

# GUJARAT COMPOSITE LIMITED

Regd. Office: 14, Netaji Subhas Road, Kolkata- 700 001  
CIN:L24121WB1982PLC035015

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors hereby present the 38th Annual Report and Audited financial statement for the year ended 31<sup>st</sup> March 2021.

### Financial Performance

The Company's financial performance for the year ended 31st March, 2021 is summarized below:

Particulars	(Rs. in lacs)	
	As on 31.03.2021	As on 31.03.2020
Total Revenue	58.48	24.75
Profit /(Loss) Before Tax	(20.50)	(44.61)
Profit /(Loss) After Tax	(20.50)	(44.61)

### Financial Performance

During the financial year under review, total revenue increases from Rs. 58.48 lacs to Rs.24.75 lacs. The net loss for the financial year stood at Rs. 20.50lacs as compared to the net loss of Rs.44.61 lacs in the previous financial year.

### Dividend

The Board of Directors regrets their inability to recommend any dividend for the financial year under report.

### Meetings :

Four meetings of the Board of Directors were held during the financial year held on 11.06.2019, 14.09.2019, 07.12.2019 & 01.03.2020.

### Management Discussion and Analysis Report :

The licensing agreement for Fibre Products Division and Ahmedabad Cement Mill has expired on 7<sup>th</sup> April, 2012 and has not been renewed. The erstwhile licensees i.e. Apurva Vinimay Pvt. Ltd. And A. Infrastructure Limited have been running the units and have not given possession of the same date. There are disputes with the parties on accounting matters and Internal Audit Report which is being pursued, so that the matter is resolved. The Profit & Loss Accruing post licensing period shall be the accounts of licensees ; however, some compensation to this effect is being negotiated for post licensing period.

#### Rilaxon – Coir & Felt Division –

The production of Coir & Felt Division during the period under review was NIL. As against NIL whereas the sales was Rs. NIL compared to Rs. NIL of the previous period under report.

The company envisages to resume production with infusion of working capital amidst other arrangement. The company has declared Suspension of Work.

#### Shree Ram Silk – Synthetics Fabrics Division

The unit is under closure.

#### Future Prospect :

Efforts are on to take the possession of the Ahmedabad Units from erstwhile licensees. Efforts are being made to restart the production at the Coir & Felt Division.

#### Change in the nature of business, if any

There is no change in the nature of the business of the Company.

#### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the financial year under report.

#### Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2021 and the date of this Report of the Directors.

#### Subsidiary / Joint Ventures / Associates

Your Company has no Subsidiary/Joint ventures/Associates company.

#### Internal Financial Control

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances.

#### Share Capital

The equity share capital of the Company as on 31<sup>st</sup> March, 2021 was Rs, 4,92,10,200/-. During the year under review, your Company has not issued any shares or any convertible instruments.

### Risk Management

The Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

### Board of Directors

Mr. Nand Kishore Bangur has been re-stated as director of the company.

The Board very sorry to inform that Mr. Surya Narayan Pandey, Director, have passed away in July, 2021. Mr. Arvind Kocher, Director retire by rotation and being eligible offers himself for re-appointment.

### Annual General Meeting :

The Annual General Meeting will be held on 30.09.2021

### Contracts and Arrangements with Related Party

There were no related party transactions during the financial year under review.

### Loans, guarantees and investments

The particulars of loans guarantees and investments made in securities under section 186 of the Companies Act, 2013 read with the Companies Rules, 2014 has been provided in the financial statements of the Company.

### Extract of the Annual Return

The extract of the Annual Return in Form No. MGT – 9 is enclosed as Annexure - 1 and forms part of this Report.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2018.

#### **M. CONSERVATION OF ENERGY**

(q) Energy Conservation measures taken	NIL
(r) Additional Investments and proposals if any, being Implemented for reduction of consumption of energy	NIL
(s) Impact of the measures at (a) & (b) above for reduction Of energy consumption and consequent impart on The cost of production of goods	NIL
(t) Total energy consumption of energy consumption per Unit of production	Form "A"

#### **N. TECHNOLOGY ABSORPTION**

IX) Research & Development ( R & D)	
17. Specific areas in which R&D carried out by the Company	NIL
18. Benefits derived as a result of the above R & D	N.A

### Deposits

The Company has an aggregate amount of Rs. 1,04,000/- (Previous Year Rs. 1.04 lacs) as Fixed Deposit from Public as on 31.03.2021

### Auditors and Auditors Qualifications

M/s. Arun Jain & Associates, Chartered Accountants, Statutory Auditors of the Company, be and are hereby appointed to hold office from the conclusion of this Annual General Meeting until the conclusion of 38th Annual General Meeting on a remuneration as be determined by the Board of Directors of the company in consultation with the said Auditor and further subject to ratification of their appointment every year.

### Listing

The company's shares are listed at Calcutta Stock Exchange. The Stock Exchange is not operating, hence, usual listing fees kept pending. Presently the company's listing is under Suspension.

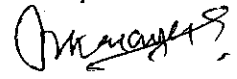
### Acknowledgement

Your Directors wish to place on record their appreciation of assistance and co-operation received from bankers, lenders, suppliers, customers, Government authorities, employees & other stake holders.

Place: Kolkata  
Date: 23.08.2021

  
Nand Kishore Bangur  
Director  
(Din: 00570773)

On behalf of the Board of Directors  
For Gujarat Composite Limited

  
Bijay Kumar Majeji  
Director  
(Din: 00543975)

**Arun Jain & Associates**

CHARTERED ACCOUNTANTS

2B, GRANT LANE

2<sup>ND</sup> FLOOR, ROOM NO. 74

KOLKATA - 700 012

**INDEPENDENT AUDITORS' REPORT****To The members of GUJARAT COMPOSITE LIMITED****Report on the standalone financial statement**

We have audited the attached standalone financial statements of M/S GUJARAT COMPOSITE LIMITED as at 31<sup>st</sup> March, 2021, which comprises the balance sheet as at 31<sup>st</sup> March 2021, the statement of Profit & loss, and a summary of the significant accounting policies and other explanatory information on that date annexed thereto in which are incorporated the statement of accounts of Fibre Product division and Cement Mill division (Ahmedabad). The latter was not visited by us and has been audited by another firm of Chartered Accountants and whose report has been received and duly taken into consideration by us in framing our this report.

**Management's responsibility for the 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 and give a true and fair view of the financial position, financial performance 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 (Accounting) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the Provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

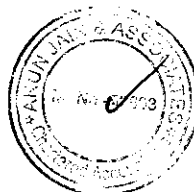
We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**BASIS OF QUALIFIED OPINION:**

- 1) The accounts have been prepared on "Going Concern basis" notwithstanding the fact that major portion of the net worth is eroded and the Company is facing severe financial stringencies. It has defaulted in payment to banks, statutory authorities like PF/ESI/gratuity/VAT etc. The appropriateness of the said basis is inter-alia dependent on the Company's ability to arrange funds to meet its obligations, and resume operations at desired level and undertake rehabilitative measures for which there is material uncertainty as on this date. In the event of Company's assumptions



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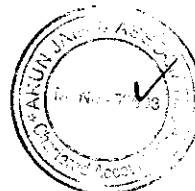
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in this regard finally not getting materialise, there may be significant doubt in Company's ability to continue as Going Concern requiring adjustments including the impairments impact of which is not presently ascertainable and as such can not be commented upon by us.

- 2) The company has failed to provide depreciation as per Schedule II of the Companies Act, 2013 considering the useful life of the assets. As the fixed assets registers were not available for verification, we are unable to comment on the effect of the same on the Profit & loss account of the company.
- 3) The Company has entered into an agreement with A infrastructure Ltd. and Apurva Vinimay P Ltd during 2005-06 and granted Licence with the right of production as well as maintenance of the A.C. Sheet and Cement unit Located at Ahmedabad, Duration of Licence was for a period of 84 months beginning from 07.04.2005, In consideration thereof, the company was entitled to get Rs. 7 Lacs per quarter and share in Profit/Loss as specified in the agreement. The said Licensing agreement has expired on 14.04.2012 and has not been renewed. However, the erstwhile licensee did not vacate the said units nor gave peaceful possession of the Land and is continuing to run the unit without any legal authorisation. The Company is contemplating action the Licensees and seeking possession of the units. It is also reported that certain machineries of the units and stock of inventory belonging to the Company is missing either being illegally sold off or removed from the premises. No details of such sale or removal is received neither from the Licensee nor any account for the period is available for giving effect of it in the books of account. Although the said licensees has deposited TDS amount of Rs. 1,04,000/- against rental payment of Rs. 28 Lacs in its books of Account. The Company has asked for peaceful possession of the land and is not accepting an infrastructure and Apurva Vinimay as its tenant.
- 4) Current assets include inventory amounting to Rs. 17,32,259/- which was not put to active use for last several years but yet are carried at its original cost. In the absence of any laid down policy of the company for ascertaining and providing for shortfall in value thereof, we are unable to comment on the impact of the same though we believe



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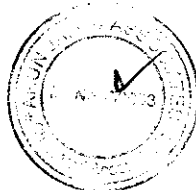
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that the said inventories may not be useful after so many years and should be written off completely unless determined through proper valuation. The above also includes inventory amounting to Rs. 5,59,175/- lying at FPD Division, Ahmedabad which was handed over to the Licensee, mentioned in para "1" above and which continue to remain allegedly in unauthorised possession of the said licensee. In the absence of confirmation of such inventory held by the said Licensee we are unable to certify the said figures of inventory.

- 5) ) No provision were made for interest on unsecured loans amounting to Rs. 1,10,65,000/- as on 31.03.2021 as the same has been reported to be under dispute with the respective parties. However, no information of the exact nature of dispute and its present status were made available and hence we are unable to comment on the same.
- 6) f) The company has neither determined nor provided for the amount involved in its observation for any applicable interest/penalty against long outstanding dues of Sales Tax, PF, ESI, VAT, Gratuity and Lease rent hence we are unable to comment on the impact thereof on the loss for the year;
- 7) The company has defaulted in repayment of the Deposit and interest thereon amount to Rs. 1,04,000/. and 2,83,249/- respectively in terms of Section 74 of the Companies Act, 2013. The above has remained unpaid for a period exceeding 7 years and as such the same should have been deposited to investor Education and Protection Fund which the company failed to do. Hence, the company has violated the provisions contained in Section 74 and Section 125 of the Companies Act, 2013.
- 8) The value of stock reflected in the financial statements is based on the management certification and no stock records were made available to us on the plea that the factory was inaccessible due to labour un-rest and suspension of work at the factory where the said records are reported to be maintained.
- 9) The factory workers' salary, wages and other statutory liability and expenditure is based on the management certification without reference to the relevant records maintained at





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the factory since the factory records were not made available to us on the plea that the same is inaccessible due to un-rest and suspension of work at the factory where the said records are reported to be maintained.

10) Due to non-availability of balances confirmation in respect of Debtors, Creditors, Unsecured Loans and Advances and consideration of book balances thereof, which have been relied upon by us and no independent comment upon the same can be made by us.

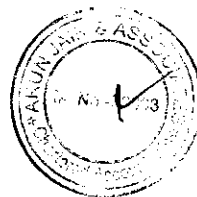
11) Relevant documents relating to receipt of advance against sale of land Rs. 20,36,32,485 /- were not provided to us. In the absence of the same we are unable to comment thereon.

12) Cash in hand amounting to Rs. 12,64,964 /- as on 31.03.2021 was not physically verified by us and we have relied on the managements' representation. The company could not produce fixed deposit receipt for amount of Rs. 98,85,184 /- as on 31<sup>st</sup> March, 2021.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and subject to our observations given in Basis of Qualified Opinion paragraph, the 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:

- a) In the case of the Balance Sheet, of the State of affairs of the Kolkata Sale office as at March 31, 2021.
- b) In the case of the Profit and Loss Account, of the loss for the year ended on that date ;
- c) in the case of Cash Flow Statements of the Cash flow as on March 31, 2021.



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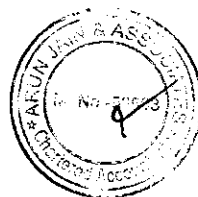
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**Report on other legal and regulatory requirements:**

- I. As required by the Companies ( Auditor's Report) Order, 2015 ( " 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 - 1 a statement on the matter specified in paragraphs 3 and 4 of the Order. 2. As required by section 143(3) of the Act, we report that :-
  - i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - ii) In our opinion, the company needs to improve its system of maintenance of books of account as large part of the financial statement has been made based on past records. The data relating to Fixed Assets Register and Stock Register which the company claims to have been destroyed by fire and are inaccessible due to labour unrest at factory premises, alleged illegal possession of Fibre Products division at Ran ip, Ahmedabad do not give complete assurance of the figures reported in financial statements.
  - iii) The Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - iv) In our opinion, the Balance sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with rule 7 of the Companies ( Accounts) Rules, 2014 except Accounting Standards 5 and 29 relating to non provision of a known liability in the financial statement, AS 2 regarding valuation of Inventories, AS 28 regarding impairment of assets, AS 15 regarding employee benefits.
  - v) 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;



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- a) The Company has failed to fully disclose the impact of pending litigations on its financial position in its financial statements. We are unable to determine the correct position in respect of pending litigations in the absence of relevant documents.
- b) The company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- c) The company has failed to deposit matured deposit and interest thereon amounting to Rs. 1,04,000 /- and Rs. 3,25,969 /- which were required to be transferred to the Investor Education and Protection Fund by the unit.

For ARUN JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 0325867E



(CA ARUN KUMAR JAIN)

PROPRIETOR

M. NO. 053693

Place : Kolkata

Date: 23/08/2021

UDIN : 21053693AAAAGS1544

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**ANNEXURE -A****GUJARAT COMPOSITE LIMITED****Annexure to Audit Report**

(a) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and location thereof in respect of Fibre Products Division at Ahmedabad. However, no records were produced in respect of other units and factory and hence we are unable to certify its existence.

Fixed assets have not been physically verified by the management during the year or preceding financial years and therefore, discrepancies have not been determined it is reported that Land & Building named Digvijay House and All Plant & Machinery including the land & building located in A.C. Sheet and Cement unit are not in physical possession of the company.

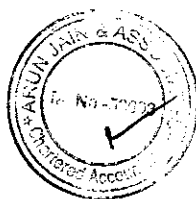
(b) As informed to us, the stock of finished goods, stores, spare parts and raw materials of the company has not been physically verified by the management during the year, Stock value has been considered on the basis of book amount however we are unable to certify the same.

In our opinion and according to the information and explanations given to us, the company failed to carry out physical verification of stock which needs to be implemented.

We could not ascertain if any material discrepancies exist between the physical stocks and book balances of stocks as the stock were not physically verified by the management nor the stock register available with the company.

(c) The company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s. 189 of the Companies Act, 2013 hence Clause(iii) & (iii)(b) are not applicable to the company.

(d) In our opinion and according to the information and explanations given to us, in the absence of adequate records, we are unable to comment if the internal control procedure for the purchase of Inventory and Fixed Assets is commensurate with the size of the company of its business. Under the present circumstances and for the fact that the company did not undertake any business activity involving purchase of inventory and fixed assets, we are unable to comment on existence or otherwise of major weakness in the internal control system in respect of these areas.



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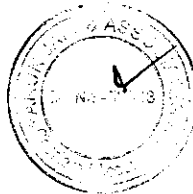
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- (e) The company has not accepted any deposits from the public covered under sections 73 to 76 or any other provisions of the Companies Act, 2013 according to information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. However, the company has defaulted in repayment of matured deposits and interest thereon which is in contravention of Section 74 of the Companies Act, 2013.
- (f) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (e) (a) The company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, ESI, Income Tax, VAT, CST, Professional Tax, Service Tax and any other material statutory dues applicable to it. There are outstanding statutory dues as on the last day of the financial year concerned which were outstanding for a period of more than six months from the date they become payable. Details are hereunder :

Particulars	Amount outstanding more than 6 months
Contribution to provident fund, pension fund, inspection and administration charges	18,87,541
Sales tax	90,43,744
Excise Duty & Others	89,92,170



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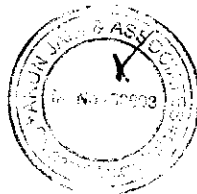
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(b) According to the information and explanations given to us, and the records of the company examined by us, the particulars of disputed dues not deposited on account of dispute are furnished below.

Nature of dues	Year	Amount	Forum where dispute is pending
Sales Tax	1986-1987 to 2006	26.64 Crores	ACCT/DCCT/Appellate
Excise Duty	2003-2004 & 2004 - 2005	24.66 Crores	CESTAT (Rs. 1,50,00,000 has been deposited with Excise Authorities.
Employees State Insurance	1993 -1994	0.0526 Crores	High Court

- (g) According to information and explanation given to us, the Company has outstanding guarantees for loans taken by Bangur Brothers Ltd. from bank or financial institutions. In our opinion, since there is no change in the terms & conditions thereof the same appears to be not prejudicial to the interest of the company.
- (h) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.



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- (i) According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (j) According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (k) The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- (l) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (m) The company does not have an internal audit system commensurate with the size and nature of its business.
- (n) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (o) Provisions of section 192 of Companies Act, 2013 have been complied with in case of non-cash transactions entered by the company with directors or persons connected with him.
- (p) The accumulated loss of the company at the yearend is greater than 50% of its net worth and the company has incurred cash losses during the current & previous financial years.
- (q) There has been no instance of any resignation of the statutory auditors occurred during the year.
- (r) No material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date.



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- (s) The Company has failed to transfer Rs. Rs. 1,04,000 /- and Rs. 3,25,969 /- on account of unpaid Matured Public Deposit and Interest thereon to investor Education & protection fund.
- (t) The company is not registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For ARUN JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**FRN: 0325867E**



*A Jain*

**(CA ARUN KUMAR JAIN)**

**PROPRIETOR**

**M. NO. 053693**

**Place : Kolkata**

**Date: 23/08/2021**

**UDIN : 21053693AAAAGS1544**



Balance Sheet as at 31st March, 2021

	Particulars	Note No.	As as 31st March, 2021 Amount(Rs.)	As as 31st March, 2020 Amount(Rs.)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders Funds			
	(a) Share Capital	3	4,92,10,020	4,92,10,020
	(b) Reserves & Surplus	4	(23,22,05,526)	(22,75,67,113)
	(c) Money received against share warrants		-	-
			<u>(18,29,95,506)</u>	<u>(17,83,57,093)</u>
2	Non - Current Liabilities			
	(a) Long Term borrowings	5	1,10,65,000	1,10,65,000
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long term liabilities	6	25,84,43,917	26,01,36,087
	(d) Long term provision	7	1,56,12,920	1,56,12,920
			<u>28,51,21,837</u>	<u>28,68,14,007</u>
3	Current Liabilities			
	(a) Short term borrowings	8	2,50,44,404	2,02,97,389
	(b) Trade payables	9	7,26,09,258	7,79,09,692
	(c) Other Current Liabilities	10	2,69,58,344	2,68,17,102
	(d) Short Term Provisions	11	1,99,23,455	1,99,23,455
			<u>14,45,35,461</u>	<u>14,49,47,638</u>
	<b>TOTAL</b>		<u>24,66,61,792</u>	<u>25,34,04,552</u>
<b>B</b>	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed Assets			
	(i) Tangible assets	12	19,32,59,579	19,83,00,248
	(ii) Intangible Assets		-	-
	(iii) Capital work-in-progress		-	3,29,695
			<u>19,32,59,579</u>	<u>19,86,29,943</u>
	(b) Non current investments	13	-	-
	© Deferred tax assets ( net)		-	-
	(d) Long term loans and advances	14	3,55,00,677	3,66,93,547
	(e) Other non current assets		-	-
			<u>22,87,60,256</u>	<u>23,53,23,490</u>
2	Current Assets			
	(a) Current investments	15	17,32,259	17,32,259
	(b) Inventories	16	-	-
	(c) Trade receivables	17	1,23,76,562	1,25,32,895
	(d) Cash and cash equivalent	18	37,92,715	38,15,908
	(e) Short term loans and advances		-	-
	(f) Other current assets		-	-
			<u>1,79,01,536</u>	<u>1,80,81,062</u>
	<b>TOTAL</b>		<u>24,66,61,792</u>	<u>25,34,04,552</u>
<b>C</b>	Corporate information and significant Accounting Policies	1		

**NOTES ON THE ACCOUNTS**

In terms of our report attached

For Arun Jain & Associates  
Chartered Accountant

Arun Jain  
Proprietor  
FRN No. 325867E  
Mem No. 053693  
UDIN 21053693AAAAGS1544



Place : Kolkata  
Dated :

*(Signature)*  
Directors

GUJARAT COMPOSITE LIMITED  
SCHEDULE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

NOTE NO. – "1"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1, Accounting Policies :

(1) Basic of Accounting

- (a) The Company prepares its accounts on accrual basis, except otherwise stated, in accordance with the normally accepted accounting principles in India
- (b) Revenue from sale of goods is recognized upon passage of title to the customers
- (c) Insurance and other claims/refunds are accounted for on an actual receipt/acceptance basis, due to uncertainty in realization

(2) Fixed Assets :

- (a) Fixed Assets are stated at cost of acquisition inclusive of duties ( net of modvat credit), incidental expenses and erection/commissioning expenses etc. Up to the date the asset is put to use. In case of revaluations of fixed assets, the original cost as written up by the valuer, is considered in the accounts and the differential amount is transferred to revaluation reserve.
- (b) Machinery spares which can be used in connection with an item of Fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.
- (c) The Carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal or external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their "value in use". The estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(3) Depreciation :

- (a) The classification of Plant & Machinery into continuous non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation of Fixed Assets is provided on Straight Line Method at the rates and in the manner in specified Schedule XIV of the Companies Act, 1956.
- (c) Depreciation on Fixed Assets added/disposed off during the year, is provided on pro-rata basis with reference to the month of addition /disposal.
- (d) Depreciation on revalued assets is provided at the rates specified under section 205(2)(b) of the Companies Act, 1956 and additional depreciation arising thereon is recouped from Revaluation Reserve.
- (e) The company is not providing depreciation as per Companies Act, 2013, as the records are not available due to devastating Fire occurred at H.O. in 1995

(4) Investments :

Current quoted investments are stated at lower of cost or market rate on individual investment basis. Long Term quoted and unquoted investments are considered "at cost" unless there is a diminution other than temporary in value thereof, in which case, adequate provision is made against such shortfall.

(5) Inventories :

Inventories are valued at lower of cost ( computed on weighted average method) or net realizable value.

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Statement of Profit & Loss for the year ended 31st March, 2021

Particulars	Note No.	For the year ended 31st March, 2021 Amount(Rs.)	For the year ended 31st March, 2020 Amount(Rs.)
<b>CONTINUING OPERATIONS</b>			
1 Revenue from operations ( gross )		-	-
2 Other Income	19	58,48,044	24,75,159
3 Total Revenue ( 1+2)		<u>58,48,044</u>	<u>24,75,159</u>
4 Expenses			
(a) Cost of material consumed	22	-	-
(b) Purchase of stock in trade		-	-
(c) Change in inventories of Finished goods , work-in-progress	23	-	-
(d) Employee benefits expenses	20	16,27,987	14,85,385
(e) Finance Costs	21	24,074	7,29,088
(f) Depreciation and amortisation expenses		23,44,240	23,69,628
(g) Other expenses	24	39,02,175	23,52,227
Total expenses		<u>78,98,476</u>	<u>69,36,328</u>
5 Profit/(Loss) before exceptional and extraordinary items and tax		(20,50,432)	(44,61,169)
6 Exceptional Items		-	-
7 Profit / (Loss) before extraordinary items and tax (5+6)		<u>(20,50,432)</u>	<u>(44,61,169)</u>
8 Extraordinary Items		-	-
9 Profit/(Loss) before tax ( 7+8)		<u>(20,50,432)</u>	<u>(44,61,169)</u>
10 Tax expense :			
(a) Current tax expense for current year		-	-
(b) Current tax expense relating to prior year		-	-
(c) Deferred tax ( Assets)/Liabilities		-	-
11 Profit/(Loss) from continuing operations ( 9+10)		<u>(20,50,432)</u>	<u>(44,61,169)</u>
Profit/(Loss) from discontinuing operations			
Tax expenses of discontinuing operations			
Profit/(Loss) of discontinuing operation after tax			
12 Earnings per share			
Continuing operations			
(a) Basic		(0.04)	(0.91)
(b) Diluted		(0.04)	(0.91)
13 Corporate Information & Signature Accounting Policies	1		

NOTES ON THE ACCOUNTS  
In terms of our report attached

2

For Arun Jain & Associates  
Chartered Accountant

Arun Jain  
Proprietor  
FRN No. 325867E  
Mem No. 053693  
UDIN 21053693AAAAGS1544



*M. Sanyal*  
*Banerjee*

Directors

Place : Kolkata  
Dated :


(6) Retirement benefits :

- (a) The company has provided gratuity liability on actual provision basis  
(b) Leave payments to employees are accounted for on actual provision basis

(7) Borrowing Costs :

Borrowing costs relating to acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(8) Contingencies :

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and are disclosed by way of Notes to the Accounts.

(9) Taxation :

Provision for income tax comprises of current tax and deferred tax charge or release. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset will be realized.

2. Notes on the Accounts :-

Contingent Liabilities not provided for in respect of :

		Amount in Rupees	
		As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i)	Guarantee in favour of a Charotar Nagrik Sahakari Bank against facilities granted To Bangur Brothers Limited	10000000	10000000
(ii)	Property tax demand disputed by the Company	12414000	12414000
(iii)	E.S.I demand under dispute ( Bank Guarantee furnished there against Rs. 259522/-	526505	526505
(iv)	Counter Guarantee against guarantee Furnished by the Banks	9885184	10130184
(v)	Guarantee in favour of Bank of India against Facilities granted to A Infrastructure Limited	50000000	50000000
(vi)	Interest/penalty payable, if any on Account of sales tax, turnover tax, value Added tax, E.S.I. Provident Fund, Gratuity, Lease Rent etc.		Amount Uncertainable

A) On unsecured loans outstanding as on 31.03.2021 aggregating Rs. 11065000/- ( P.Y. 11065000/-) [ Suit filed aggregating Rs. 9000000/- ( P.Y. 9000000) the company has not provided interest as the company cannot ascertain the liability pending or final settlement of the parties.

Md  
Bor



B) No provision has been made in respect of remuneration to certain employees of Fibre Product Division for the period from November, 2003 to July, 2004 during which such employees went on strike as the matter is under litigation and the amount there off is unascertainable.

C) The Land at Konnagar where the Rilaxon Factory is situated was purchased by the company in 1972. The Govt. of West Bengal has illegally vested the land and transferred the Parchas to their name in early 2000. Sale, Lease or assignment of the vested land can not be done. The land is not saleable. The value considered in the books thus become a notional value. We have only got the possession but not the title of the land.

2. No provision for cumulative Interest upto 31.03.2011 of Rs. 33,821,031/- ( P.Y Rs. 33,821,031) has been made on unsecured loan taken from body corporate viz. A Infrastructure Limited and Apurva Vinimay Pvt. Ltd. .

3. The company has entered into agreements with A Infrastructure Ltd and Apurva Vinimay (P) Ltd. Respectively during 2005-06 whereby it has licensed the right of production as well as maintenance of A.C. Sheet and Cement Unit located at Ahmedabad. The duration for license is for a period of 84 months vide the agreement dated 07.04.2005 and operation started from 15.04.2005. In consideration thereof the company is entitled to get Rs. 7 lacs per quarter and share of Profit/Loss as specified in the agreement, The licensing agreement has not been renewed, however, erstwhile licensee have not given possession to the company and have been running the unit without authorization. The interest payable debited by them are not accepted by us.

4. A Civil Suit for recovery of dues amounting to Rs. 40.00 crores (app) have been filed at City Civil Court, Ahmedabad by the erstwhile Licensees viz. A Infrastructure Limited and Apurva Vinimay Pvt. Ltd. against our company. In view of the present situation, the management of the company is suggested to provide the above amount as a Contingent Liability.

There are certain defaults of both Criminal and Civil nature happened during the on going occupation of A Infrastructure Limited and Apurva Vinimay Pvt. Ltd. . The outcome and demand is uncertain and hence can not be quantified.

There are agreements to sale in respect of land at Ahmedabad which is presently under the possession of erstwhile licensees who have not yet vacated and given peaceful possession to the company. Therefore, due to inpracticability for giving vacant and peaceful possession and also the third party mortgage of the property in favour of Bank of Baroda, the conveyance in favour of the prospective buyer can not happen. The party may ask for due compensation for delay and may not wait indefinitely with the Agreement to Sale. The company may suffer on account of huge damages if demanded by the intending buyer.

5. Pending receipt of confirmation certificates, book balances in respect of Debtors, Creditors, Unsecured loans from Bodies Corporate and Advances have been considered for the purpose of these accounts.

6. a) Short term borrowing include of Rs. 203632485/- ( P.Y. 206644655/-) being advance/money received against sale of open vacant land in respect of which no accounting effect has been given.

7. The Company's land , building and plant & machinery of certain divisions were revalued on net replacement basis as on 31<sup>st</sup> July, 1998 by approved valuers. Based on the report of the valuers, the net increase in the book value of such assets of Rs. 631012361/- was transferred to Revaluation Reserve . These assets were again revalued as on 31<sup>st</sup> March, 2007 of Rilaxon Division at Rs. 100315331 and the differential increase of Rs. 32204742 (Net) has been credited to Revaluation Reserve.

8. In the opinion of the management, the current assets loans and advances have a value on realization in the ordinary course of business at least equal to the accounts at which they are stated in the Balance Sheet.

Mh  
Bm



9. The Government of India has promulgated an Act namely The Micro Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October, 02, 2006. As per the Act, company is required to identify the Micro, Small and medium suppliers and pay interest on over dues beyond the specified period irrespective of the terms agreed with the suppliers. The company has initiated the process of identification of such suppliers at this point of time. Accounting in this regard will be carried out after process is complete and reliable estimates can be made in this regard.

10. Accounts of Coir & Felt Division – Rilaxon has been prepared as a going concern basis. Since September, 2010, the production had come to a grinding halt although Suspense of work was declared on 21.09.2018 an idle wages in parts had been being disbursed even when the company was going through a deep financial stress.

11. There was an Order in favour of the company from the Tribunal of Excise Department that demand for Excise Duty on A.C. Sheets by the Department was not appropriate hence, the same was waived.

Accepted demand for Pipes have been already charged in the Profit & Loss Account of the Company. The Tribunal justifiably agreed to our submission and ordered payment of the accepted amount with 25% penalty on the agreed amount. Rs. 1,50,00,000/- had already been deposited in the earlier year as per Order of the Tribunals.

After laps of a few months from the date of Tribunal's Order, the Excise Department considered to approach to Hon'ble Supreme Court of India to have their original amount of demand i.e. Rs. 24,65,54,345/- in their favour. Therefore, the case has become open again and the management of the company thinks it prudent to provide the above as Contingent Liabilities.

12. Stores & spare parts consumed Rs. NIL are included under other heads of expenses the Profit & Loss Account.

### 13. Earning per share (EPS)

In terms of Accounting standard 20 issued by the Institute of Chartered Accountants of India, the calculation of EPS is given below :

	2020-2021	2019-2020
Loss as per Profit & Loss A/c. (rs.)	2050432	4461169
Weighted average number of equity shares	4921002	4921002
Basic and diluted earning per shares (Rs.)	(-) 0.42	(-) 0.91

14. In view of substantial losses and uncertainty of future taxable income. Deferred tax asset has not been recognized in the accounts.

15. In respect of matured public deposits Rs. 104000 and interest Rs. 325969/- the company has not repaid the amount to the deposit holders during the year. The company has issued letter to the Deposit holders to surrender the Fixed Deposit Receipts to facilitate payment.

### 16. RELATED PARTY DISCLOSURES :

As per Accounting Standard (AS-18) issued by Institute of Chartered Accountants of India, related parties in terms of said Standard are described below :-

#### A. Name of Related parties and Descriptions of Relationship

- |                            |                                 |
|----------------------------|---------------------------------|
| 1. Associates              | Aditya Finvest Corporation Ltd. |
| 2.                         | BFL Unio Limited                |
| 3.                         | India Financial Services Ltd.   |
| 4. Key Mangement Personnel | N K Bangur                      |

B. Transaction with Related Parties

C. Loan taken & repayment of loan

*MS*  
*BS*



<u>Name of Association</u>	<u>Debit Opening Balance</u>	<u>Credit Receipt</u>	<u>Debit Payments</u>	<u>Credit Closing</u>
Aditya Finvest Corporation Ltd.	7028098(Cr.)	3980000	1150022`	(Cr) 9858076
BFL Unio Limited	1516064(Dr.)	4776312		(Cr) 3260248
India Financial Services Ltd.	-	5012182	-	(Cr) 5012182
Banner India Ltd.	6607519(Cr.)	712268	870852	(Cr) 6448935

15. Previous year's figures have been regrouped/rearranged wherever necessary

For Arun Jain & Associates  
Chartered Accountants

*A Jain*  
Arun Jain  
Proprietor  
FRN No. 325867E  
Mem No. 053693  
UDIN 21053693AAAAGS1544

Place : Kolkata  
Dated : 02.12.2020

*ms*

*M. Sanyal*  
*R. Sanyal*  
Directors



**GUJARAT COMPOSITE LIMITED**

**Notes forming part of the financial statement**

**Note 3 # Share Capital**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
(a) Authorised Equity shares of 10/- each	5500000	55000000	5500000	55000000
(b) Issued Equity shares of 10/- each	4921002	49210020	4921002	49210020
(c) Subscribed and fully paid up Equity shares of 10/- each	4921002	49210020	4921002	49210020
	4921002	49210020	4921002	49210020

Refer Notes (i) to (iii) below

Notes :

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening balance	Fresh Issue	Bonus	Closing Balance
Equity shares with voting rights Year ended 31st March, 2020 Number of Shares	4921002	-	-	4921002
Amount	49210020	-	-	49210020
Year ended 31st March, 2020 Number of Shares	4921002	-	-	4921002
Amount	49210020	-	-	49210020

Note : Equity Shares

Out of the above , 2484902 equity shares of Rs. 10/- each have been issued as fully paid up shares, pursuant to the scheme of arrangement without any investment being received in cash.

Out of the above shares issued as per Court Order only 416 shares belonging to 3(three) Pakistani Nationals could not be allotted as no permission was granted by Reserve Bank of India. Permission for other NRIs and Non- Residential Holders holding 10,770 shares was received and the shares had been allotted subsequently



(iii) Details of shares hold by each shareholder holding more than 5% shares.

Class of shares / Name of shareholders	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares hold	% holding in the class of shares	Number of shares hold	% holding in the class of shares
<b><u>Equity shares with voting rights</u></b>				
Bangur Brothers Limited	357036	7.25%	357036	7.25%
BFL Unio Limited	553562	11.25%	553562	11.25%
India Financial Services Limited	2411200	49.00%	2411200	49.00%

Summary at a glance :

- a) 24,900 shares were allotted to the shareholders of Transferee Company in lieu of their original holding of 2,49,000 shares. This was in accordance with the Order of Hon'ble High Court for reduction of Capital of the Transferee Company.
- b) As narrated above, 24,84,902 shares were issued to share holder of the Transferor Company as per the Order of Hon'ble High Court , out of which firstly 24,73,716 shares belonging to Resident Indians were allotted. With due permission from the authorities , 10,770 issued shares belonging to NRIs and Foreign Nationals were allotted in 1999-2000 ; however, permission was not granted for allotting of 416 issued shares as described above.
- c) There was Preferential allotment of shares as follows : a) 11,00,000 shares of Rs. 10/- per equity shares was subscribed and allotted in the year 1999-2000 (b) 13,11,200 shares of Rs. 10/- per equity shares was subscribed in the year 2001 ; thus totalling 24,11,200 equity shares.
- d) The total of (a) 24,900 shares plus (b) 24,84,902 shares and (c ) 24,11,200 shares equals to 49,21,002 shares This is the issued Share Capital of the Company.

MB

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**Notes forming part of the financial statement**

**Note 4 # Reserves & Surplus**

Particulars		As at 31st March, 2021 Amount(Rs.)	As at 31st March, 2020 Amount(Rs.)
(a) Reserve arisen under the scheme of arrangement	Total (a)	5,59,67,966	5,59,67,966
<u>(b) Revaluation Reserve</u>			
Opening Balance		17,20,43,349	17,46,30,941
Add : During the year		-	-
		17,20,43,349	17,46,30,941
Less : Adjustment of fixed assets		-	-
Less : Transfer to profit and loss account		25,87,981	25,87,592
Less : Land sold during the year		-	-
Closing Balance	Total (b)	16,94,55,368	17,20,43,349
(c) Forfeited share warrants	Total (c)	88,800	88,800
<u>(d) Surplus / (Deficit) in Statement of Profit &amp; Loss</u>			
Opening Balance		(45,56,67,228)	(45,12,06,059)
Add : Profit / (Loss) for the year		(20,50,432)	(44,61,169)
Add : Item pertaining to previous year		-	-
	Total (d)	(45,77,17,660)	(45,56,67,228)
Total (A)+(b)+(c)+(d)		(23,22,05,526)	(22,75,67,113)
<b>Note 5 # Long Term Borrowings</b>			
(a) From Related Parties			
Secured		-	-
Unsecured		-	-
(b) Others			
Secured ( Secured by Keyman Insurance Policy)		-	-
Unsecured		1,10,65,000	1,10,65,000
	Total	1,10,65,000	1,10,65,000
<b>Note 6 # Other Long Term liability</b>			
a) Security Deposit		5,48,11,432	5,34,91,432
b) Advance against sale of land		20,36,32,485	20,66,44,655
		25,84,43,917	26,01,36,087
<b>Note 7 # Long Term Provision</b>			
Provision for employee benefits			
Gratuity		1,56,12,920	1,56,12,920
		1,56,12,920	1,56,12,920
<b>Note No. 8 # Short Term Borrowings</b>			
(a) Loans and advances from related parties		1,81,30,506	1,32,39,147
(b) Deposits		4,29,969	4,15,729
(c) Other loans and advances		64,83,929	66,42,513
	Total	2,50,44,404	2,02,97,389



**GUJARAT COMPOSITE LIMITED**  
14, N.S.Road, Kolkata - 700 001, West Bengal, Kolkata  
CIN : L24121WB1982PLC035015  
email : bangurs@vsnl.com  
**Notes forming part of the financial statement**

**Note 9 # Trade payables**

Particulars	As at 31st March 2021	As at 31st March 2020
(a) From related party	-	21,55,380
Others	7,26,09,258	7,57,54,312
<b>Total</b>	<b>7,26,09,258</b>	<b>7,79,09,692</b>
<b>Note 10 # Other Current Liabilities</b>		
Advance against supply	-	-
Excess Cheque withdrawn	-	-
Due to Statutory authorities	2,69,58,344	2,68,17,102
	<b>2,69,58,344</b>	<b>2,68,17,102</b>
<b>Note 11 # Short Term Provision</b>		
(a) Provision for Employees benefits gratuity		
(b) Provision for sales tax demand	90,43,744	90,43,744
(c) Provisin for Interest/ Demand of PF	18,87,541	18,87,541
(d) Provision for Interest/Excise	89,92,170	89,92,170
<b>Total</b>	<b>1,99,23,455</b>	<b>1,99,23,455</b>
<b>Note 14 # Long term loans and advances</b>		
(a) Security Deposits		
Govt. & other party		
Others	86,77,011	86,14,686
Doubtful	-	-
	<b>86,77,011</b>	<b>86,14,686</b>
Less : provision for doubtful deposits	-	-
	<b>86,77,011</b>	<b>86,14,686</b>
(b) Other loans and advances		
Related party	-	-
Others	2,68,23,666	2,80,78,861
For loans	-	-
	<b>2,68,23,666</b>	<b>2,80,78,861</b>
Less : Provision for other doubtful loans and advances	-	-
	<b>2,68,23,666</b>	<b>2,80,78,861</b>
<b>Total (a+b)</b>	<b>3,55,00,677</b>	<b>3,66,93,547</b>
<b>Note 15# Inventories</b>		
(At lower of cost and net realisable value)		
Stock in Trade		
(i) Store and spare	11,85,599	11,85,599
(ii) Raw materials	4,18,229	4,18,229
(iii) Stock in process	-	-
(iv) Finished goods	1,28,431	1,28,431
	<b>17,32,259</b>	<b>17,32,259</b>

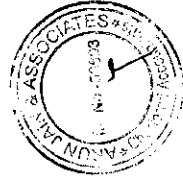
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**GUJARAT COMPOSITE LIMITED**  
14, N.S.Road, Kolkata - 700 001, West Bengal, Kolkata  
CIN : L24121WB1982PLC035015  
email : bangurs@vsnl.com

**Notes forming part of the financial statement**

Particulars	GROSS BLOCK				Depreciation			Net stock			
	As at 01.04.2020	Addition	Adjustments	Deduction	As at 31.03.2021	Upto 31.03.2020	For the year Adjustment for sale/ Discard	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2020	
Land	16,96,97,563	-	-	-	16,96,97,563	-	-	-	16,96,97,563	16,96,97,563	
Buildings	9,21,31,502	-	-	-	9,21,31,502	6,56,54,629	26,55,521	6,83,10,150	2,38,21,352	2,64,76,873	
Plant & Machinery	11,91,17,547	-	-	-	11,91,17,547	11,72,24,378	22,50,972	11,94,75,350	-3,57,803	18,93,169	
Electric Installation	25,49,849	-	2,21,100	-	23,28,749	24,76,760	8,078	2,21,100	22,63,738	73,089	
Furniture Fixtures equipments	54,02,060	-	17,23,172	-	36,78,888	52,42,506	17,650	16,14,724	36,45,432	1,59,554	
<b>Total</b>	<b>38,88,98,521</b>	<b>-</b>	<b>19,44,272</b>	<b>-</b>	<b>38,69,54,249</b>	<b>19,05,98,273</b>	<b>49,32,221</b>	<b>18,35,824</b>	<b>19,36,94,670</b>	<b>19,32,59,579</b>	<b>19,83,00,248</b>
Work-in-progress	-	-	-	-	-	-	-	-	-	-	3,29,695
<b>Grand Total</b>	<b>38,88,98,521</b>	<b>-</b>	<b>19,44,272</b>	<b>-</b>	<b>38,69,54,249</b>	<b>19,05,98,273</b>	<b>49,32,221</b>	<b>18,35,824</b>	<b>19,36,94,670</b>	<b>19,32,59,579</b>	<b>19,86,29,943</b>
Previous year	38,88,98,521	-	-	-	38,88,98,521	18,56,41,052	49,57,221	-	19,05,98,273	19,83,00,248	-



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**GUJARAT COMPOSITE LIMITED**

**Notes forming part of the financial statements**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Note 16# Trade Receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured , considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Less : Provision for doubtful trade receivables	-	-
	-	-
<b>Note 17 # Cash &amp; Cash equivalent</b>		
(a) Cash in hand ( as certified by the management)	12,64,964	13,16,728
b) Cheques, drafts on hand	-	-
c) Balances with banks		
in Current accounts	5,01,828	4,81,397
(d) Fixed Deposit	98,85,184	1,00,10,184
(e) On margin money account ( For ESI Guarantee)	7,24,586	7,24,586
<b>Total (a)</b>	<b>1,23,76,562</b>	<b>1,25,32,895</b>
<b>Note 18 # Short term loans and advances</b>		
(a) Balances with Government authorities		
Unsecured considered good		
(i) Balance with excise authority	1,42,102	1,42,102
(ii) Central excise under protest	33,01,157	33,01,157
(iii) Advance Incoem Tax, TDs, Tax on Demand (including refund receivables)	3,49,456	3,72,649
(iv) Others	-	-
(v) MAT Credit Entitlement		
<b>Total (C)</b>	<b>37,92,715</b>	<b>38,15,908</b>
(d) Others		
Secured considered good	-	-
Unsecured considered goods	-	-
Doubtful	-	-
Less : Provision for other doubtful loans and advances	-	-
<b>Total (d)</b>	<b>-</b>	<b>-</b>
<b>Total (a+b+c+d)</b>	<b>37,92,715</b>	<b>38,15,908</b>

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**GUJARAT COMPOSITE LIMITED**

**Notes forming part of the financial statements**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Note 19# Other Income</b>		
a) Interest income	7,49,884	8,27,852
b) Unclaimed liabilities no longer required written back	49,76,606	16,47,307
c) Profit on sale Fixed Assets	1,06,502	-
d) Miscellaneous Receipts	15,052	-
	<u>58,48,044</u>	<u>24,75,159</u>
<b>Note 20 # Employees benefit expenses</b>		
Salaries and wages	7,07,835	14,85,385
contributions to provident fund & other fund	28,869	-
gratuity	8,89,858	-
employees refreshment expenses	1,425	-
welfare expenses	-	-
	<u>16,27,987</u>	<u>14,85,385</u>
<b>Note 21 # Finance Cost</b>		
a) Interest expense on		
i) Fixed loan	-	-
ii) Other loan, Deposit & P.F etc	-	7,14,848
iii) Finance charges on bill discounting	-	-
iv) Bank charges	9,834	-
v) others	14,240	14,240
	<u>24,074</u>	<u>7,29,088</u>
<b>Note 22 # Cost of material consumed</b>		
Opening stock	16,03,828	16,03,828
Add : Purchase	-	-
Less : Closing Stock	16,03,828	16,03,828
	<u>-</u>	<u>-</u>
<b>Note 23 # Change in Inventories</b>		
Opening Stock	-	-
Stock in process	-	-
Stock in Trade	1,28,431	1,28,431
	<u>1,28,431</u>	<u>1,28,431</u>
<b>Less Closing Stock</b>		
Stock in process	-	-
Stock in Trade	1,28,431	1,28,431
	<u>1,28,431</u>	<u>1,28,431</u>

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**GUJARAT COMPOSITE LIMITED'**

**Notes forming part of the financial statements**

**Note 24 # Other Expenses**

Particulars	As at 31st March 2021 Amount(Rs.)	As at 31st March 2020 Amount(Rs.)
<b>Auditors Remuneration</b>		
As audit fees	17,700	17,700
Bank Charges	-	3,818
Entertainment Expenses	-	4,480
Irrecoverable Advances Written off	3,88,383	-
Items pertaining to previous year	4,08,507	-
Computer & Service charges	-	1,300
Printing & Stationary	-	7,043
Postage & Telegram	-	1,980
Legal & Consultancy charges	40,000	7,35,000
Guarantee Commission	-	-
Miscellaneous Expenses	28,77,342	10,30,953
Penalty & Damage on P. Fund	-	2,35,958
Power and Fuel	1,52,400	1,17,200
Rates & Taxes	-	-
Rent	-	68,496
Repairs	-	42,480
General Charges	17,843	47,059
Travelling expenses	-	38,760
	<b>39,02,175</b>	<b>23,52,227</b>

**NOTES ON THE ACCOUNTS**

In terms of our report attached

**For Arun Jain & Associates**  
Chartered Accountant

*AJain*  
**Arun Jain**  
Proprietor  
FRN No. 325867E  
Mem No. 053693  
UDIN 21053693AAAAGS1544



*McDurga*  
*Bhargava*

**Directors**

Place : Kolkata  
Dated :

**GUJARAT COMPOSITE LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2021**

	Year ended 31st March, 2021 Rs.	Year ended 31st March, 2020 Rs.
<b>A) CASH FLOW FROM POERATING ACTIVITIES :</b>		
(net Loss) /Profit before Tax and Extra Ordinary items	(20,50,432)	(44,61,169)
<b>ADJUSTMENTS FOR :</b>		
Depreciation	23,44,240	23,69,628
Interest Expenses	24,074	7,29,088
Interest & Dividend Income	(7,49,884)	(8,27,852)
Loss/(Profit) on Fixed Assets Sold/Discarded	(1,06,502)	-
Loss(Profit) on Investment	-	-
Bad Debts W/Off	-	-
Unspent Liabilities W/back	(49,76,606)	(16,47,307)
Security Deposit W/Off	-	-
Investment Written Off	-	-
Bill Discounting written off	-	-
Advance Written off	3,88,383	-
Revaluation Written off	-	-
Operating Loss before working capital changes	<u>(51,26,727)</u>	<u>(38,37,612)</u>
<b>ADJUSTMENTS FOR :</b>		
(Increase/Decrease in Inventories	-	-
(Increase)/Decrease in Trade & Other Receivables	-	-
Increase/(Decrease) in Current Liabilities and Provision	45,64,429	1,80,72,352
Increase/(Decrease) in NonCurrent Liabilities	(16,92,170)	-
Increase/(Decrease) in Revaluation Reserves	-	-
(Increase/Decrease in Loans & Advances	11,57,375	(1,40,54,193)
Cash Generated from Operations :	-	-
Payment of Direct Taxes	<u>40,29,634</u>	<u>40,18,159</u>
<b>NET CASH FROM OPERATING ACTIVITIES :</b>	<u>(10,97,093)</u>	<u>1,80,547</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Investment	-	-
Sale of Fixed Assets/undertaking	1,08,448	-
Purchase of Fixed Assets	-	-
Profit on sale of Fixed Assets	1,06,502	-
Interest & Dividend Income	7,49,884	8,27,852
Profit on sale of Investment	-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>9,64,834</u>	<u>8,27,852</u>
<b>c) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loan	-	-
Interest paid	(24,074)	(7,29,088)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(24,074)</u>	<u>(7,29,088)</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		
Total ---- (A+B+C) -----	<u>(1,56,333)</u>	<u>2,79,311</u>
<b>Cash &amp; Cash equivalents ( Opening Balance)</b>		
Cash in Hand	13,16,728	9,51,328
Balance with Scheduled Banks		
- In Current Account	4,81,397	4,47,487
- In Fixed Deposit Account	1,00,10,184	1,01,30,184
- In Margin Money Account	7,24,586	7,24,585
	<u>1,25,32,895</u>	<u>1,22,53,584</u>
<b>Cash &amp; Cash Equivalents ( Closing Balance )</b>		
Cash in Hand	12,64,964	13,16,728
Balances with Scheduled Banks		
- In Current Account	5,01,828	4,81,397
- In Fixed Deposit Account	98,85,184	1,00,10,184
- In Margin Money Account	7,24,586	7,24,586
	<u>1,23,76,562</u>	<u>1,25,32,895</u>

**CERTIFICATE :**

The cash flow has been prepared under Indirect Method as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India

**For Arun Jain & Associates**

CHARTERED ACCOUNTANTS

Place : Kolkata  
Dated : 23.08.2021

Arun Jain  
Proprietor  
RRN No. 325867E  
Mem No. 053693

