravNahta)  
Partner  
(M. No. 116735)  
Place: Ahmedabad  
Date: 06/07/2020

Payal Shah  
Company Secretary  
Date: 06/07/2020

Mahesh Gupta  
Chief Financial Officer  
Place: Ahmedabad

Gagan Mittal  
Managing Director  
DIN 00593377  
Place: Ahmedabad

RiteshHada  
Director  
DIN 01919749  
Date: 06/07/2020

UNITED POLYFAB GUJARAT LIMITED  
(CIN - L18109GJ2010PLC062928)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020

(Amount in ₹)

PARTICULARS	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Net Profit Before Tax And Extra Ordinary Items	41,098,501	30,961,588
Adjustment For:		
Depreciation	111,374,840	110,252,922
Preliminary Expense	-	41,877
Interest Received	(3,244,457)	(3,017,547)
Fees For Increase In Authorized Share Capital	-	125,000
Loss On Sale Of Assets	491,809	2,302,197
Interest Paid	68,922,112	81,549,053
Operating Profit Before Working Capital Changes	218,642,805	222,215,090
Trade And Other Receivable	(106,827,822)	(235,465,092)
Increase In Long Term Loans And Advances	28,997,473	(30,176,772)
Increase In Short Term Loans And Advances	29,647,452	(6,820,050)
Inventories	56,998,667	(42,679,620)
Trade Payables	17,976,404	94,114,680
Increase In Current Liabilities	57,206,129	3,613,094
Increase In Short Term Borrowings	(96,220,633)	136,718,223
Decrease In Short Term Provisions	360,000	-
Cash In Flow From Operations	206,780,475	141,519,552
Cash In Flow Before Extraordinary Items	206,780,475	141,519,552
Direct Tax Paid	(6,848,895)	(4,053,958)
Extra Ordinary Items (Prior Period Adjustment)		
Net Cash In Flow From Operating Activities	199,931,580	137,465,594
Cash Out Flow From Investing Activities		
Interest Received	3,244,457	3,017,547
Purchases Of Fixed Assets	(48,890,730)	(36,516,735)
Sales Of Fixed Assets	54,570,003	26,096,000
Change In Non-Current Investment	-	(500)
Net Cash Out Flow From Investing Activities	8,923,730	(7,403,688)
Cash In Flow From Financing Activities:		
Interest Paid	(68,922,122)	(81,549,053)
Proceeds Received From New Bond Issued	-	(32,500,000)
Repayment Of Long Term Borrowing	(147,162,313)	(59,218,016)
Increase In Unsecured Loans	(2,617,763)	(82,224,932)
Fees For Increase In Authorised Share Capital	-	(125,000)
Preliminary Exp.	-	-
Increase In Share Capital	-	130,000,000
Increase In Share Premium		
Net Cash In Flow From Financing Activities	(218,702,189)	(125,617,000)
Net Increase In Cash And Cash Equivalent	(9,846,879)	4,444,906
Net Cash And Cash Equivalent (Opening Cash Balance)	29,079,051	24,634,146
Net Cash And Cash Equivalent (Closing Cash Balance)	19,232,171	29,079,051

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

(CAGauravNahta)  
Partner  
(M. No. 116735)  
Place: Ahmedabad  
Date: 06/07/2020

Payal Shah  
Company Secretary  
Date: 06/07/2020

Mahesh Gupta  
Chief Financial Officer  
Place: Ahmedabad

Gagan Mittal  
Managing Director  
DIN 00593377  
Place: Ahmedabad

Ritesh Hada  
Director  
DIN 01919749  
Date: 06/07/2020

## 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, 2020	As at 31 March, 2019
<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	69,83,850
<b>Total Issued, Subscribed and fully paid up shares</b>	<b>69,838,500</b>	<b>69,83,850</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, 2020		As at 31 March, 2019	
	No.	₹	No.	₹
At the beginning of the period	6983850	6,98,38,500	56,83,850	5,68,38,500
Issued during the period	-	-	1300000	1,30,00,000
<b>Outstanding at the end of the period</b>	<b>6983850</b>	<b>69,838,500</b>	<b>6983850</b>	<b>6,98,38,500</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, 2020		As at 31 March, 2019	
	No.	%	No.	%
Gagan Mittal	517550	7.41	517550	7.41
Gagan N. Mittal HUF	553000	7.92	553000	7.92
Nirmal Mittal	721000	10.32	721000	10.32
Amrapali Capital and Financial Services Limited	450000	6.44	450000	6.44
AmrapaliFincap Limited	450000	6.44	450000	6.44
Shree Siddhi Infrabuildcon LLP	400000	5.73	400000	5.73
AmaySpincotPvt. Ltd.	738000	10.57	93000	1.33
Amaysha Textiles Pvt. Ltd.	585000	8.38	6000	0.09
KishanSohanlalSafaria	502000	7.19	2000	0.02
Others	2067300	29.59	3791300	54.29
<b>Total</b>	<b>6983850</b>	<b>100.00</b>	<b>6983850</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, 2020	As at 31 March, 2019
<b>Securities Premium Account</b>		
Balance as per last financial statement	296,880,500	179,880,500
Add: Premium on shares issued during the year	0	117,000,000
<b>Closing Balance</b>	<b>296,880,500</b>	<b>296,880,500</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	58,033,842	38,974,912
Profit for the year	34,555,875	19,058,930
<b>Closing Balance</b>	<b>92,589,717</b>	<b>58,033,842</b>
<b>Total</b>	<b>389,470,228</b>	<b>354,914,353</b>

**Note 3 : Long-term Borrowing**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured</b>		
SBI Term Loan	559,668,883	638,063,623
OBC Term Loan	249,146,632	270,125,000
Union Bank of India (Hong Kong) Buyer Credit	-	-
Indian Bank Term Loan	134,742,925	142,327,961
HDFC Bank (Car Loan, secured by hypothecation of car)	2,351,816	2,388,400
Yes Bank (Car Loan, secured by hypothecation of car)	272,872	545,262
	<b>946,183,128</b>	<b>1,053,450,246</b>
Less:Current Maturity of Term Loan	149,005,236	109,110,041
<b>Total</b>	<b>797,177,892</b>	<b>944,340,205</b>

1. Term Loan from State Bank of India carries interest rate of 3.45% above Base Rate. The loan is Primarily secured by Hypothecation of machineries purchased out of bank finance. Further as a Colateral security Extension of Equitable Mortgage charge over factory land & building situated at survey No. 238 & 239, Shahwadi, Opp. PiranaOctroi Naka, Narol Highway, Ahmedabad which is owned by the M/s United PolyfabPvt.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 ShriGagan Mittal, ShriRiteshHada, Mrs.Shilpa Mittal, Mrs.NeetiHada and also Corporate Guarantee of M/s United PolyfabPvt. Ltd.
2. Term Loan from Oriental Bank of Commerce carries interest rate of 3.75% above Base Rate. The loan is Primarily secured by Hypothecation of entire machineries, Electrical Installations, Furniture &Fixures, Office Equipments& other Movable Fixed Assets Standing in the Company (Spinning Division-Existing & Future) with State Bank of India. Further as a Equitable Mortgage charge over Factory Land & Building situated at survey No. 188, Village-Tamba, Taluka-Daskroi, Ahmedabad with State Bank of India. Further, the loan has been guaranteed by Personal guarantee of ShriGagan Mittal, ShriRiteshHada, Mrs.Shilpa Mittal, Mrs.NeetiHada, Mr.NiteshHada and also Corporate Guarantee of M/s United PolyfabPvt. Ltd.
3. Term Loan from State Bank of India, Oriental Bank of Commerce and Indian Bank carries interest rate of 11.00 %, 11.00% and 11.15% respectively. The loan is primarily secured by Paripassu first charge by way of EM over factory Land and Builidng located at survey no. 188 (west), village Timba, MoujeDascroi, Ahmedabad owened by United TechfabPvt. 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 person guarantee ShriGagan Mittal, ShriRiteshHada, Mrs.Shilpa Mittal, Mrs.NeetiHada and Mr.NileshHada and also corporate gurantee of M/s United PolyfabPvt. Ltd. and M/s United TechfabPvt. Ltd. It is further stated that term loan from Indian Bank received in USD and payment of the same also made in USD only.

Installments falling due in respect of all the above term loans upto 31.03.2021 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, 2020	As at 31 March, 2019
<b>Loan From :</b>		
Directors	8,402,611	18,366,001
Directors' Relative	35,099,403	40,532,408
Inter Corporate Deposit	196,693,328	188,914,696
Others	5000000	5000000
<b>Total</b>	<b>245,195,342</b>	<b>247,813,105</b>

**Note 5 : Short-term Borrowing**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Secured</b>		
SBI Cash Credit Ac No-37440324769 (Spinning)	4,722,375	30,132,645
Indian Bank CC Ac-No-6652533488	30,410,098	60,474,248
OBC Bank Cash Credit Ac No-01204011001851	5,365,642	46,111,856
<b>Total</b>	<b>40,498,116</b>	<b>136,718,749</b>

**Note 6 : Trade Payables**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade Payables		
Total outstanding dues of MSME	-	-
Total outstanding dues of creditors other than MSME	143,112,551	125,136,147
<b>Total</b>	<b>143,112,551</b>	<b>125,136,147</b>

**Note 7 : Other Current Liabilities**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current Maturities of Long term Borrowing	149,005,236	109,110,041
Statutory Dues	2,234,566	2,297,011
Payables for Purchase of Fixed Assets	2,504,076	2,955,140
Payables for expenses	49,616,198	31,791,756
<b>Total</b>	<b>203,360,076</b>	<b>146,153,948</b>

**Note 8 : Short Term Provisions**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for Income Tax	6,860,000	6,500,000
<b>Total</b>	<b>68,60,000</b>	<b>6,500,000</b>

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

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Fixed Deposits with State Bank of India held as Security by Govt. Departments & Other Authorities	12,528,626	42,816,300
Interest Accrued on Fixed Deposit	-	5,408,205
Fixed Deposits with Oriental Bank of Commerce	32,239,145	25,739,000
Fixed Deposits with Indian Bank	3,419,745	3,221,484
<b>Total</b>	<b>48,187,516</b>	<b>77,184,989</b>

**Note 11 : Inventories**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Raw Material	19,788,316	43,636,944
Store & Spare	189,600	332,700
Work in Progress	12,238,377	37,427,528
Work - in - progress (Job)	0	33,258
Work - in - progress (Yarn)	0	1,049,033
Finished Goods	21,700,250	29,879,502
Cotton Waste (Spinning)	3,701,559	2,206,641
Packing Material	768,445	819,608
<b>Total</b>	<b>58,386,547</b>	<b>43,636,944</b>

**Note 12 : Trader Receivables**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	71,900,093	6,332,117
Unsecured considered good		
Other Trade receivables	502,720,227	396,750,380
<b>Total</b>	<b>509,910,320</b>	<b>403,082,497</b>



Note 9 : Fixed Assets

(Amount in ₹)

Name of the Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01/04/2019	Addition	Capital Subsidy	Deduction	Total as on 31/03/2020	As on 01/04/2019	For the Year	Adjusted	Total as on 31/03/2020	As on 31/03/2020	As on 31/03/2019
Factory Land	6,299,981	0	0	0	6,299,981	0	0	0	0	6,299,981	6,299,981
Plant & Machinery	1,252,349,297	32,810,639	10,357,779	118,447,708	1,156,354,449	225,922,207	100,251,631	63,385,896	262,787,942	893,566,507	1,026,427,090
Factory Building	205,481,546	26,530,126	0	0	232,011,672	10,228,530	6,860,633	0	17,089,163	214,922,509	195,253,016
Electric Installation	35,272,047	12,436,178	0	0	47,708,225	3,408,542	2,737,286	0	6,145,828	41,562,397	31,863,505
Air Condition	812,714	0	0	0	812,714	131,801	77,418	0	209,219	603,495	680,913
CC TV Camera	499,234	0	0	0	499,233.5	93,745	158,524	0	252,269	246,965	405,489
Computer & Printers	339,585	13,762	0	0	35,3347	188,335	108,544	0	296,879	56,468	151,250
Furniture & Fixtures	30,344,467	541,091	0	0	3,575,558	582,688	311,231	0	893,919	2,681,639	2,451,779
Fire Safety System & Equipments	712,065	0	0	0	712,065.08	63,886	45,210	0	109,096	602,969	648,179
Water Cooler	200,522	0	0	0	200,522	62,936	38,204	0	101,140	99,382	137,586
Vehicles	5,712,293	1,133,157	0	0	6,845,450	791,483	711,952	0	1,503,435	5,342,015	4,920,810
Weight Scale	468,192	16,000	0	0	484,192	55,396	30,402	0	85,798	398,394	4,127,966
Office Equipments	186,187	0	0	0	186,187	28,310	43,802	0	72,112	114,075	157,877
<b>TOTAL (A)</b>	<b>1,511,368,130</b>	<b>73,480,953</b>	<b>10,357,779</b>	<b>118,447,708</b>	<b>1,456,043,596</b>	<b>241,557,859</b>	<b>111,374,840</b>	<b>63,385,896</b>	<b>289,546,800</b>	<b>1,166,496,796</b>	<b>1,269,810,271</b>
<b>Work - in - Progress</b>											
Factory Building	11,429,659	2,759,495	0	14,189,154	0	0	0	0	0	0	11,429,659
Electric Installation	2,575,968	5,160,210	0	7,736,178	0	0	0	0	0	0	2,575,968
Furniture & Fixture	226,821	211,170	0	437,991	0	0	0	0	0	0	226,821
<b>TOTAL (B)</b>	<b>14,232,448</b>	<b>8,130,875</b>	<b>0</b>	<b>22,363,323</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,232,448</b>
<b>Total (A+B)</b>	<b>1,525,600,578</b>	<b>81,611,828</b>	<b>10,357,779</b>	<b>140,811,031</b>	<b>1,456,043,596</b>	<b>241,557,859</b>	<b>111,374,840</b>	<b>63,385,896</b>	<b>289,546,800</b>	<b>1,166,496,796</b>	<b>1,284,042,719</b>
<b>Total Previous Year</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>110,252,921</b>	<b>26,977,853</b>	<b>241,557,859</b>	<b>1,284,042,719</b>	<b>1,386,177,102</b>

**Note 13 : Cash and Bank Balance**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Balance with Banks</b>		
State Bank Of India C.C.AC-6997	19,019,295	28,571,325
SBI Current Ac No-31531345930	72,836	52,955
OBC Bank Current A/C-No-01201131006056	66,356	66,425
Indian Bank-Current Ac No-6517861392	14,770	27,833
<b>Cash on Hand</b>	<b>58,914</b>	<b>360,512</b>
<b>Total</b>	<b>19,232,171</b>	<b>29,079,051</b>

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

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Deposit for Land & Building	16,000	16,000
Subsidy Receivable	21,639,369	26,213,941
Balance with Statutory / Govt. Authority (TDS)	1,277,659	1,583,512
Other Loans & Advances(Unsecured but considered Good)	75,868,048	100,635,075
<b>Total</b>	<b>98,801,076</b>	<b>128,448,528</b>

**Note 15 : Revenue From Operations**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Revenue from operations</b>		
<b>Sales of Products</b>		
Sales (Grey/Dyed) (Net of Returns)	40,502,658	1,736,448
Yarn Sales	2,447,964,364	1,463,394,587
Cotton Waste-Sales	132,361,664	109,177,391
<b>Sale of Services</b>		
Job Sales	20,549,675	57,823,006
<b>Revenue from Operations (Gross)</b>	<b>2,641,378,361</b>	<b>1,632,131,432</b>
Less: Excise Duty		-
<b>Revenue from Operations (Net)</b>	<b>2,641,378,361</b>	<b>1,632,131,432</b>

**Note 16 : Other Income**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest income on		
Bank Deposit	3,244,457	3,017,547
Insurance Claim	0	758,524
Rent Income	396,946	222,930
Speculation Profit	1,194,127	-
VAT Refund	2,130,074	-
Round / Off	-	2,887
Sundry Balance W/Off	-	12,892
<b>Total</b>	<b>6,965,604</b>	<b>4,014,780</b>

**Note 17 : Cost of raw material and components consumed**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
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Inventory at the beginning of the year	43,636,944	16,182,662
Add.: Purchase	2,004,674,103	1,178,015,743
Less: inventory at the end of the year	19,788,316	43,636,944
<b>Cost of raw material and components consumed</b>	<b>2,028,522,731</b>	<b>1,150,561,461</b>
<b>Details of Raw Materials Consumed</b>		
Cotton & Synthetic Yarn	2,028,522,731	1,150,561,461
<b>Total</b>	<b>2,028,522,731</b>	<b>1,150,561,461</b>

**Note 18 : (Increase) / decrease in inventories**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Inventories at the end of the year</b>		
Finished Goods	21,700,250	29,879,502
Work-in-Progress	12,238,377	37,427,528
Job Stock (Semi Finished)	0	33,258
Work-in-Progress (Yarn)	0	1,049,033
Cotton Waste (Spinning)	37,01,559	2,206,641
<b>Total</b>	<b>37,640,186</b>	<b>70,595,962</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	29,879,502	19,595,598
Work-in-Progress	38,476,561	33,163,894
Job Stock (Semi Finished)	32,258	-
Cotton Waste (Spinning)	22,06,641	2,825,691
<b>Total</b>	<b>70,595,962</b>	<b>55,585,183</b>
<b>Net (Increase)/decrease</b>	<b>32,955,776</b>	<b>(15,010,779)</b>

**Note 19 : Employee Benefit Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Salary, Wages, Allowances & Bonus	79,079,487	65,559,796
Staff Welfare	2,174,450	2,541,981
Director Remuneration	1,500,000	1,500,000
<b>Total</b>	<b>82,753,937</b>	<b>69,601,777</b>

**Note 20 : Finance Costs**

(Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Bank Charges	3,488,475	4,020,489
Interest Paid (Net of Interest subsidy)	47,341,566	59,563,235
Interest Paid on Unsecured Loan (Net of Interest Income)	17,848,362	17,733,351
Interest on Vehicle Loan	243,710	231,977
<b>Total</b>	<b>68,922,112</b>	<b>81,549,053</b>

(Amount in ₹)

**Note 21 : Other Expenses**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Manufacturing Expenses</b>		
Cartage Exps.	3,007,766	3,166,273
Drawing & Design Exp	515,802	633,376
Electricity Exps. (Net off Subsidy)	166,489,974	157,743,951
Insurance Exps.	1,423,510	756,097
Loading & Unloading Exps.	329,653	402,013
Repairs & Maintenance - Machinery	551,884	479,936
Repairs & Maintenance - Building & Others	2,559,689	797,005
Labour / Contractor Charges	3,479,900	2,170,575
Folding, Packing & Testing Charges	29,382,641	22,388,358
Stores & Spares Consumption	10,682,850	6,266,795
<b>Sub Total A</b>	<b>218,423,669</b>	<b>194,804,380</b>
<b>Administrative Expenses</b>		
Audit Fee	150,000	150,000
Angadia& Courier Exps.	24,561	53,613
Advertisement Exp	35,690	34,254
Conveyance & Petrol Exps.	92,341	105,388
Commission & Brokerage	13,194,461	4,078,496
Donation	0	11,000
Fire Safety Systems Exp	8,250	19,625
GST Penalty	0	71,158
Expenses for Increase in Authorise Share Capital	-	-
Insurance Claim Short Received	-	-
Insurance Charges (Marine)	-	-
Interest on Late Payment (GST)	73,544	8,600
Interest on Late Payment (TDS/TCS)	4,627	27,129
Interest on Late Payment (VAT)	0	365,000
Loss on Sale of Assets	491,809	2,302,197
Legal Professional & Consultancy Exps	1,835,930	503,505
Membership Fees & Subscription	123,266	69,253
Municipal Tax-Sumel	35,048	31,689
Office Factory Exps.	203,091	253,922
Preliminary Expenses W/Off	0	41,877
Printing & Stationery	210,599	235,724
Pollution Expenses	0	8,500
Puja Expenses	67,190	54,072
Telephone/Mobile/internet Exps.	55,621	26,098
Sumel Shop-Maintanance Charges	-	-
Rent,Rates& Taxes	1,083,000	1,240,000

Particulars	As at 31 March, 2020	As at 31 March, 2019
Stamp charges	0	1,020
Timba Gram Panchyat Tax	15,146	7,572
Traveling Exps.	425,871	109,296
Sales Promotion Exp	371,295	312,616
Transporation Exp. for F.G.	4,384,310	2,802,471
Vat Reduction on CST SALES	539,490	-
I. P. O. Exp. (W/off)	501,735	501,735
Round off	165	-
<b>Sub Total B</b>	<b>23,927,040</b>	<b>13,425,810</b>
<b>Grand Total</b>	<b>242,350,709</b>	<b>208,230,190</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, 2020	As at 31 March, 2019
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, 2020	As at 31 March, 2019
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, 2020	As at 31 March, 2019
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 Infracore 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	430,618,987.8
Purchase & Other Exps.	Nil	Nil	9,881,914.8
Remuneration	Nil	2,700,000	Nil
Purchase of Assets	Nil	Nil	Nil
Loan Received	Nil	Nil	Nil
Loan Paid	Nil	19,400,000	Nil
Interest Recd.	Nil	Nil	Nil
Interest Paid	Nil	4,448,451	13,593,176
Rent Paid	Nil	NIL	108,000
Investment in Equity	Nil	NIL	NIL
Balance outstanding Dr./Cr. (Net)	Nil	43,692,304 (CR)	167,938,076 (CR)

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, 2020	As at 31 March, 2019
Major Components of deferred tax are:		
Deferred Tax Liability	11,383,080	11,689,350
Depreciation		
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961		
Deferred Tax Liability (Net)	11,383,080	11,689,350

31. The Profit and Loss Account includes: (Amount in ₹)

Particulars	As at 31 March, 2020	As at 31 March, 2019
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, 2020.

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 using that. During the year under consideration all manufacturing activity of unit one is closed and few machinery have been sold and other machinery transfer to unit two. In the second unit company running spinning unit, In that company uses cotton & Manufactured 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.

35. The COVID - 19 pandemic is rapidly spreading across the world as well as in India and had caused nationwide shutdown. The company has resumed its business activities in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business and believes that the impact is not material in nature. As informed to us the management does not see any medium to long term risks in the company's ability to continue as going concern and meeting its liabilities as and when they fall due.

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. GauravNahta)  
Partner  
(M. No. 116735)  
Place: Ahmedabad

Payal Shah  
Company Secretary

Date: 06/07/2020

Mahesh Gupta  
Chief Financial Officer

Place: Ahmedabad

Gagan Mittal  
Managing Director  
DIN 00593377

Place: Ahmedabad

RiteshHada  
Director  
DIN 01919749

Date: 06/07/2020

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of United Polyfab Gujarat Limited will be held on Saturday, September 26, 2020 at 12:30 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2020 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.**

Appointment of M/s. Rajiv Shah & Associates, Chartered Accountants (Firm Registration No. 108554W) as Statutory Auditor of the Company to hold office as such from the conclusion of 10<sup>th</sup> (Tenth) Annual General Meeting till the conclusion of 12<sup>th</sup> (Twelfth) Annual General Meeting of the Company and to authorize the Board of Directors to fix their fees in consultation with the Auditor: **Explanation:** Under Section 139 of the Companies Act, 2013 ('the Act') and the Rules made there under, every Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. Further, section also provides for rotation of the statutory auditors on completion of the maximum term permitted under the said section.

The Company has received written consent from M/s. Rajiv Shah & Associates, Chartered Accountants Ahmedabad (Firm Registration No. 108554W) and also received certificate to the effect that they are eligible and qualified to be appointed as such and have not incurred any disqualification cited under Section 141(3) of the act.

In line with the requirements of the Act, the Audit Committee has proposed and the Board of Directors has recommended the appointment of M/s. Rajiv Shah & Associates, Chartered Accountants (Firm Registration No. 108554W) as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of 10<sup>th</sup> (Tenth) Annual General Meeting till the conclusion of 12<sup>th</sup> (Twelfth) Annual General Meeting of the Company to be held in the calendar year 2022.

Accordingly, the appointment of Rajiv Shah & Associates, Chartered Accountants (Firm Registration No. 108554W) is being placed before the shareholders for their approval by way of an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 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), Rajiv Shah & Associates, Chartered Accountants (Firm Registration No. 108554W) be and are hereby appointed as Statutory Auditors of the Company for a term of 2 (five) consecutive years i.e. from the conclusion of 10<sup>th</sup> (Tenth) Annual General Meeting till the conclusion of 12<sup>th</sup> (Twelfth) Annual General Meeting of the Company to be held in the calendar year 2022 at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee in consultation with the Statutory Auditor.

**"RESOLVED FURTHER THAT** any Director of the Company or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do all such acts deeds things matters and to execute all such documents as may be required to give effect to this Resolution."

#### SPECIAL BUSINESSES:

##### **Item No. 4 - Re-appointment of Mr.Gagan Mittal (DIN:00593377) as a 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 and other applicable Regulations of SEBI (LODR) Regulations, 2015 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" which term shall include Nomination & Remuneration Committee of the Board), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Gagan Mittal (DIN:00593377) as a Chairman and Managing Director for further period of five (5) years from with effect from October 01, 2020, liable to retire by rotation and on such terms and conditions including salary and perquisites (hereinafter referred to as "remuneration") as set out in the explanatory statement annexed to this notice with the power to the board 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 and 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 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, from time to time and to undertake all such steps, as may be deemed necessary in this matter."

**RESOLVED FURTHER THAT** in terms of Section 190 of the Companies Act, 2013, no formal contract of service with Mr.Gagan Mittal (DIN:00593377) will be executed and this resolution along with its explanatory statement be considered as Memorandum setting out terms and conditions of appointment and remuneration of Mr. Gagan Mittal (DIN:00593377) as Chairman and Managing Director.



**RESOLVED FURTHER THAT** the 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 (Gujarat), and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

**Item No. 5 - Ratification of Remuneration to Cost Auditor payable for the financial year 2020-21:**

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 2020-21 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 2020-21, 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.”

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

Place: Ahmedabad  
Date: September 1, 2020

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

**IMPORTANT NOTES**

1. In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 22/2020 dated June 15, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 10<sup>th</sup> Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 13 and available at the Company's website [www.upgl.in](http://www.upgl.in). The deemed venue for the AGM shall be the Registered Office of the Company.
2. Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard II is annexed hereto.
3. Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [krishivadvisory@gmail.com](mailto:krishivadvisory@gmail.com) with copies marked to the Company at [info@unitedpolyfab.com](mailto:info@unitedpolyfab.com) and to National Securities Depository Limited (NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at [www.upgl.in](http://www.upgl.in). The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. www.shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted, by following the procedure given below:
  - (a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@unitedpolyfab.com](mailto:info@unitedpolyfab.com).
  - (b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [info@unitedpolyfab.com](mailto:info@unitedpolyfab.com).
  - (c) Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.

It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants and in respect of physical holdings with the Company's Registrar and 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](mailto:service@satellitecorporate.com) by following the due procedure.

- (d) Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, **Satellite Corporate Services Private Limited** to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
9. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker, are requested to write to the Company mentioning their name demat account number/folio number, email id, mobile number at [info@unitedpolyfab.com](mailto:info@unitedpolyfab.com) on or before September 21, 2020 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
- 13. PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
  - There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, September 21, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
  - A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, September 21, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
  - The remote e-voting will commence on 9:00 A.M. on Wednesday, September 23, 2020 and will end on 5:00 P.M. on Friday, September 25, 2020. During this period, the members of the Company holding shares as on the Cut-off date i.e. Monday, September 21, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
  - Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
  - The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Monday, September 21, 2020.
  - The Company has appointed CS Anand S Lavingia, Practicing Company Secretary (Membership No. ACS: 26458; CP No: 11410), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

#### **INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING**

The remote e-voting period begins on 9:00 A.M. on Wednesday, September 23, 2020 and will end on 5:00 P.M. on Friday, September 25, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1. Log-in to NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**

**Step 2. Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
- Your User ID details are given below:

<b>Manner of holding shares i.e. Demat</b>	<b>Your User ID is:</b>
--	-------------------------

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

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@unitedpolyfab.com](mailto:info@unitedpolyfab.com) mentioning your demat account number/folio number, your PAN, your name and your registered address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### **Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to [krishivadvisory@gmail.com](mailto:krishivadvisory@gmail.com) with copies marked to the Company at [info@unitedpolyfab.com](mailto:info@unitedpolyfab.com) and to National Securities Depository Limited (NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING:**

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

#### **CONTACT DETAILS**

<b>Company</b>	<b>United Polyfab Gujarat Limited</b> 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: <a href="mailto:info@unitedpolyfab.com">info@unitedpolyfab.com</a> Website : <a href="http://www.upgl.in">www.upgl.in</a>
<b>Registrar and Transfer Agent</b>	<b>Satellite Corporate Services Private Limited</b> Unit No. 2, Building No. 13 A-B, 2 <sup>nd</sup> Floor, Samhita Commercial Co-Op. Soc. Limited, Off. AndheriKurla Road, MTNL Lane, Sakinaka, Mumbai-400072 E-Mail ID : <a href="mailto:service@satellitecorporate.com">service@satellitecorporate.com</a> Contact No. : 022 2852046
<b>e-Voting Agency&amp; VC / OAVM</b>	Email: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> NSDL help desk 1800-222-990
<b>Scrutinizer</b>	<b>Mr. Anand S Lavingia</b> Email: <a href="mailto:krishivadvisory@gmail.com">krishivadvisory@gmail.com</a> ; TelNo.: +91 79 - 4005 1702

#### **INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [info@unitedpolyfab.com](mailto:info@unitedpolyfab.com). The same will be replied by the company suitably.

#### **EXPLANATORY STATEMENT**

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

##### **Item No. 4 - Re-appointment of Mr. Gagan Mittal (DIN:00593377) as a Chairman and Managing Director of the Company:**

The Board of Directors of the company ("the board") at its meeting held on December 24, 2015 had appointed Mr. Gagan Mittal (DIN: 00593377) as a 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.

Later on 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 with effect from January 16, 2019 and was duly approved by the shareholders in the previous (i.e. 9<sup>th</sup> Annual General Meeting) held on September 30<sup>th</sup>, 2019.

Although the term of Mr. Gagan Mittal (DIN: 00593377) as Chairman and Managing Director of company expires on January 15, 2021, Board of Directors of the company at its meeting held on September 1, 2020, has, subject to the approval of members, re-appointed Mr. Gagan Mittal (DIN: 00593377) as a Chairman and Managing Director for a further period of five (5) years w.e.f. October 1, 2020, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

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.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Gagan Mittal (DIN: 00593377) as a Chairman and Managing Director in terms of the applicable provisions of the Act.

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, 203 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) and other applicable Regulations of SEBI (LODR) Regulations, 2015, the re-appointment of and remuneration payable to Mr. Gagan Mittal (DIN: 00593377) as Chairman and Managing Director is now being placed before the Members for their approval by way of Special Resolution.

**Terms and Conditions along with brief details of director seeking re-appointment at the annual General Meeting:**

**Disclosure as required under Schedule V of the Companies Act, 2013**

**General Information**

**Nature of Industry:**

Company is engaged in the business of Fabrics Manufacturing and Spinning & Weaving of Yarn.

**Date 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:**

(Amount in ₹)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Income from Operations	2,64,13,78,361	1,63,21,31,432
Other Income	69,65,604	40,14,780
<b>Total Revenue</b>	<b>2,64,83,43,965</b>	<b>1,63,61,46,212</b>
Less: Total Expenses (excluding Depreciation & Interest)	2,42,69,48,512	1,41,33,82,650
<b>Operating Profits (PBDIT)</b>	<b>22,13,95,453</b>	<b>22,27,63,562</b>
Less: Finance Cost	6,89,22,112	8,15,49,053
Less: Depreciation	11,13,74,840	11,02,52,922
<b>Profit Before Tax</b>	<b>4,10,98,501</b>	<b>3,09,61,588</b>
Less: Taxes	65,42,625	1,19,02,658
<b>Net Profit after Tax</b>	<b>3,45,55,875</b>	<b>1,90,58,930</b>

**Export performance and net foreign exchange:** During the year under review, the company does not have any export performance and net foreign exchange earnings.

**Foreign Investment and collaborations, if any:** Not Applicable.

**Information about the Whole-Time Director:**

**Background Details:** Mr. Gagan Mittal aged 37 Years is a promoter of the Company. He has cleared the Higher Secondary examination from Gujarat. He has been into Textile business since last thirteen years. He looks after day to day operations including manufacturing, management and finance of the company. He was appointed as chairman and managing director 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. Later on 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 with effect from January 16, 2019 and was duly approved by the shareholders in the previous (i.e. 9<sup>th</sup> Annual General Meeting) held on September 30<sup>th</sup>, 2019.

Although the term of Mr. Gagan Mittal (DIN: 00593377) as Chairman and Managing Director of company expires on January 15, 2021, Board of Directors of the company at its meeting held on September 1, 2020, has, subject to the approval of members, re-appointed Mr. Gagan Mittal (DIN: 00593377) as a Chairman and Managing Director for a further period of five (5) years w.e.f. October 1, 2020, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the board and approved by the board.

**Past Remuneration:** As per revision in remuneration approved in the previous 9<sup>th</sup> AGM held on September 30<sup>th</sup>, 2019:

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.

In the financial year 2019-20, Mr. Gagan Mittal was paid total remuneration of ₹ 1,500,000 /- per annum to Mr. Gagan Mittal as Chairman and Managing Director.

**Recognition of Award:** None

**Job Profile and his suitability:** Mr. Gagan Mittal aged 37 Years is a promoter of the Company. He has cleared the Higher Secondary examination from Gujarat. He has been into Textile business since last thirteen years. He looks after day to day operations including manufacturing, management and finance of the company. He was appointed as chairman and managing director 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. Later on 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 with effect from January 16, 2019 and was duly approved by the shareholders in the previous (i.e. 9<sup>th</sup> Annual General Meeting) held on September 30<sup>th</sup>, 2019.

**Remuneration Proposed:** Same as approved by the shareholders in the previous (i.e. 9<sup>th</sup> Annual General Meeting) held on September 30<sup>th</sup> 2019:

1. Basic Salary up to ₹ 30,00,000/- per annum (2,50,000 per month) 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:**

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 managerial personnel:**

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 **Re-appointment of Mr. Gagan Mittal (DIN:00593377) as a Chairman and Managing Director of the Company** are now being placed before the Members for their approval. Further, remuneration proposed above shall be valid for a period of 5 years w.e.f. October 1, 2020 until revised further.

Mr. Gagan Mittal for the 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. 4 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.

**Other Information:**

**Reasons for loss or inadequate profit:**

Company has not incurred any loss in the preceding financial year. Further, due to increase in overall expenditure, Company has not earned adequate profit during the financial year 201-20.

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

Company has commenced the full fledge production in Unit II at Timba for cotton & Manufactured of Yarn. So, taking in to consideration the above mentioned events, it is expected that the performance of the company will accordingly improve as compared to the current situation.

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

The company expects a significant increase in turnover as well as the profitability on accounts of the steps mentioned above.

**Item No. 5 Ratification of Remuneration to Cost Auditor payable for the financial year 2020-21:**

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, 2021 at a remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand Only) per annum, as applicable, at its meeting held on September 1, 2020.

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, 2021.

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.

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

Gagan Mittal  
Chairman and Managing Director  
DIN 00593377

Place: Ahmedabad  
Date: September 1, 2020

**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:**

<b>Name</b>	<b>Mr. Ritesh Hada</b>	<b>Mr. Gagan Mittal</b>
<b>Date of Birth</b>	October 26, 1980	February 6, 1982
<b>Qualification</b>	Master of Arts in Market Administration	H.S.C.
<b>Experience - Expertise in specific functional areas - Job profile and suitability</b>	having more than 11 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 thirteen years. He looks after day to day operations including manufacturing, management and finance of the company
<b>No. of Shares held as on March 31, 2020</b>	2500 Equity Shares	517550 Equity Shares
<b>Terms &amp; Conditions</b>	Liabe to retire by rotation	5 years w.e.f. October 1, 2020 and liable to retire by Rotation.
<b>Remuneration Last Drawn</b>	Not Applicable	₹ 15,00,000/- per annum for F.Y. 2019-20. As per revision terms in the previous AGM (9 <sup>th</sup> AGM) held on September 30, 2019 was ₹ 30,00,000/- payable per annum.
<b>Remuneration sought to be paid</b>	Not Applicable	₹ 3,00,000/- per annum (2,50,000 per month) excluding perquisite mentioned in the explanatory statement given above.
<b>Number of Board Meetings attended during the Financial Year 2019-20</b>	9 out of 9	9 out of 9
<b>Date of Original Appointment</b>	November 16, 2010	November 16, 2010
<b>Date of Appointment in current terms</b>	November 16, 2010	October 1, 2020
<b>Directorships held in other public companies including deemed public companies and excluding our Company, Section 8 Companies, Struck off Companies and LLPs.</b>	Omega Realty Limited	Vinod Denim Limited
<b>Memberships / Chairmanships of committees of public companies*</b>	Membership - Nil Chairmanship - Nil	Membership - 2 Committees Chairmanship - Nil
<b>Inter-se Relationship with other Directors.</b>	No Relation	No Relation

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