



Annual Report 2020-21



Annual Report

2020-2021

Promising a better tomorrow

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Message from Chairman and Managing Director

"Growth with Goodness."



Dear Valued Shareowners,

India and many other countries of the world are facing the second or even third waves of the pandemic, much fiercer than anything we saw last year. The world is going through unprecedented times and the COVID-19 Pandemic has changed our lives completely. This pandemic has demonstrated to the all over world that free market economies cannot be at the cost of self-reliance. We must believe in our own capabilities and must be able to depend on it for economic construction, especially in times of crisis. There is no denying the fact that while COVID-19 has challenged every nation, India's size and population density have made it a harsher challenge. Indeed, the pandemic froze economic priorities and forced the world to divert time and resources to manage the crisis, as did India. We must believe in our own capabilities and must be able to depend on it for economic construction, especially in times of crisis. We, at GSEC Limited, would like to express our sincere gratitude to all our employees, stakeholders and anyone who has helped us survive through these difficult times. We chose Courage, Trust and Commitment as the guiding values that would determine our actions and, today, I credit the resilience that we have demonstrated to the stoutness of these values. When we together emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already.

The F.Y. 2020-2021 was a challenging period for the entire world. At a global level, we witnessed rising trade barriers, geopolitical tensions, climate-related disasters and subdued economic activity. Globally, there were early signs of stabilization as the US China dynamics improved and the global trade flow got back on track, but, as we came to the end of this financial year, the world is still facing the COVID-19 pandemic, bringing the businesses to a standstill. While we are looking at a global growth rebound, in India, we are confident of robust growth in the medium to long term.

Amidst all these, India continues to be one of the fastest-growing major economies in the world backed by healthy domestic consumption. Successful implementation of the Government's structural initiatives towards improving the ease of doing business such as enhancing transparency, speeding up approvals, resolving policy issues and fostering more significant levels of value addition also played a crucial role in sustaining performance. Further, the Indian rupee suffered because of the crude price shock and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. Notwithstanding unforeseen global events or local political surprises these projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. At the overall level, it makes me feel proud to share with you the performance we have been able to deliver notwithstanding difficult business conditions. Our industry beating growth, on our market position, is definitely an achievement that every stakeholder of this organisation should be proud of.

Despite challenging economic and geopolitical conditions, our Company has continued to maintain its top performance across its businesses of Air Cargo operations and trading of a diverse basket of products which include Agri Commodities and Fabrics.

In this challenging time, Your Company is embarking on a new business opportunity. Your Company is setting up a green field manufacturing plant to make Smart Meters as a joint venture partner. This initiative is under Atmanirbhar Bharat mission the country is presently pursuing. Through this, we aim to provide a complete metering solution to City Gas Distribution Companies (CGD) and Energy Distribution Companies.

Your Company also intends to participate in a joint venture to manufacturing of Gas Cylinders for compressed natural gas. In the following years through another joint venture, your company also intends to carry out ground handling at various airport in India in next one / two years.

Your company has also commenced ground handling services at various airports through a joint venture with renowned Bird group . We intend to grow this business in the coming years.

Seeing the trend continue, we have concentrated our efforts on bringing in more efficiency through investment in human capital, process improvements, cost optimization and technology enhancements to ensure that we will remain competitive in a volatile and uncertain global environment.

We will continue to look for new opportunity to add value to our shareholders.

Financial Performance

The consolidated financial performance for the 12 months ended March 31, 2021, is as follows:

- Total income from operations at Rs. 33731.89 Lacs for the year ended March 31, 2021
- EBIDTA at Rs. 1338.09 Lacs for the year ended March 31, 2021
- EBIT of Rs. 1126.97 Lacs for the year ended March 31, 2021
- PAT of Rs. 438.64 Lacs for the year ended March 31, 2021
- EPS for the year ended March 31, 2021 was Rs. 5.81 for a face value of Rs.10/- per share

Overall, our focus continues to be on driving the Company's Revenue and Profitability growth, increasing Return on Capital Employed and asset utilizations and improving cash flows across all our businesses.

Before I conclude, I would like to thank you for your support, consistent commitment, engagement and encouragement. We continue to seek your participation in our next leg of growth and footprint expansion.

Sincerely,
RAKESH SHAH
Chairman & Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Rakesh Shah	Chairman & Managing Director
Shri Samir Mankad	CEO & Whole-Time Director
Shri Shaishav Shah	Joint Managing Director
Smt Raji Shah	Whole-Time Director
Shri Sandip Parikh	Director
Shri Shailesh Patwari	Director

CHIEF FINANCIAL OFFICER:

SHRI DINESH SHAH (Appointed w.e.f. 14.05.2021)

COMPANY SECRETARY:

SHRI DARSHIL SHAH

BOARD COMMITTEES:

Audit Committee:-

SHRI SANDIP PARIKH	CHAIRMAN
SHRI SAMIR MANKAD	MEMBER
SHRI SHAILESH PATWARI	MEMBER

Share Transfer and Grievances Committee:-

SHRI SANDIP PARIKH	CHAIRMAN
SHRI RAKESH SHAH	MEMBER
SHRI SAMIR MANKAD	MEMBER

Nomination and Remuneration Committee:-

SHRI SANDIP PARIKH	CHAIRMAN
SHRI SHAILESH PATWARI	MEMBER

Statutory Auditors:-

M/s. BJS & Associates,
Chartered Accountants,
Ahmedabad

Internal Auditors:-

M/s. Dharmesh Parikh & Co.,
Chartered Accountants,
Ahmedabad

Corporate Law Advisors:-

M/s. Umesh Parikh & Associates
Company Secretaries,
Ahmedabad

Registered Office

Gujarat Chambers Building, Ashram Road,
Ahmedabad-380009.

Phone: 079-2655 4100/2657 5757

Fax: 079-26584040

E Mail: cs@gsecl.co.in

CIN: U52100GJ1965PLC001347

Registrar & Transfer Agents:

Bigshare Services Private Limited
A/802, Samudra Complex,
Near Girish Cold Drink Cross Road,
Off C G Road, Ahmedabad-380009.

Phone: 079- 40024135

E Mail: bssahd@bigshareonline.com

Website: www.bigshareonline.com

BANKERS:

State Bank of India

BOARD OF DIRECTORS

Rakesh Shah

Chairman & Managing Director



Shaishav Shah

Joint Managing Director



Samir Mankad

CEO & Whole time Director



Raji Shah

Whole Time Director



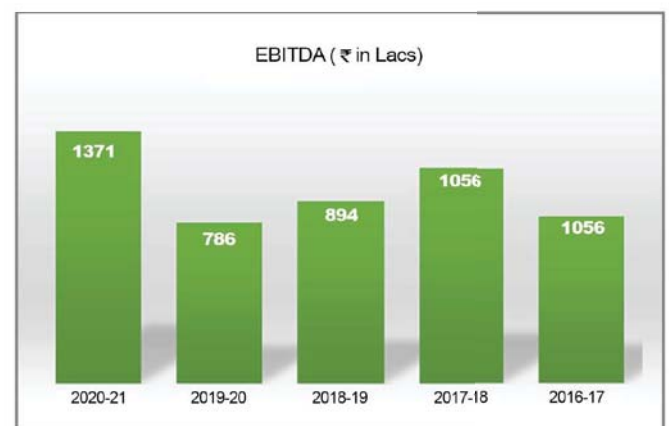
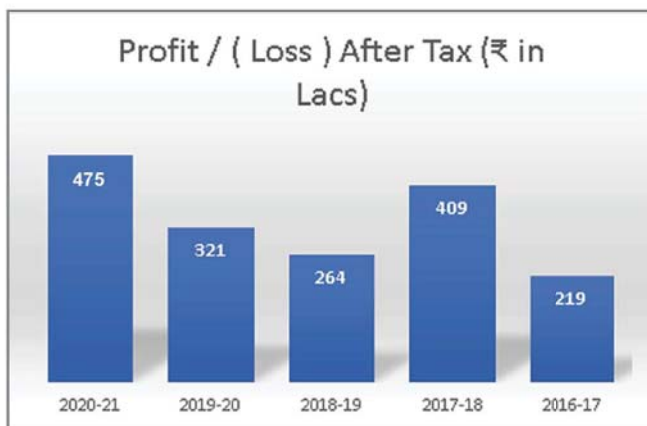
Shailesh Patwari

Director



FIVE YEAR FINANCIAL HIGHLIGHTS

STANDALONE



DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present herewith the 55th Annual Report of your Company together with the Audited Financial Statement and the Auditors' Report for the financial year ended, 31st March, 2021.

STANDALONE FINANCIAL AND OPERATIONAL HIGHLIGHTS AND STATE OF AFFAIRS OF THE COMPANY:

(Rs. in Lacs)

Particulars	2020-21	2019-20
Net Revenue from Operations	33248.51	41571.00
Other Operating Revenue	0.00	8.64
Revenue from Operations	33248.51	41579.64
Other Income	1176.73	198.82
Total Revenue	34425.23	41778.46
Profit before financial charges, Depreciation and taxation	1371.42	785.70
Less: Financial charges	459.51	93.31
Less: Depreciation and amortization expenses	204.39	249.50
Profit before exceptional and prior period items and tax	707.53	442.89
Less: Exceptional items	0.00	0.00
Less: Prior period items	0.00	0.00
Profit before tax	707.53	442.89
Less: Current Tax	131.62	133.00
Less: Deferred Tax Liability	100.43	(10.72)
Less: Provision for tax of earlier years	0.00	0.00
Profit after taxation	475.47	320.61
Earnings Per Equity Share (in Rs.)	6.30	4.25

PERFORMANCE REVIEW:

During the financial year under review, your Company recorded a total revenue of Rs. 34425.23Lacs as compared to Rs. 41778.46 Lacs during the previous financial year ended March 31, 2020. The Profit before exceptional and prior period items and tax of your Company for the financial year ended March 31, 2021 stood at Rs. 707.53 Lacs as against the previous financial year ended March 31, 2020 was Rs. 442.89 Lacs. Accordingly, Net profit after tax stood at Rs. 475.47 Lacs as against the previous financial year ended March 31, 2020 was Rs. 320.61 Lacs which reflects a incline of 48.30% over the corresponding Profit for the financial year ended March 31, 2020.

DIVIDEND:

In order to conserve the reserve the Company has not recommend any dividend for the year ended March 31, 2021.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2021.

SHARE CAPITAL STRUCTURE OF THE COMPANY:

The paid up capital of the company as on March 31, 2021 was Rs. 7,55,00,000/- divided in to 75,50,000 Equity shares of Rs. 10/- Each. There was no change in the Equity shares capital of the company during the financial year ended March 31, 2021.

COVID – 19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

Your Company has always strived towards nation building, through its business endeavours which focuses on creating excellent infrastructure capabilities to accelerate the growth. With the COVID-19 pandemic has brought things to a halt, we at GSEC will persistently support our fellow Indians through these testing times. We aim to emerge stronger once situations normalise. The emphasis will be on continued incubation of future businesses and create value for our stakeholders in the long term.

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Subsequent to the end of the financial year on March 31, 2021 till date, there has been no material change and/or commitment which may affect the financial position of the Company.

DIRECTORS AND SENIOR MANAGERIAL PERSONNEL:

The Board of Directors is duly constituted in accordance with the provisions of Companies Act, 2013.

CHANGES IN DIRECTORS:-

In accordance with Section 152 of the Companies Act, 2013, Mr. Samir Mankad (DIN: 00421878) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri Natwarlal Patel, Independent Director of the company resigned as an Independent Director w.e.f. 21.07.2020.

Shri Sandip Parikh is proposed to be reappointed as an Independent Director for the term of 5 years. The Company has received notice from a shareholder in terms of Section 160 of the Companies Act, 2013 proposing the appointment of Shri Sandip Parikh as a Director of the Company at the ensuing Annual General Meeting.

Ms. Raji Shah (DIN: 06893581) has been appointed as Whole-Time Director of the Company by Board of Directors for a period of 3 years commencing from April 1, 2021 up to March 31, 2024, subject to approval of the Members at the ensuing Annual General Meeting. Mr. Shaishav Shah has been appointed as a Managing Director w.e.f. 20th August, 2021 for the term of 3 years.

The Board recommends their appointment. Necessary resolutions have been proposed by the Board of Directors for approval of Members.

Statement of Declaration given by the Independent Directors under Section 149(7):-

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in section 149 (6).

The Independent Directors have confirmed and declared that they are not dis-qualified to act as an Independent Director as specified under Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfils all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

REMUNERATION POLICY:

The remuneration policy of the Company is annexed to the report as **Annexure - G**.

DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the year under review.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, the following changes have taken place in Subsidiaries, Joint Venture and Associate Companies:-

SUBSIDIARY COMPANIES FORMED/ACQUIRED

1. Electrify Energy Private Limited

NEW ASSOCIATE COMPANY

1. GSEC Bird Airport Services Private Limited
2. Smartmeters Technologies Private Limited

Till 31st March, 2021 Smartmeters Technologies Private Limited was wholly owned subsidiary of the Company. However after closure of years it has become the associates Company of the GSEC Limited.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under, the Company has prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of this Annual Report is annexed herewith as **Annexure - A**.

During the year under review, GSEC Logistics Limited, the wholly owned subsidiary Company has incurred loss of Rs. 5.64 Lacs (Previous year Net Profit of Rs. 2.31 Lacs)

During the year under review, GSEC Green Energy Private Limited, the wholly owned subsidiary Company has incurred loss of Rs. 6.82 Lacs (Previous year Loss Rs. 7.00 Lacs)

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETING:

The details of the number of meetings of the Board held during the Financial Year 2020-21 forms part of the Corporate Governance Report which is annexed to the Report.

Independent Directors' Meeting

The Independent Directors met on 13th March, 2021, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and

individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

COMMITTEES OF THE BOARD:

The Board of Directors has following Committees:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer and Grievances Committee

The details of the Committees along with their composition, number of meetings and attendance of the members at the meetings are provided in the Corporate Governance Report which is annexed to the Report.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2021 is available on the website of the Company at http://gsecl.co.in/Web/Downloads/Annual_Return_2020-21.pdf.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review all the related party transactions entered into by the Company were on arms' length basis and in ordinary course of business.

There are no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of the related party transactions are provided in Form AOC – 2 under **Annexure-C**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The details of the Loans and Guarantees given during the year under review falling under Section 186 of the Companies Act, 2013 is given in **Annexure-D**, which forms part of this report. The details of Investments are as mentioned in the notes of financial statements. During the year under review, the company has not provided any security falling within in purview of Section 186.

PARTICULARS OF EMPLOYEES:

No employee was drawing salary in excess of the limits prescribed under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

In terms of provisions of Section 136(1) of the Act, the Annual Report excluding the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the members of the Company. The said information is open for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

AUDITORS:

Statutory Auditors:-

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. BJS & Associates & Co., Chartered Accountants (Registration No. 113268W), were appointed as Statutory Auditors of the Company to hold office till conclusion of the 58th Annual general Meeting to be held in the calendar year 2024.

The Notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations on adverse remarks or disclaimers given by Statutory Auditors' of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Audit:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Umesh Parikh and Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure-E**.

Internal Audit:-

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, M/s. Dharmesh Parikh & Co, Chartered Accountant, were appointed as the Internal Auditor of your Company for the financial year 2020-21. Further the Board of director of the company re-appointed as M/s. Dharmesh Parikh & Co as the Internal Auditor of your Company for the financial year 2021-22.

EXPLANATION OR COMMENTS ON AUDITORS' REPORT AND/OR SECRETARIAL AUDIT REPORT:

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory in their Audit Reports which requires clarification from the Management of the Company.

Regarding observation made by Secretarial Auditors for short of one Non-Executive Director on the Nomination and Remuneration Committee, it is to be noted that the Board of Directors of your company always consists of Directors of eminent profile and having rich experience of their respective field. The management of the Company is in continuous search of suitable candidate to be appointed as a Director (category: Non-Executive) on the Board of the Company after cessation of Shri Natubhai Patel, Non Executive Director of the Company. However, the pandemic situation has reduced the physical meeting of person and that has partially affected the selection procedure of suitable candidate and hence the company could not induct one more Director on the Board of the Company. The Board of Directors will appoint a Director in a short span of time or proper compliance of constitution of Nomination and Remuneration Committee will be made.

SECRETARIAL STANDARDS:

The Board to the best of their knowledge confirms that the Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and made applicable by Ministry of Corporate Affairs.

MAINTENANCE OF COST RECORDS:

The Company is not required to maintain any cost records prescribed under section 148 of the Companies Act, 2013 and rules made thereunder.

INTERNAL FINANCIAL CONTROL SYSTEM:

The Board has laid down the Internal Control System with adequate internal financial controls, commensurate with the size, scale and complexity of operations which operates effectively. The scope and authority of the Internal Audit (IA) function is well defined.

RISK MANAGEMENT POLICY:

The Management regularly reviews the risk and take appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Company has a setup Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

In the opinion of the Board, there has been no identification of any element of risk which may threaten the existence or going concern of the Company.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaint during the year under review.

SIGNIFICANT AND MATERIAL ORDERS:

There is no significant and/or material order passed by any Regulator(s) or Court(s) or Tribunal(s) during the year which would impact the going concern status of the Company and its operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 is given in the **Annexure-F**.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company states that:-

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on going concern basis;
- (e) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

ACKNOWLEDGEMENTS:

Your Directors are thankful to the Bankers, various Government agencies, suppliers, customers, Investors and all others stakeholders for their wholehearted support during the year and look forward to their continued support in the years ahead. Your Directors further appreciate and acknowledge the contributions made by the employees at all levels and other business associates for their commitment and dedication towards the operations of the Company.

Place : Ahmedabad

Date : 30th October, 2021

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE – A**Form AOC-I***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)***Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	S.N.	1	2	3	4
2	Name of the subsidiary	GSEC Logistics Limited	GSEC Green Energy Private Limited	Smartmeters Technologies Private Limited	Electrify Energy Private Limited
3	The date since when subsidiary was Acquired	07.09.2006	02.01.2012	07.10.2019	16.09.2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2020 to 31.03.2021	01.04.2020 to 31.03.2021	01.04.2020 to 31.03.2021	16.09.2020 to 31.03.2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	INR
5	Share capital	5,00,000	1,00,000	1,00,000	10,00,00,000 (Authorised)
6	Reserves & surplus	16,58,560	(1,24,80,604)	(10,95,160)	(14,08,243)
7	Total assets	3,99,05,646	2,85,64,910	20,63,31113	3,99,528
8	Total Liabilities	3,77,47,086	4,09,45,514	8,31,67,761	8,07,771
9	Investments	NIL	NIL	Nil	Nil
10	Turnover	NIL	NIL	4,83,38,800	Nil
11	Profit before taxation	(5,23,317)	(6,81,502)	(14,36,996)	(14,08,243)
12	Provision for taxation	Nil	Nil	(3,41,836)	Nil
13	Profit after taxation	(5,23,317)	(6,81,502)	(10,95,160)	(14,08,243)
14	Proposed Divided	NIL	NIL	Nil	Nil
15	% of Shareholding	100%	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations: Not Applicable.
- Names of subsidiaries which have been liquidated or sold during the year: Not Applicable.

Part “B”: Associates & Jointly Controlled Entities

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S.N.		1
	Name of Associates or Joint Ventures	Safire Technologies Private Limited
1	Latest audited Balance Sheet Date	05.11.2021
2	Date on which the Associate or Joint Venture was associated or acquired	09.11.2019
3	Shares of Associate or Joint Ventures held by the company on the year end	35%
	No.	3500
	Amount of Investment in Associates or Joint Venture	Rs. 35,000
	Extent of Holding (in percentage)	35%
4	Description of how there is significant influence	Due to Percentage of stake in the Company
5	Reason why the associate/Joint venture is not consolidated	N.A.
6	Net worth attributable to shareholding as per latest audited Balance Sheet	(7,40,551)
7	Profit or Loss for the year	(13,39,938)
	i. Considered in Consolidation	(5,59,157)
	ii. Not Considered in Consolidation	(7,80,841)

Notes:

- Names of Associates & Jointly Controlled Entities which are yet to commence operations: GSEC Bird Airport Services Private Limited.
- Names of Associates & Jointly Controlled Entities which have been liquidated or sold during the year: Not Applicable.

As per our attached report or even date

For and on behalf of Board of Directors

For BJS & Associates

Chartered Accountants

Firm Registration No. 113268W

CA BIPIN J SHAH

Partner

Membership No. 10712

Place : Ahmedabad

Date : 30th October, 2021

RAKESH SHAH

Chairman & Managing Director

DIN:00421920

DARSHIL SHAH

Company Secretary

M. No. A37483

Place : Ahmedabad

Date : 30th October, 2021

SAMIR MANKAD

CEO & Whole-Time Director

DIN: 00421878

ANNEXURE – C

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto.

- 1 Details of material contracts or arrangements or transactions not at arm's length basis:** None of the transactions with related parties fall in this category.
- 2 Details of material contracts or arrangement or transactions at arm's length basis:**

Rs. in Lacs

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Priti R. Shah (Relative of Directors)	Lease/Rent Agreement	As per Agreement	Rs. 27.29	As per Note Below	As per Note Below
Shaishav R. Shah (Whole-Time Director)	Lease/Rent Agreement	As per Agreement	Rs. 3.58	As per Note Below	As per Note Below

Note: Above mentioned transaction are done at arm's length price and at prevailing market rate. Appropriate approvals whenever required have been taken for related party transactions. No amount was paid as advance.

Place : Ahmedabad
Date : 30th October, 2021

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE - D

Particulars of Loans and Guarantees

Amount outstanding as at 31st March, 2021

(Rs. in Lacs)

Particulars	Amount
Loans given	1398.46
Guarantee given	389.16

Loan and Guarantee made during the Financial Year 2020-21

(Rs. in Lacs)

Name of Entity	Relation	Amount	Particulars	Purpose
GSEC Green Energy Private Limited	WOS	1.63	Loan	Business
GSEC Logistics Limited	WOS	5.65	Loan	Business
Smartmeters Technologies Private Limited	WOS	1383.35	Loan	Business
Electrify Energy Private Limited	WOS	7.83	Loan	Business

Place : Ahmedabad

Date : 30th October, 2021

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
GSEC LIMITED
CIN- U52100GJ1965PLC001347
Gujarat Chambers Building,
Ashram Road, Ahmedabad - 380009.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GSEC Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not Applicable;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (Not Applicable as the shares of the Company are not listed on any Stock Exchange)
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges. (Not Applicable as the shares of the Company are not listed on any Stock Exchange)

During the audit period under review the Company has majorly complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above however for part of the year

the Nomination and Remuneration Committee was constituted with only 2 Non Executive Directors against the requirement of 3 Non Executive Directors as per the provisions of section 178 of the Companies Act, 2013.

We further report that:

During the audit period under review there were no specific laws which were exclusively applicable to the Company/ Industry. However having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the Air cargo activities and Trading activities:

1. Foreign Trade Policy
2. Major Port Trusts Act, 1963
3. The Airports Economic Regulatory Authority of India Act, 2008

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meetings and agenda and detailed notes on agenda were sent well 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.

Decisions at the meetings of Board of Directors / Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meeting, 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 general laws, rules, regulations and guidelines.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

We further report that :

During the Audit period under review there were no instances of:

- a) Public issue / Right issue of Shares / Debentures / Sweat Equity etc;
- b) Redemption / Buy – Back of Securities;
- c) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;
- d) Merger / amalgamation / Reconstruction etc;
- e) Foreign Technical Collaboration.

Place : Ahmedabad

Date : October 29, 2021

**For Umesh Parikh & Associates
Company Secretaries**

**Umesh G. Parikh
Practicing Company Secretary
(Proprietor)**

**FCS No.: 4152 C. P. No.: 2413
UDIN: F004152C001328741**

Note:-

1. This report is to be read with our letter of even date which is annexed as Annexure –A and forms an integral part of this report.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers, disclosures from Directors and other records etc., received by us by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

Annexure A

To,
The Members,
GSEC LIMITED
CIN- U52100GJ1965PLC001347

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 with respect to the complete secretarial records to ensure that correct facts are reflected therein. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of various procedures on test check basis.
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 : October 29, 2021

For Umesh Parikh & Associates
Company Secretaries
Umesh G. Parikh
Practicing Company Secretary
(Proprietor)
FCS No.: 4152 C. P. No.: 2413
UDIN: F004152C001328741

ANNEXURE - F

**Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo
(Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3)
of the Companies (Accounts) Rules, 2014).**

(A)	Conservation of energy:	
(i)	the steps taken or impact on conservation of energy;	In order to conserve resources, the Company has taken measures and applied control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. On account of measures taken, it reduces the energy consumption.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	N.A.
(iii)	the capital investment on energy conservation equipments	N.A.
(B)	Technology absorption:	
(i)	the efforts made towards technology absorption;	There is no technology absorption and Company not incurred any Research and development has expenditure.
	The benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	N.A.
	(a) the details of technology imported;	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.
(C)	Foreign Exchange Earning and Outgo:	
(i)	Foreign Exchange Earning	During the year under review, earnings in Foreign Currency amounted to Nil (Previous year Rs. Nil)
(ii)	Foreign Exchange Outgo	During the year under review, outgo in Foreign Currency amounted to Rs. Nil. (Previous year Rs. 7.35 Lacs.)

Place : Ahmedabad
Date : 30th October, 2021

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE - G

Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Senior Employees of GSEC limited.

I. TERMS OF REFERENCE TO THE NOMINATION AND REMUNERATION COMMITTEE:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
2. To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
4. To recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees.”

II. APPLICATION:

This Policy applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of GSEC Limited (‘the Company’). The policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel and Senior Management Personnel in accordance with provisions of Companies Act, 2013 (‘the Act’) including the rules made thereunder as may be applicable.

III. OBJECTIVITY:

The Company aims to achieve balance of merits, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management Personnel.

I. DEFINITIONS:

1. “Board” means Board of Directors of the Company.
2. “Committee” means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board from time to time.
3. “Key Managerial Personnel” (KMP) means:
 - a) Chief Executive Officer or Managing Director or the Manager,
 - b) Whole-time Director
 - c) Chief Financial Officer
 - d) Company Secretary and
 - e) Such other officers as may be prescribed under the Act from time to time
4. “Senior Management Personnel” (SMP) means personnel of the Company who are members of the core management team, excluding Board of Directors and are one level below the Executive Directors including all Functional Heads.
5. “Company Policy” means the policy of Human Resource Department of the Company as laid down from time to time.

II. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP:

1. The Committee shall consider criteria such as qualifications, skills, expertise and experience of the person to be appointed as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

2. The age of person to be appointed as a Non-Executive Director shall not be less than 21 years and more than 75 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 75 years.
3. The age of person to be appointed as an Executive Director shall not be less than 21 years and not more than 70 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 70 years.
4. The Company should ensure that the person so appointed as Director is not disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
5. The Director/ Independent Director / KMP / SMP shall be appointed as per the provisions and procedure laid down under the Companies Act, 2013 including rules made thereunder, as may be applicable or any other enactment for the time being in force.
6. The Committee may recommend to the Board for removal of a Director on account of any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground. The Committee may also recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of the applicable Act, rules and regulations.
7. Term and tenure of a Director shall be in accordance with the provisions of the Companies Act, 2013 rules made thereunder as may be applicable and amended from time to time.

III. REMUNERATION OF DIRECTORS, KMP AND SMP:

A) DIRECTORS –

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors on the basis of recommendation of the Committee subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and in compliance with the provisions of the listing agreement as applicable from time to time.

The remuneration of Directors shall be approved by the shareholders of the Company as and when required.

(I) EXECUTIVE DIRECTORS –

The Company shall enter into a contract with every Executive Director, which will set out the terms and conditions of appointment and tenure, as recommended by the Committee and approved by the Board.

The Board may vary any terms or conditions of the contract from time to time within the tenure subject to such approvals as may be required under the Act.

The remuneration components shall include inter alia:

A. Fixed salary:

Each Executive Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be recommended by the Committee and decided by the Board and performance evaluation of each Executive Director from time to time, subject to overall limits as prescribed under the Act.

The salary may be reviewed;

- i) From time to time as thought fit by the Committee.
- ii) Annually within the limits as set by the Company within the overall limit as fixed by the shareholders of the Company.

B. Commission:

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each Director shall be recommended by the Committee on the basis of the performance evaluation of the Director undertaken by the Committee and the Board.

C. Separation / Retirement benefits:

Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof,
- (b) Gratuity payable at a rate not exceeding one month's salary for each completed year of service and
- (c) Encashment of leave at the end of the tenure. In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

D. Non-monetary Benefits:

Executive Director shall be eligible to the following non-monetary benefits which shall, subject to the terms and conditions of the appointment of Executive Director by the shareholders of the Company, not be included in the computation of the limit/ceiling on remuneration:

Executive Directors may be entitled to club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bills, fully furnished accommodation (in case of use of own residential property for accommodation) or house rent allowance in lieu thereof, soft and hard furnishings, reimbursement of house maintenance expenditure, gas, electricity bill, water and other utilities and repairs at residence, medical expenditure, including hospitalization expenses for self and family, leave travel assistance and entertainment expenses.

Executive Director may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance or any other benefit as per Company policy.

Executive Director may be entitled to such other additional benefits as per the Company Policy.

(II) NON-EXECUTIVE DIRECTORS –

The Company shall issue a letter of appointment to every Non-Executive Independent Director. The components of payment of remuneration to Non-Executive Directors shall include:

A. Sitting Fees:

Sitting fees shall be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act. Committee shall include Audit Committee, Nomination and Remuneration Committee Share Transfer and Shareholders' Grievances Committee or such other Committees as may be constituted by the Board from time to time.

B. Commission:

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the Committee on the basis of annual performance evaluation of the director.

C. Professional Fees:

Non Independent Directors may be paid fees for services of professional nature, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession. Such professional fees shall not be considered as remuneration for the purpose of Act.

Independent Directors may be paid the fees for providing services of professional nature on an arm's length basis, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession.

B) KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL –

The Company shall issue an appointment letter to every KMP and SMP. The remuneration components payable to KMP/ SMP may be:

A. Fixed Salary:

Each KMP / SMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein. The same shall be reviewed annually based on the Company's annual appraisal policy.

B. Variable Pay:

Apportion of the overall salary may be paid as variable pay to every KMP/SMP. This shall be as per the Performance Linked Pay Scheme of the Company, which is designed to bring about increase in overall organizational effectiveness through alignment of Company, Functional and Individual objectives.

C. Perquisites / Other Benefits Perquisites / Other Benefits:

These are to be benchmarked with Industry practices from time to time keeping an overall salary structure in mind. These may include petrol reimbursement, vehicle maintenance, telephone, reimbursement of mobile phone bills, leave travel assistance and reimbursement of medical expenditure for self and family and such other benefits as per the Company Policy.

KMP / SMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance and such other benefits as per Company policy.

D. Annual Pay Revision / Promotion Evaluation of KMP / SMP:

This shall be based on appraisal against stated Objectives / Goals of the individual which in turn shall be aligned to the Functional and Enterprise Score Card. Key Result Areas (KRAs) are set at the beginning of the year in consultation with the Executive Director. Pay revisions / promotions will be achievement oriented and will also have reference to Industry benchmarks, where appropriate. e. Separation / Retirement benefits Separation / retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

C) DIRECTORS AND OFFICERS LIABILITY INSURANCE–

The Company will take Directors and Officers Liability Insurance or such insurance of like nature for indemnifying any of the Directors, KMP and SMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company. The premium paid on such insurance shall not be treated as part of remuneration payable to Managing Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary. Provided that if any such person is proved to be guilty, the premium paid shall be treated as part of the remuneration.

D) STOCK OPTIONS –

The Committee may recommend issue of stock options to Directors (other than Independent Directors and Promoter Directors), KMP / SMP, which may be granted by the Board subject to the compliance of the provisions of applicable laws.

IV CRITERIA FOR EVALUATION OF BOARD:

The evaluation of Board shall be carried out annually as per the provisions of the Companies Act, 2013 and rules made thereunder as may be applicable. Performance evaluation of each Director will be based on the criteria as laid down from time to time by the Nomination and Remuneration Committee.

Criteria for performance evaluation shall include aspects such as attendance for the meetings, participation and independence during the meetings, interaction with Management, Role and accountability to the Board, knowledge and proficiency and any other factor as may be decided by the Nomination and Remuneration Committee. Further, performance evaluation of an Executive Director will also be based on business achievements of the Company.

V AMENDMENT:

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of the Companies Act, 2013 and rules made thereunder as may be applicable.

**Place : Ahmedabad
Date : 30th October, 2021**

For and on behalf of the Board of Directors,

**RAKESH SHAH
Chairman & Managing Director
DIN: 00421920**

ANNEXURE - A

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies whose shares are listed on any Stock Exchange in India are required to attach the Corporate Governance Report in its Annual Report. We believe Good Corporate Governance is a sine qua non for the company and hence though the company's shares are not listed with any Stock Exchange, your directors have thought it advisable to follow certain aspects of corporate governance as per Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a good corporate practice.

1 COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate governance reflects Company's culture, policies, relationship with its stakeholders, its commitment to values and its ethical business conduct. At GSEC Limited ("the Company"), it is our firm conviction that good corporate governance emerges from the application of best management practices and compliance with the laws coupled with integrity, transparency, accountability and business ethics and hence we follow fair, transparent and ethical governance processes and practices embedded into the culture of our organisation and the GSEC Group, which ensures that the interest of all the stakeholders are considered in a balanced and transparent manner.

2 BOARD OF DIRECTORS:

Composition:-

The Company has a fundamentally strong Board with an optimum mix of Executive and Non- Executive Directors including a Woman Director.

The Board consists of eminent individuals with considerable professional expertise and experience in finance, legal, commercial, strategy and planning, business administration and other related fields, who not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board. The Board's roles, functions, responsibilities and accountability are clearly defined. The day to day management of the Company is entrusted with the Senior Management Personnel of the Company and is headed by the Chairman and Managing Director who are functioning under the overall supervision, direction and control of the Board.

As on 31st March, 2021, the Board of Directors comprised of 6 (Six) Directors including One Executive Chairman cum Managing Director, Joint Managing Director, Two Whole-time Directors and Two Non-Executive Independent Directors. The Board of Directors believes that its current composition is appropriate to maintain independence of the Board of Directors and separate its functions of governance and management. The composition of the Board during the year under review was in conformity with the provisions of the Companies Act, 2013 and as amended from time to time (the 'Act') and the Listing Regulations.

Board Meetings:-

The Board of Directors meets at least four times in a year with a maximum time gap of not more than one hundred & twenty days between two consecutive meetings. Additional meetings of the Board of Directors are held as and when deemed necessary by the Board of Directors. Board Meetings are generally held at the Registered Office of the Company.

During the year under review, the Board of Directors met 4 (four) times (1) 15.05.2020, (2) 18.08.2020, (3) 05.12.2020 and (4) 13.03.2021. The necessary quorum was present at all the meetings.

The names and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting are given below:

Sr. No.	Names of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Companies#
1	Shri Rakesh Shah	Executive Director (Chairman & Managing Director)	4/4	Yes	13
2	Shri Samir Mankad	Executive Director (CEO & Whole-Time Director)	4/4	Yes	7
3	Shri Shaishav Shah	Executive Director (Managing Director)	4/4	Yes	18
4	Smt. Raji Shah	Executive Director (Whole-Time Director)	3/4	No	5
5	Shri Sandip Parikh	Non-Executive Independent Director	4/4	Yes	6
6	Shri Natwarlal Patel Ceased w.e.f. 21.07.2020	Non-Executive Independent Director	1/4	No	7
7	Shri Shailesh Patwari	Non-Executive Independent Director	2/4	Yes	8

As per the latest notices of disclosure received from the respective Directors.

The tenure of the Independent Directors of the Company is within the time limit prescribed under the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs in this regards from time to time. No Director of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he/she is a Director.

Due to pre-occupancy Shri Natwarlal Patel resigned as an Independent Director w.e.f. 21.07.2020.

Disclosure of relationships between director's inter-se:-

Shri Rakesh Shah, Chairman and Managing Director is father of Shri Shaishav Shah, Whole-Time Director and father in law of Smt. Raji Shah Whole-Time Director of the company.

Shri Shaishav Shah Whole-Time Director is spouse of Smt. Raji Shah, Whole-Time Director.

Confirmation regarding Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

All the recommendations made by the various committees have been accepted by the Board.

3 AUDIT COMMITTEE:

Composition & Members of the Committee:-

Your Company has an Audit Committee at the Board level, which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. The Audit Committee of the Company comprised of three members as on March 31, 2021.

During the year, One Committee Meeting was held on 05.12.2020.

Constitution of the audit committee and attendance details during the financial year ended March 31, 2021 are given below:

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Sandip Parikh	Non-Executive Independent Director (Chairman of the Committee)	1/1
2	Shri Samir Mankad	Executive Whole-time Director	1/1
3	Shri Shailesh Patwari Appointed w.e.f. 18th March, 2020	Non-Executive Independent Director	1/1

Brief description of Terms of Reference:

- (i) oversee the financial reporting process
- (ii) recommend the appointment/re-appointment of auditors
- (iii) decide the audit fees, discuss the nature and scope of audit and ascertain area of concern,
- (iv) review the annual and quarterly financial statements
- (v) review the changes in accounting policies etc
- (vi) review the adequacy of internal audit functions and discuss with them significant findings,
- (vii) review the disclosure of related party transactions,
- (viii) Compliance relating to financial statements etc.
- (ix) Scrutiny of Intercorporate Loan and Investment.

4 NOMINATION AND REMUNERATION COMMITTEE

Composition & Members of the Committee:-

The Nomination and Remuneration Committee of the Company comprise of two members as on March 31, 2021, the composition of which is furnished hereunder:

During the year, One Committee Meeting was held on 13.03.2021.

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Sandip Parikh (Chairman of the Committee w.e.f. 06.12.2018)	Non-Executive Independent Director	1/1
2	Shri Natwarlal Patel	Non-Executive Independent Director	1/1
3	Shri Shailesh Patwari	Non-Executive Independent Director	1/1

The terms of reference of the Nomination and Remuneration Committee are as outlined in the Companies Act, 2013 which inter alia includes following:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
2. To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director

4. To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

Performance Evaluation of Independent Directors:

The Performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board/ Committee meetings attended, time devoted to the Company, his participation in the Board/ Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

Details of remuneration paid to the executive directors for the year ended 31.03.2021 are as below:

Name	Position held During the period	Total Remuneration including perks and benefits (Rs. in Lacs)
Shri Rakesh R. Shah	Chairman & Managing Director	72.00
Shri Samir H. Mankad	CEO & Whole-Time Director	40.65
Shri Shaishav R. Shah	Whole-Time Director	22.85
Smt. Raji S. Shah	Whole-Time Director	17.09

The Company has paid following sitting fees to the Non-executive Directors during the year under review.

Name of Director	Sitting fees paid (In Rs.)	No. of Shares held
Shri Sandip Parikh	45,000/-	Nil
Shri Natwarlal Patel ceased w.e.f. 21.07.2020	7,500/-	Nil
Shri Shailesh Patwari	–	Nil

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board/Committee attended by him, for which such sum is payable which is within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Besides above, the Company does not pay any other commission or remuneration to its Non-Executive Directors.

The Company did not have any other pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

INDEPENDENT DIRECTORS:

As per the provisions of the Schedule IV of the Companies Act, 2013 the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non-Independent Directors. The Independent Directors at their meeting held on 13th March, 2021 has reviewed the performance of the Non-Independent Directors (Including the Chairperson) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management.

The Independent Directors were satisfied with the performance of the Executive Directors of the Company and with the flow of information between the Company and the Management.

5 SHARE TRANSFER AND GRIEVANCES COMMITTEE

Composition & Members of the Committee:-

The Board of Directors of the Company has constituted Share Transfer and Grievances Committee which looks in to the matters relating to transfer of shares and other related matter.

The Share Transfer and Grievances Committee of the Company comprised of three members as on March 31, 2021 the composition of which is furnished hereunder.

During the year, No Committee Meeting was held.

Sr. No.	Name of the Director / Member	Category	Meetings and attendance during the year
1	Shri Sandip Parikh (Chairman of the Committee)	Non-Executive Independent Director	0/0
2	Shri Rakesh Shah	Executive Managing Director	0/0
3	Shri Samir Mankad	Executive Whole-Time Director	0/0

As a measure of good corporate governance and to focus on the Shareholders' request as to the transfer of shares, the committee deals with issue of approval of transfer/ transmission of shares, deletion/ transposition of names in the shares, matters relating to splitting, sub-division, consolidation of shares and to issue fresh share certificate etc. The Committee also deals with the matter relating to investor / shareholders grievances.

NNo complaints have been received during the year under review.

6 GENERAL BODY MEETINGS:

Annual General Meetings:-

Date, Time and venue of the General Meetings held during the last 3 years.

Financial year ended	Date	Time	Venue
31.03.2020	30.12.2020	11.00 a.m.	held through VC/ OAVM as the place of meeting as 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009
31.03.2019	26.09.2019	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009.
31.03.2018	28.09.2018	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009

Details of Special Resolutions passed in the previous three Annual General Meetings:

Date of the AGM	Subject Matter of the Special Resolution
30.12.2020	1. Re-Appointment of Mr. Samir Hanskumar Mankad (DIN: 00421878) as a Whole-Time Director of the Company
	2. Increase in the limit of Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013.
	3. Approval for making Investments / granting loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate etc.
26.09.2019	1. Re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company.
	2. Re-Appointment of Mr. Shaishav Shah (DIN: 00019293) as a Whole-Time Director of the Company.
28.09.2018	No Special Resolution was passed

Extra Ordinary General Meeting(s):- No Extra-ordinary General meeting of the members of the Company were held during the year under review.

Postal Ballot:- During the year under review, no approval of the Members was sought through postal ballot. None of the business proposed to be transacted at the ensuing AGM requires passing of special resolution through Postal Ballot.

7 DISCLOSURES:

In preparation of financial statements, the Company has followed the Accounting Standards as applicable to the Company. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts. Apart from Accounting Standards we have also initiated a good corporate and compliance practice of following certain Secretarial Standard(s) issued by the Institute of Company Secretaries of India.

Related Party Transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Board. These transactions are not likely to have any conflict with the Company's interest.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risk.

8 GENERAL SHAREHOLDER INFORMATION:

Date, time and venue of AGM	Tuesday, 30th November, 2021, at 11.00 a.m. at 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009.
Listing on Stock Exchanges	N.A.
Listing Fees	N.A.
ISIN NO.	INE825P01010
Stock Exchange's Script Code	N.A.

9 DEMATERIALIZATION OF SHARES, REGISTRAR & TRANSFER AGENT & SHARE TRANSFER SYSTEM:

(a) Registrar and Share Transfer Agent:-

Name	M/s. Bigshare Services Private Limited
Address	A/802 Samudra Complex, Near Classic Gold Hotel, Girish Cold Drink Cross Road, Off C G Road, Ahmedabad-380009.
Contact Details	Phone: 079 - 40024135
E mail	bssahd@bigshareonline.com

(b) Share Transfer System:-

Transfer of shares in physical form has been delegated by the Board to the Registrar and Share Transfer Agent, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. It may be noted that vide MCA Notification dated 10.09.2018, transfer of shares in physical mode has been stopped w.e.f. 02.10.2018.

(c) Dematerialisation of shares:-

All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depository i.e. National Securities Depository Ltd (NSDL) within 15 days.

(d) Secretarial Audit for Reconciliation of Capital:-

As stipulated under the Companies Act, Practicing Company Secretaries carry out Secretarial Audit to reconcile the total paid up capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical capital. This audit is carried out every half-year. The audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

10 INVESTORS CORRESPONDENCE:

For any queries, requests and other correspondence, the Shareholders are requested to contact:-

Registered Office:	Registrar and Share Transfer Agent:
GSEC Limited, 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad - 380 009. Phone: 079 - 26575757, 079 - 26585757 Fax: 079-26584040 E Mail: info@gsecl.co.in	Bigshare Services Private Limited A/802 Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drink Cross Road, Off C G Road, Ahmedabad - 380009. Phone: 079 - 40024135 E Mail: bssahd@bigshareonline.com

Complaints/grievances may also be addressed to - **cs@gsecl.co.in**

Place : Ahmedabad

Date : 30th October, 2021

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of GSEC Limited ('the Company'), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss and the 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 March 2021 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 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 Act 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.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 statement 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the financial statements

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.

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 adequate internal financial controls system 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it 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 the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (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 B"; and
 - (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) As detailed in Note 25(iv) of the notes to the standalone financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BJS & Associates
Chartered Accountants
Firm Registration Number: 113268W

CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN : 21010712AAAABA1944

Place : Ahmedabad
Date : 30/10/2021

ANNEXURE - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management, in our opinion, is reasonable looking to the size of the Company and the nature of its assets and 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) The inventories have been physically verified by the Management during the year at reasonable interval. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loans to companies, limited liability partnership or other parties covered section 189.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (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 and guarantees and security provided by it.
- (v) The Company has not accepted any deposits from the public within meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the records of the Company and information and explanation given to us, following statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. In Lacs)
VAT Tax Act, Gujarat	Value Added Tax	Tribunal	2007-08 and 2008-09	862.39
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2009-10	1.62
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2011-12	14.21

Company has not transferred any amount to the Investor Education and Protection Fund in accordance with the provisions of Companies Act, 1956 during the year.

- (viii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or bank or Government during the year. The Company has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term Loans have been applied for the purpose for which they were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (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 given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares, fully or partially convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the order are not applicable.
- (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, provisions of paragraph 3(xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of 3(xvi) of the Order are not applicable.

For BJS & Associates
Chartered Accountants
Firm Registration Number: 113268W

CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN : 21010712AAAABA1944

Place : Ahmedabad
Date : 30/10/2021

Annexure - B 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 GSEC Limited ("the Company") as of 31 March 2021p in conjunction with our audit of the standalone financial statements of the Company for the year ended on 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 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 ('ICAI'). These responsibilities 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 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.

Auditors' 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 on auditing, 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 and, 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 was 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 judgment, 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 authorisations of management and directors of the company; and (3)

provide reasonable assurance regarding prevention or timely detection of unauthorised 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BJS & Associates
Chartered Accountants
Firm Registration Number: 113268W**

**CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN : 21010712AAAABA1944**

**Place : Ahmedabad
Date : 30/10/2021**

Balance Sheet as at 31st March, 2021

(Rs. in Lacs)

Particulars	Notes	31st March, 2021	31st March, 2020
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	3,246.66	2,771.19
2 Non-current liabilities			
(a) Long-Term Borrowings	3	-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
3 Current liabilities			
(a) Short-Term Borrowings	4	1,574.96	986.37
(b) Trade Payables	5	1,375.08	1,459.21
(c) Other Current Liabilities	6	377.92	393.85
(d) Short-Term Provisions	7	55.72	34.17
TOTAL		7,385.34	6,399.78
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	1,674.13	1,738.95
(b) Non-Current Investments	9	548.36	191.11
(c) Deferred Tax Assets (Net)		-0.77	99.67
(d) Long-Term Loans and Advances	10	399.10	293.65
2 Current Assets			
(a) Current Investments	11	-	5.00
(b) Inventories	12	13.21	13.21
(c) Trade Receivables	13	977.43	2,142.46
(d) Cash and Bank Balance	14	102.71	143.91
(e) Short-Term Loans and Advances	15	3,670.26	1,770.79
(f) Other Current Assets	16	0.92	1.04
TOTAL		7,385.34	6,399.78
Significant Accounting Policies		23	
The accompanying notes are integral parts of the Financial Statements			

As per our attached report or even date **For and on behalf of Board of Directors**

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

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

(Rs. in Lacs)

Particulars	Notes	2020-21	2019-20
I. Revenue From Operations			
Sale of Traded Goods (Gross)		30,583.22	38,072.86
Less : Excise Duty		-	-
Sale of Trading Goods (Net)		30,583.22	38,072.86
Sale of Services		2,665.29	3,498.14
Other Operating Revenues	17	-	8.64
II. Other Income	18	1,176.73	198.82
III. Total Revenue	(I+II)	34,425.23	41,778.46
IV. Expenses:			
Purchase of Traded Goods		30,218.86	38,015.69
Changes in Inventories of Stock-in Trade	19	-	14.36
Employee Benefits Expense	20	520.01	592.07
Finance Costs	21	459.51	93.31
Depreciation and Amortization Expense		204.39	249.50
Other Expenses	22	2,314.94	2,370.63
Total Expenses		33,717.70	41,335.57
V. Profit Before Exceptional Items And Tax	(III-IV)	707.53	442.90
VI. Exceptional Items		-	-
VII. Profit Before Tax	(V-VI)	707.53	442.90
VIII. Tax Expense:			
(1) Current Tax		131.62	133.00
(2) Deferred Tax		100.43	-10.72
(3) Tax Adjustment of Earlier Years		-	-
IX. Profit for the Year	(VII-VIII)	475.47	320.61
X. Earnings Per Equity Share (in Rs.)		6.30	4.25
Significant Accounting Policies	23		
The accompanying notes are integral parts of the Financial Statements			

As per our attached report or even date For and on behalf of Board of Directors

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

Cash Flow Statement For The Year Ended 31st March, 2021

(Rs. in Lacs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	707.53	442.90
Adjustments For:		
Depreciation	204.39	249.50
Interest Paid	459.51	93.31
Interest received	-138.61	-69.11
(Profit)/Loss on Sale of Investments	-990.85	-19.08
Excess Provision for earlier year	-	-
(Profit)/Loss on Sale of Fixed Assets	-0.81	-10.59
Dividend Received	-0.14	-2.58
Rent Income	-	-2.50
Profit on redemption of Mutual fund	-13.39	-14.46
Interest on IT refund	-	
Misc.Dr./Cr. Written off	-	0.00
Operating Profit before working capital changes	227.63	667.39
Movements in working capital		
Adjustment for Decrease (Increase) in operating assets		
Decrease in Inventories	-	14.36
(Increase) in Trade and other Receivables	1,165.03	-1,061.78
(Increase) in Short Term Loans and Advances	-1,899.47	-480.62
Decrease in other Current Assets	0.12	1.25
Increase in Trade Payables	-84.13	391.23
(Decrease) in other Current Liabilities	-15.92	-125.40
Increase in Short Term Provisions	21.55	-54.13
(Decrease) in Short Borrowings	588.59	512.89
Net Cash Flow from Operating Activities before tax and Exceptional Items (A)	-224.23	-802.20
Taxes Paid	-159.93	-102.73
Net cash generated from operating activities before exceptional items	(237.53)	629.22
Exceptional Items	0.00	0.00
Net cash generated from operating activities	-156.54	-237.53
CASH FLOW FROM INVESTING ACTIVITIES:		
(Increase)/Decrease in Margin Money	11.88	221.02
Purchase of Fixed Assets	-140.49	-172.72
Purchase of Investments	-451.25	-42.47
Sale Proceeds of Fixed Assets	1.73	52.61
Sale of Investments	1,084.85	154.72
Interest received	138.61	69.11

(Rs. in Lacs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Dividend Received on Investments	0.14	2.58
Rent Received	-	2.50
Purchase of Mutual Fund	-780.00	-890.00
Redemption of mutual Fund	798.39	1,029.46
Long Term Loans and Advances	-77.14	7.15
Profit on Sale of Fixed Assets		-
Net cash flow from investing activities	586.73	433.96
CASH FLOW FROM FINANCING ACTIVITIES:		
Long term Borrowing (Net off repayment)		-
Addition/Repayment of Secured/Unsecured Loans (Net)		-
Other Long Term Loans and Advances	-	-115.00
Unclaimed Dividend Paid	-	7.12
Interest paid	-459.51	-93.31
Interest Received		-
Decrease in Minority interest on sale of subsidiary	-	-
Dividend Paid	-	-
Net cash flow from financing activities	-459.51	-201.19
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	-29.32	-4.76
Cash and cash equivalents at the beginning of the year	69.77	74.54
Cash and cash equivalents at the end of the year	40.45	69.77

As per our attached report or even date For and on behalf of Board of Directors

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 1 Share Capital

(Rs. in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs.10 each	100	1,003.00	100	1,003.00
Issued Equity Shares of Rs.10 each	75.50	755.00	75.50	755.00
Subscribed & fully Paid up Equity Shares of Rs.10 each	75.50	755.00	75.50	755.00
Total	75.50	755.00	75.50	755.00

1.1 33,00,000 No. of Equity shares out of the total Equity Shares issued, subscribed & paid-up share capital were allotted as Bonus shares in the last five years by capitalisation of Securities Premium A/c & General Reserve.

1.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	Equity Shares			
	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	75.50	755.00	75.50	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	75.50	755.00	75.50	755.00

1.3 **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company, after distribution of all preferential amounts.

1.4 **Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:**

Particulars	Nature of Relationship	As at 31st March, 2021	As at 31st March, 2020
Equity Shares Komal Infotech Private Ltd.	Holding Company	47.84	47.84

1.5 **Details of Shareholders holding more than 5% shares**

Particulars	Equity Shares			
	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	636,090	8.42	636,090	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 2 Reserves & Surplus

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Securities Premium Account		
As per Last Balance Sheet	337.00	337.00
b. General Reserves		
As per Last Balance Sheet	168.23	168.23
c. Surplus/Deficit in statement of Profit and Loss		
As per Last Balance Sheet	2,265.96	1,945.34
Add : Profit For the Year	475.47	320.61
Less: Proposed Dividend	-	-
Less: Tax on Proposed Dividend	-	-
	2,741.43	2,265.96
Total	3,246.66	2,771.19

Note 3 Long-term Borrowings

(Rs. in Lacs)

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Secured Loans				
Term loans				
Rupee Loan				
- From Others	0.00	-	0.00	42.95
(All above Vehicle loans are secured against Hypothecation of Vehicles)				
	-	-	-	42.95
Amount disclosed under the head *Other Current Liabilities (Refer Note-7)	0.00	0.00	-	42.95
Total	-	-	-	42.95

The Vehicle loans carries rate of interest ranging from 9.45% to 13.00% p.a.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 4 Short-Term Borrowings

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Secured Loans		
Working capital facilities from State Bank of India (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors & their relatives)	-	746.44
	-	746.44
b) Unsecured Loans		
(i) Loans from Related Parties		
Komal Infotech Pvt. Ltd.	12.82	14.37
Kalpavruksha Worldwide Pvt. Ltd.	758.40	66.21
	771.22	80.58
(ii) Deposits		
Director's Deposit	803.74	159.35
	1,574.96	239.93
Total	1,574.96	986.37

Note 5 Trade Payables

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Payables (Expenses and Purchases)	1,375.08	1,459.21
Total	1,375.08	1,459.21

Note 6 Other Current Liabilities

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Current maturities of long-term debt (Refer Note-3)	-	42.95
(b) Unclaimed dividends	2.51	2.51
(c) Statutory Dues Payables	164.84	127.67
(d) Trade/Security Deposit	140.40	142.49
(e) Advance from Customers	3.55	0.18
(f) Other Liabilities	66.62	78.05
Total	377.92	393.85

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 7 Short-term Provisions

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for Employee Benefits*		
Gratuity (Funded)	9.30	12.36
Leave Encashment (Unfunded)	16.05	14.08
Total	25.34	26.43
(b) Other Provision		
Proposed Dividend		
Tax on Proposed Dividend		
Others	30.38	7.74
Total	30.38	7.74
Total	55.72	34.17

* Long Term and Short Term classification is done based on actuarial valuation certificate.

Note 8 Fixed Assets

(Rs. in Lacs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2020	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2021	Balance as at April 1, 2020	Balance as at	On disposals	Balance as at March 31, 2021	Balance as at March 31, 2022	Balance as at March 31, 2020
a. Tangible Assets										
Land - Freehold	20.93	-	-	20.93	-	-	-	-	20.93	20.93
Buildings	1,517.88	-	-	1,517.88	384.58	55.22	-	439.80	1,078.07	1,133.29
Plant and Equipment	585.15	0.19	-	585.33	313.70	49.53	-	363.23	222.10	271.45
Furniture and Fixtures	452.15	19.03	-	471.18	348.44	27.54	-	375.98	95.21	103.72
Vehicles	598.06	-	-	598.06	471.66	36.38	-	508.04	90.02	126.40
Office Equipment	565.67	115.63	3.17	678.13	505.32	26.24	2.24	529.32	148.81	60.35
Computers	160.08	5.65	-	165.73	143.80	7.56	-	151.36	14.36	16.28
A.C Machines & Plant	67.06	-	-	67.06	60.52	1.91	-	62.43	4.63	6.54
Total	3,966.98	140.49	3.17	4,104.30	2,228.03	204.39	2.24	2,430.17	1,674.13	1,738.95
Previous Year	3,869.69	172.72	75.44	3,966.98	2,011.94	249.50	33.42	2,228.03	1,738.95	1,857.74

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 9 Non-Current Investments

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Investments (Valued At Cost)		
Unquoted Investments:		
Non Traded Unquoted, fully paid-up In Wholly Owned Subsidiaries		
50000 Equity Shares of GSEC Logistics Limited of Rs. 10 each (P.Y.50000 Shares of Rs. 10 Each)	5.00	5.00
10000 Equity Shares of GSEC Green Energy Private Limited of Rs. 10 each (P.Y. 10000 Shares of Rs. 10 Each)	1.00	1.00
10000 Equity Shares of Smartmeters Technologies Private Limited of Rs. 10 each (P.Y. 0 Shares)	1.00	-
100000 Equity Shares of Electrify Energy Private Limited of Rs. 10 each (P.Y. 0 Shares)	10.00	-
0 Equity Shares of Alluvial Natural Resources Private Limited of Rs. 10 each (P.Y. 10000 Shares)	-	1.00
In Associate Companies		
0 Equity Shares of Nesting Bird Media Private Limited of Rs. 10 each (P.Y. 2600 Shares)	-	0.26
3500 Equity Shares of Safire Technologies Private Limited of Rs. 10 each (P.Y. 3500 Shares)	5.25	5.25
	22.25	12.5
Traded Quoted Investments:		
25000 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited (P.Y.50000 Shares of Re. 1 Each)	25.97	11.02
Equity Shares fully paid up of Rs. 10 each of Adani Power Limited (P.Y.44490 Shares of Rs. 10 Each)	-	26.41
Equity Shares fully paid up of Rs. 10 each of Adani Green Energy Limited (P.Y.56256 Shares of Rs. 10 each)	-	23.83
Equity Shares fully paid up of Rs. 1 each of Adani Gas Limited (P.Y.73925 Shares of Re. 1 each)	-	6.55
160000 Equity Shares fully paid up of Rs. 1 each of Adani Transmission Limited (P.Y.0 Shares)	379.08	-
1000 Equity Shares fully paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 1000 Shares of Rs. 10 each))	3.89	3.89
66 Equity Shares Partly paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 6670 Shares of Rs. 10 each)	0.23	-
75000 Equity Shares fully paid up of Rs. 2/- each of Bodal Chemicals Limited (P.Y. 0 Shares)	45.75	-
50000 Equity Shares fully paid up of Re. 1/- each of Infibeam Avenue Limited (P.Y. 50000 Shares of Re. 1 Each)	32.23	32.00
100000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 100000 Shares of Re. 1 Each)	5.86	5.86
100000 Equity Shares fully paid up of Re.1/- each of Neela Spaces Limited Limited (P.Y.100000 Shares of Re. 1 each)	5.86	5.86
Equity Shares fully paid up of Re. 1/- each of Dishman Carbogen Amcis Ltd. (P.Y.0 Shares)	-	3.80
53016 Equity Shares fully paid up of Re. 1/- each of Meghmani Organics Limited (P.Y.0 Shares)	-	32.15

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 9 Non-Current Investments (Contd.....)

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares of Rs. 10 Each)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares of Rs. 10 Each)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares of Re. 1 Each)	0.00	0.00
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares of Re. 1 Each)	0.69	0.69
UNQUOTED INVESTMENTS		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Sha45s of Rs. 100 each)	0.67	0.67
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
	500.39	152.88
INVESTMENT IN PROPERTY		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
Total	548.36	191.11
Aggregate amount of Unquoted Investments	23.02	13.28
Aggregate amount of Quoted Investments (Market Value)	1,571.17	284.95

Note 10 Long Term Loans & Advances (Unsecured, Considered Good)

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advance	30.00	41.00
Deposit and Balance with Government Authorities	3.81	3.81
Deposit with Others	23.15	21.35
Advance Income Tax (Net of Provisions)	17.56	(10.75)
Other Loans and Advances	324.57	249.23
Total	399.10	293.65

Advance income tax and provisions for taxation have been disclosed on net basis where a legal right to set off exists and the Company intends to settle the assets and liability on a net basis.

Note 11 Current Investments

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Mutual Fund		
SBI DUEL ADVANTAGE FUND - SERIES XIX	-	5.00
Total	-	5.00

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 12 Inventories

(Rs. in Lacs)

(At Cost or net Realisable Value whichever is lower)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Traded Goods	13.21	13.21
Total	13.21	13.21

Note 13 Trade Receivables

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured- Considered good		
Outstanding for period exceeding six months	53.44	56.27
Other Receivables	924.00	2,086.19
	977.43	2,142.46
Unsecured, considered doubtful		
Outstanding for period exceeding six months	0.00	0.00
Other Receivables	0.00	0.00
	0.00	0.00
Less: Provision for doubtful debts	0.00	0.00
Total	977.43	2,142.46

Note 14 Cash & Bank Balance

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(I) Cash & Cash Equivalents		
Cash On Hand	2.70	3.46
Balances with Banks		
- In Current Accounts	37.75	66.31
(II) Other Bank Balance		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	59.75	71.63
- Unpaid Dividend Accounts	2.51	2.51
Total	102.71	143.91

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 15 Short-term Loans and Advances

(Unsecured and Considered Good)

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans and Advances to Related Parties	1711.83	510.42
Loans to Employees	1.14	3.96
Prepaid Expenses	15.53	21.66
Balances with Government Authorities		
GST Credit Receivable	73.76	44.81
Sales Tax Credit Receivable	25.00	25.00
Other Loans and Advances	1843.01	1164.94
Total	3670.26	1770.79

Note 16 Other Current Assets

(Unsecured and Considered Good)

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued but Not Due	0.92	1.04
Total	0.92	1.04

Note 17 Other Operating Revenues

(Rs. in Lacs)

Particulars	2020-21	2019-20
Discount Income	0.00	4.07
Ground Handling Income	0.00	4.57
Management Fees	0.00	0.00
Total	0.00	8.64

Note 18 Other Income

(Rs. in Lacs)

Particulars	2020-21	2019-20
Interest Income		
- Interest on Others	138.61	69.11
Other non-operating income :		
Dividend Income From Non- Current	0.14	2.58
Profit on Sale of Mutual Fund	14.34	14.46
Profit on sale of Shares	990.85	35.74
Profit on Sale of Fixed Assets	0.81	11.77
Foreign Exchange Difference	0.00	0.94
Bad Debts Recover Account	0.00	28.05
Excess Provision for Earlier Year	0.00	6.46
Misc. Income	29.47	27.21
Rent Income	2.52	2.50
Total	1176.73	198.82

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 19 Change in Inventories of Finished Goods

(Rs. in Lacs)

Particulars	2020-21	2019-20
Inventories (at close)		
Finished goods / Stock in trade	13.21	13.21
Inventories (at commencement)		
Finished goods / Stock in trade	13.21	27.57
Total	0.00	14.36

Note 20 Employee Benefits

(Rs. in Lacs)

Particulars	2020-21	2019-20
(a) Salaries and incentives	327.15	391.28
(b) Remuneration to Directors	152.59	149.31
(c) Contributions to -		
(i) Provident and other fund	20.10	14.59
(ii) Gratuity fund	4.94	12.01
(d) Staff welfare expenses	15.23	24.88
Total	520.01	592.07

Note 21 Finance Cost

(Rs. in Lacs)

Particulars	2020-21	2019-20
Interest Expense	420.11	75.87
Bank Charges	21.96	1.93
Other Borrowing Costs	17.44	15.5
Total	459.51	93.31

Note 22 Other Expenses

(Rs. in Lacs)

Particulars	2020-21	2019-20
Rent and License Fees	301.05	343.69
Land Lease Rent for Guest House	9.24	9.24
Rates and Taxes	39.69	3.89
Insurance	38.78	26.40
Employer/Employee Insurance	166.65	166.88
Electricity	47.81	64.39
Stationery and Printing	5.28	7.09
Postage and Telephone	16.83	14.22
Repair & Maintenance Charges		
- Building	168.29	107.12
- Others	157.71	245.88
Auditors Remuneration:		
- Audit Fee	0.85	0.85
- Tax Audit Fee	0.30	0.15

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 22 Other Expenses (Contd.....)

(Rs. in Lacs)

Particulars	2020-21	2019-20
Professional Fees and Legal Expenses	458.90	124.17
Detention Charges	-	0.00
Vehicle & Conveyance Expenses	15.99	18.38
Advertisement & Publicity Expenses	1.55	3.91
Travelling Expenses	79.06	143.31
Guest House Expenses	18.01	17.44
Miscellaneous Expenses	71.20	33.28
Penalty	-	0.00
Director fees & travelling	1.01	0.45
Sales Promotion	13.33	43.64
Security Expenses	56.68	64.19
Ground Handling Charges	-	0.22
Loss on sale of Assets	-	17.84
Royalty	567.00	747.56
Packing Materials	66.32	64.46
Donation	0.18	12.09
Bad Debts Written Off	-	0.00
Misc. Dr/Cr/Written off	-	8.21
Commission and Agency Commssion	0.58	0.01
Cargo Handling Expenses	0.50	44.29
Prior Period Expenses	-	2.71
Advances Written Off	-	13.58
Deputation Charges to Custom Department	12.15	21.11
Total	2,314.94	2,370.63

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

The Company and Nature of its Operations:

GSEC Limited, which was a Government Company formerly known as Gujarat State Export Corporation Limited, is primarily engaged in the activities of Export - Import facilities and trading business. The Company has a custodian of Air Cargo Complexes at Ahmedabad and it operates the Air Cargo complex under an Operations and Maintenance Arrangement at Indore, Raipur and Visakhapatnam. The Company also deals in various other products/commodities including but not limited to Chemicals, Commodities, Febrics, Petroleum Products etc.

NOTE - 23 : NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis for preparations of financial statements:

The financial statements are prepared in accordance with the generally accepted accounting principles ("GAAP") in India under the historical cost convention on an accrual basis and are in conformity with mandatory accounting standards, as prescribed under the Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2. Method of Accounting:

The books of accounts are maintained on accrual basis except income from Demurrage and Handling Charges on uncleared cargo at Air Cargo Complex, which are accounted on Cash Basis.

3. Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction. Cost includes taxes, duties and other identifiable direct expenses.

4. Depreciation:

(a) Depreciation on tangible assets is provided on written down value method over the useful lives of the assets as prescribed in Schedule II of the Companies Act, 2013.

Wherever the useful lives of the assets are mentioned in Schedule-II is over on or before 31-3-2014 from their acquisition year, after retaining 5% of the cost value as realizable value. The excess Written down value of such Assets are charged to Profit & Loss Account.

Where the details of the assets acquired prior to 01-4-2004 were not available, the year of acquisition of such Assets are taken a certified by Management.

(b) Depreciation is provided on pro-rata basis from the date of addition to fixed assets during the year.

5. Investments:

Long term investment is stated at Cost of Acquisition. Provision for diminution in the value of Long-Term Investment is made only if such decline is other than temporary.

Current investments are carried at the lower of cost and Quoted / Fair value.

6. Inventories:

Inventories are valued at cost or market value whichever is lower.

7. Sales:

Revenue from Sale of Products is recognized on dispatch or appropriation of goods in accordance with the terms of sales and it's exclusive of GST (Goods and Service Tax) and other duties and charges.

8. Taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing difference, between taxable income and accounting income that

originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized only to that extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

9. Foreign Currency Transaction:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Transactions outstanding at the year-end are translated at exchange rates prevailing at the year-end and the loss so determined and also the realized exchange gains/losses are recognized in the Profit & Loss Account.

10. Retirement Benefits:

Gratuity which is defined benefits is accrued based on actuarial valuation as at Balance Sheet date. The present value of the obligation is determined using the Projected Unit Credit method. The company has taken a policy under Group Gratuity Scheme of the Life Insurance Corporation of India.

Leave Encashment Salary which is defined benefit is accrued and provided for based on actuarial valuation as at Balance Sheet date at the end of the financial year.

Retirement benefits in the form of provident fund whether in pursuance of law or Otherwise which is defined contribution scheme is accounted on the accrual basis and charged to profit and loss account.

NOTE - 24 : OTHER NOTES FORMING PART OF ACCOUNTS:

(i) Details of Payments to Auditor

(Amount Rs. In Lacss)

Particulars	2020-21	2019-20
a. auditor	1.00	0.85
b. for taxation matters	0.15	0.15
c. Certification	0.02	0.00
Total	1.17	1.00

- (ii) Salaries and wages of Rs. 152.59 Lakhs (Previous Year Rs 149.31 Lakhs) being the remuneration to Chairman and Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.
- (iii) Balance of debtors, creditors, loans and advances are subject to confirmation by the parties concerned and adjustment, if any.
- (iv) Contingent Liabilities not provided for :
- Claims against the company not acknowledged as debt of Rs. 61.86 Lakhs (Previous Year Rs. 61.86 Lakhs)
 - Higher demand of Rs. 34.76 Lakhs including Interest for non payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. Company has deposited Rs. 35 Lakhs in 2013-14 under protest. Company stop the operation w.e.f 31.08.2020.
 - Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of Rs. 887.39 Lakhs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited Rs. 25 Lakhs under protest.

(vi) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

Employees Benefits:

Defined Benefits Plans as per Actuarial Valuation on March 31, 2021.

(Amount Rs. in Lacs)

Sr. No.	Particulars	Gratuity	
		31.03.2021	31.03.2020
(1)	The amounts recognized in the Balance Sheet as at the end of the year		
	Present Value of Funded Obligation	(62.66)	(59.59)
	Fair Value of Plan Assets	53.36	47.34
	Present Value of Unfunded Obligation	-	-
	Net (Assets) / liability	(9.30)	(12.26)
(2)	The amounts recognized in Profit and Loss Account for the year		
	Current Service Cost	8.29	4.58
	Interest Cost	0.85	0.03
	Expected Return on Plan Assets		
	Actuarial (Gains)/Losses	(4.20)	13.39
	Past Service Cost		
	Total Expenses	4.94	18.00
(3)	The Changes in Obligations during the year		
	Present value of Defined benefit Obligation at the beginning of the year	59.70	42.59
	Current Service Cost	8.29	4.58
	Interest Cost	4.10	3.32
	Actuarial (Gains)/Losses	(4.55)	13.23
	Benefit Payments	(4.87)	(4.02)
	Past Service Cost	-	-
	Present value of Defined Benefit Obligation at the end of the year	62.67	59.70
(4)	The changes in Plan Assets during the year		
	Plan Assets at the beginning of the year	47.34	42.24
	Actuarial gains and (losses)	(0.35)	(0.16)
	Contribution by Employer	8.00	5.99
	Actual Benefit Paid	(4.87)	(4.02)
	Plan assets at the end of the year	47.34	47.34
	Actual return on Plan Assets	3.25	3.29
Sr. No.	Particulars	Gratuity (Funded)	
(5)	Actuarial Assumption :		
	Discount Rate		6.80%
	Turnover Rate		
	Mortality		
	Salary Escalation Rate		7.00%
	Retirement age		58 Years

(vii) Related Party Disclosure

As per Accounting Standard 18 (AS-18) Related Party disclosure issued by ICAI the disclosure of transaction with related parties as defined in AS-18 are given below :

A. Name of Related Parties & Description of Relationship with whom Transactions were made during the year.

Name of Related Party	Relationship
Komal Infotech Pvt. Ltd.	Holding Company
GSEC Logistics Ltd	Subsidiary Company
GSEC Green Energy Pvt. Limited	Subsidiary Company
Smartmeters Technologies Private Limited	Subsidiary Company
Electrify Energy Private Limited	Subsidiary Company
Safire Technologies Pvt. Ltd.	Associate Company
Nesting Bird Media Private Limited	Associate Company
GSEC Aviation Limited	Sister Company
GSEC Monarch and Deccan Aviation Pvt. Ltd.	Sister Company
Kalpavruksha Estate and Finance Pvt. Ltd.	Sister Company
Vishwa Imports LLP	Sister Company
Priti R. Shah	Relative of Director
Key Management Personnel	(i) Rakesh R. Shah (ii) Shaishav R. Shah (iii) Samir H. Mankad (iv) Raji Shah (v) Darshil Shah

B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)**(Amount in Rs. In Lacs)**

Nature of Transaction	Holding Company	Subsidiary Company				Relative of Director	Key Management Personnel				
	Komal Infotech Pvt.Ltd.	GSEC Logistics Ltd.	GSEC Green Energy Pvt.Ltd.	Electrify Energy Pvt.Ltd.	Smart-meters Technologies Pvt.Ltd.	Priti R. Shah	Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah	
Rent Paid	0	0	0		0	27.29	0	3.58	0	0	
Interest Paid	8.39	0	0		0	0	5.54	23.09	0	0	
Interest Received	0	0	0		0	0	0	0	0	0	
Remuneration	0	0	0		0	0	72.00	22.85	40.65	17.09	
Outstanding as on 31.03.21	12.82	376.35	141.29	7.83	1186.36	0	121.25	682.49	0	0	
Loan Taken	349.00	0	0		0	0	683.00	3164.00	0	0	
Loan Granted	0	5.65	1.63	7.83	1383.35	0	0	0	0	0	
Loan Repaid	358.31	0	0		0	0	587.76	2644.69	0	0	
Loan Repaid by	0	0	0		200.00	0	0	0	0	0	

B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)

(Amount Rs. in Lacs)

Nature of Transaction	Sister Company		Associates Company	
	GSEC Aviation Limited	Kalpavruksha Worldwide Private Limited	Safire Technologies Private Limited	Nesting Bird Media Private Limited
Rent Paid	0	0	0	0
Interest Paid	0	22.35	0	0
Interest Received	56.34	0	0	10.56
Remuneration	0	0	0	0
Outstanding as on 31.03.2021	937.57	758.40	426.00	0.00
Loan Taken	0	1582.00	0	0
Loan Granted	900.25	0	426.00	229.50
Loan Repaid	0	910.48	0	0
Loan Repaid by	14.80	0	0	247.47

- (viii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2021 amounting to Rs. (100.43 Lakhs) {2019-20 Rs. (10.72 Lakhs)} has been arrived at as follows.

(Amount Rs. in Lacs)

Deferred Tax Assets arising from:	2020-21	2019-20
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	(91.97)	(10.72)
Gratuity & Leave Encashment	(8.46)	0.00
Bonus Provision	0.00	0.00
Others	0.00	0.00
Net deferred Tax Assets/(Liability)	(100.43)	(10.72)

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.384% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

- (ix) Earning per Share (EPS):

(Amount Rs. in Lacs)

Particulars	2020-21	2019-20
Net profit/(Loss) after Tax	475.47	320.63
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In Rs.)	6.30	4.25

(x) **Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013.**

(Rs. in Lacs)

Particulars		2020-21	2019-20
a.	C.I.F. value of imports of:		
	Trading Goods	-	7.35
	Spare parts		
	Capital Goods	-	-
d.	Expenditure in Foreign Currency on Foreign Travel	20.29	63.85
e.	Expenditure in Foreign Currency on purchase of capital items	-	
f.	Consumption of:		
	i. Raw Materials	-	-
	ii. Store and Spares Parts	-	-
g.	Remittance in Foreign Currency		
	On accounts of Agency Commission	-	-
h.	Earning in Foreign Exchange (Value of Goods Exported)		

- (xi) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lakhs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.
- (xi) Company has obtained Inter corporate deposit of 388.78 crore from 2 parties and given inter corporate deposit of 389.16 crore to 2 parties (Including interest receivable or payable). Company has disclosed net amount receivable of 37.44 Lakhs in Note 15 Short term loans and advances under "other loans and advances (net)" head. Amount of interest receivable and payable is also shown as net expense of 276.85 Lakhs in Note 21 Finance Charges under "Interest charges" head.
- (xii) Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure

Financial information about the primary business segment for the year ended 31st March, 2021
(Amount Rs. In Lacs)

S. N.	Particulars	Cargo Handling Service		Trading & other Activities		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
A.	Revenue						
	Services/Sales Revenue	2665.29	3502.73	30583.22	38076.93	33248.50	41579.66
	Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Total Revenue	2665.29	3502.73	30583.22	38076.93	33248.50	41579.66
B.	Result						
	Segment Result Profit/Loss	1430.77	3502.73	364.36	46.88	1795.13	3549.61
	Other Income excluding Interest Income					1038.11	129.71
	Other Unallocable Expenses					1844.22	3212.20
	Operating Profit					989.02	467.12
	Interest Income					138.61	69.10
	Interest Expenses					420.11	93.31
	Profit Before Tax					707.53	442.91
	Provision For Income Tax (including Deferred Tax)					232.05	122.28
	Net Profit					475.47	320.63
C.	Other Information						
	Capital Employed						
	Segment Assets	1480.42	2383.49	850.00	2796.81	2330.42	6203.67
	Segment Liabilities	527.23	486.75	900.44	1303.80	1427.68	1887.24
	Other Unallocable Corporate Assets and Liabilities	0.00	0.00			3098.91	-790.24
	Total Capital Employed					4001.66	3526.19
	Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	47.52	153.59	92.97	19.13	140.49	172.72
	Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
	Total	47.52	153.59	92.97	19.13	140.49	172.72
D.	Segment Depreciation	153.36	197.38	51.02	52.12	204.39	249.50
E.	Non Cash Expenses other than Depreciation	0.00	0.00	0.00	8.21	0.00	0.00

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of GSEC Limited ('the holding Company'), and its subsidiaries (together referred to as 'The Group') and its associates which comprise the consolidated balance sheet as at 31 March 2021, the consolidated statement of profit and loss and the consolidated 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 Consolidated 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 March 2021 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing 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 Act 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.

Information other than the financial statements and auditors' report thereon

The Holding Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

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 consolidated 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 Group has adequate internal financial controls system 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit financial statement of 2 Subsidiaries, whose financial statements reflect total assets of Rs. 2067.81 lakh and net assets of (13.78) lakhs as at 31st March 2021, total revenue of Rs. 483.61 lakhs, net loss of Rs. 24.78 lakhs and net cashflow amounting to Rs. 18.86 Lakhs for the year ended on that date and 1 Associate which reflect group's share of net loss of 5.59 Lakhs as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and the jointly controlled entity is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Consolidated 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 the written representations received from the directors as on 31 March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (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 A"; and
 - (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) As detailed in Note 25(iv) of the notes to the Consolidated financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BJS & Associates
Chartered Accountants
Firm Registration Number: 113268W

CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN: 21010712AAAABB6663

Place : Ahmedabad
Date: 30/10/2021

Annexure - A 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 GSEC Limited ('the holding Company'), and its subsidiaries (together referred to as 'The Group') and its associates as of 31 March 2021 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Companies' management is responsible for establishing and maintaining internal financial controls 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 ('ICAI'). These responsibilities 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group'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 on auditing, 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 and, 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 was 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 judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Respective Companies 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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BJS & Associates
Chartered Accountants
Firm Registration Number: 113268W**

**CA BIPIN SHAH
Partner
Membership Number: 10712
UDIN: 21010712AAAABB6663**

**Place : Ahmedabad
Date: 30/10/2021**

Consolidated Balance Sheet as at 31st March,2021

(Rs. in Lacs)

Particulars	Notes	31st March, 2021	31st March, 2020
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	3,108.41	2,674.90
2 Non-current liabilities			
(a) Long-Term Borrowings	3	-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
3 Current liabilities			
(a) Short-Term Borrowings	4	1,883.85	1,213.16
(b) Trade Payables	5	1,657.84	1,459.29
(c) Other Current Liabilities	6	937.01	406.23
(d) Short-Term Provisions	7	59.52	35.27
TOTAL		8,401.62	6,543.85
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	2,420.35	2,233.93
(ii) Intangible Assets		4.80	99.67
(iii) Capital Work-in-Progress		676.06	-
(b) Non-Current Investments	9	526.11	184.19
(c) Deferred Tax Assets (Net)		99.67	88.96
(d) Long-Term Loans and Advances	10	1,284.52	326.40
2 Current Assets			
(a) Current Investments	11	-	5.00
(b) Inventories	12	22.90	13.21
(c) Trade Receivables	13	1,345.77	2,271.28
(d) Cash and Bank Balance	14	127.61	147.65
(e) Short-Term Loans and Advances	15	1,991.46	1,260.43
(f) Other Current Assets	16	1.97	2.09
TOTAL		8,401.62	6,543.85

Significant Accounting Policies

The accompanying notes are integral parts of the Financial Statements

As per our attached report or even date For and on behalf of Board of Directors of GSEC Limited

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

Consolidated Profit and Loss Statement for the year ended 31st March,2021

(Rs. in Lacs)

Particulars	Notes	2020-21	2019-20
I. Revenue From Operations			
Sale of Traded Goods (Gross)		31,060.61	38,072.86
Less: Excise duty		-	-
Sale of Trading Goods (Net)		31,060.61	38,072.86
Sale of Services		2,671.29	3,498.14
Other Operating Revenues	17	-	8.64
II. Other Income	18	1,177.45	205.14
III. Total Revenue	(I+II)	34,909.35	41,784.78
IV. Expenses:			
Purchase of Traded Goods		30,694.05	38,015.69
Changes in Inventories of Stock-in Trade	19	-9.70	14.36
Employee Benefits Expense	20	520.01	592.07
Finance Costs	21	459.69	93.31
Depreciation and Amortization Expense		211.13	256.36
Other Expenses	22	2,366.90	2,373.93
Total Expenses		34,242.07	41,345.73
V. Profit Before Exceptional Items And Tax (III-IV)		667.28	439.05
VI. Exceptional Items		-	-
VII. IX. Profit before tax (V- VI)		667.28	439.05
VIII. Tax Expense:			
(1) Current Tax		133.77	134.04
(2) Deferred Tax		94.86	-10.72
IX Profit for the Year	(VII-VIII)	438.64	315.73
X Earnings per equity share (in Rs.) :		5.81	4.25
Significant Accounting Policies			
The accompanying notes are integral parts of the Financial Statements			

As per our attached report or even date For and on behalf of Board of Directors of GSEC Limited

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

Consolidated Cash Flow Statement For The Year Ended 31st March, 2021

(Rs. in Lacs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	667.28	439.05
Adjustments For:		
Depreciation	211.13	256.36
Interest Paid	459.69	93.31
Interest received	-138.93	-69.11
(Profit)/Loss on Sale of Investments	-990.85	-19.08
Excess Provision for earlier year	-	-
(Profit)/Loss on Sale of Fixed Assets	-0.81	-10.59
Dividend Received	-0.14	-2.58
Rent Income	-	-8.80
Profit on redemption of Mutual fund	-13.39	-14.46
Interest on IT refund	-	-
Misc.Dr./Cr. Written off	-	-1.04
Operating Profit before working capital changes	193.98	663.07
Movements in working capital		
Adjustment for Decrease (Increase) in operating assets		
Decrease in Inventories	-9.70	14.36
(Increase) in Trade and other Receivables	925.51	-1,064.14
(Increase) in Short Term Loans and Advances	-731.02	-480.90
Decrease in other Current Assets	0.12	1.25
Increase in Trade Payables	198.55	512.06
(Decrease) in other Current Liabilities	530.78	391.31
Increase in Short Term Provisions	24.24	-125.34
Decrease) in Short Borrowings	670.69	-53.11
Net Cash Flow from Operating Activities before tax and Exceptional Items (A)	1,609.18	-804.51
Taxes Paid	-159.93	-102.73
Net cash generated from operating activities before exceptional items	1,643.22	-244.17
Exceptional Items	-	-
Net cash generated from operating activities	1,643.22	-244.17
CASH FLOW FROM INVESTING ACTIVITIES:		
(Increase)/Decrease in Margin Money	11.88	221.02
Purchase of Fixed Assets	-1,074.61	-172.72
Purchase of Investments	-440.25	-41.47
Sale Proceeds of Fixed Assets	1.73	52.61
Sale of Investments	1,084.05	154.72
Interest received	138.93	69.11

(Rs. in Lacs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Dividend Received on Investments	0.14	2.58
Rent Received	-	8.80
Purchase of Mutual Fund	-780.00	-890.00
Redemption of mutual Fund	798.39	1,029.46
Long Term Loans and Advances	-931.96	7.15
Profit on Sale of Fixed Assets	-	-
Net cash flow from investing activities	-1,191.69	441.26
CASH FLOW FROM FINANCING ACTIVITIES:		
Long term Borrowing (Net off repayment)	-	-
Addition/Repayment of Secured/Unsecured Loans (Net)	-	0.03
Other Long Term Loans and Advances	-	-115.00
Unclaimed Dividend Paid	-	7.12
Interest paid	-459.69	-93.31
Interest Received	-	-
Decrease in Minority interest on sale of subsidiary	-	-
Dividend Paid	-	-
Net cash flow from financing activities	-459.69	-201.16
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	-8.15	-4.07
Cash and cash equivalents at the beginning of the year	73.51	77.59
Cash and cash equivalents at the end of the year	65.36	73.51

As per our attached report or even date For and on behalf of Board of Directors of GSEC Limited

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 1 Share Capital

(Rs. in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10 each	100	1,003.00	100	1,003.00
Issued				
Equity Shares of Rs.10 each	76	755.00	76	755.00
Subscribed & fully Paid up				
Equity Shares of Rs.10 each	76	755.00	76	755.00
Total	76	755.00	76	755.00

1.1 33,00,000 No. of Equity shares out of the total Equity Shares issued, subscribed & paid-up share capital were allotted as Bonus shares in the last five years by capitalisation of Securities Premium A/c & General Reserve.

1.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	Equity Shares			
	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	76	755	76	755
Shares Issued during the year	0.00	0.00	0.00	0.00
Shares bought back during the year	0.00	0.00	0.00	0.00
Any other movement (please specify)	0.00	0.00	0.00	0.00
Shares outstanding at the end of the year	76	755	76	755

1.3 **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company, after distribution of all preferential amounts.

1.4 **Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:**

Particulars	Nature of Relationship	As at 31st March, 2021	As at 31st March, 2020
Equity Shares			
Komal Infotech Private Ltd.	Holding Company	4,783,910	4,783,910

1.5 **Details of Shareholders holding more than 5% shares**

Particulars	Equity Shares			
	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	636,090	8.42	636,090	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 2 Reserves & Surplus

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Securities Premium Account		
As per Last Balance Sheet	337.00	337.00
b. Capital Reserve	15.00	15.00
As per Last Balance Sheet	15.00	15.00
c. General Reserves	-	-
As per Last Balance Sheet	168.23	168.23
d. Surplus/Deficit in statement of Profit and Loss		
As per Last Balance Sheet	2,154.67	1,838.86
Add : Profit For the Year	438.64	315.73
Share of profit from Associates	(5.59)	0.08
Profit/Loss on sale of subsidiary and Associates	0.46	-
Less: Proposed Dividend	-	-
Less: Tax on Proposed Dividend	-	-
	2,588.18	2,154.67
Total	3,108.41	2,674.90

Note 3 Long-term Borrowings

(Rs. in Lacs)

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Secured Loans				
Term loans				
Rupee Loan				
- From Banks				
- From Others	-	-	-	42.95
(All above Vehicle loans are secured against Hypothecation of Vehicles)				
	-	-	-	42.95
Amount disclosed under the head *Other Current Liabilities (Note - 7)	-	-	-	42.95
Total	-	-	-	42.95

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 4 Short-Term Borrowings

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Secured Loans		
Working capital facilities from State Bank of India (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors & their relatives)	-	746.44
	-	746.44
b) Unsecured Loans		
(i) Loans repayable on demand	82.87	82.87
(ii) Loans from Related parties		
Komal Infotech Pvt Ltd	12.82	14.37
Kalpavruksha Worldwide Pvt. Ltd.	758.40	66.21
	771.22	80.58
(iii) Loan/Deposit from Directors	1,029.76	303.28
Total	1,883.85	1,213.16

Note 5 Trade Payables

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Payables (Expenses and Purchases)	1,657.84	1,459.29
Total	1,657.84	1,459.29

Note 7 Other Current Liabilities

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Current maturities of long-term debt (Refer Note-3)	-	42.95
(b) Unclaimed dividends	2.51	2.51
(c) Statutory Dues Payables	176.72	127.67
(d) Trade/Security Deposit	150.40	152.49
(e) Advance from Customers	304.02	1.50
(f) Other Liabilities	303.36	79.11
Total	937.01	406.23

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 7 Short-term Provisions

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for Employee Benefits*		
Gratuity (Funded)	11.55	12.36
Leave Encashment (Unfunded)	17.58	14.08
Total	29.14	26.43
(b) Other Provision		
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Other Provisions	30.38	8.84
Total	30.38	8.84
Total	59.52	35.27

* Long Term and Short Term classification is done based on actuarial valuation certificate.

Note 8 Fixed Assets

(Rs. in Lacs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2020	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2021	Balance as at April 1, 2020	Balance as at	On disposals	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
a Tangible Assets										
Land - Freehold	395.47	225.53	-	621.00	-	-	-	-	621.00	395.47
Buildings	1,681.04	-	-	1,681.04	435.97	60.67	-	496.63	1,184.41	1,245.07
Plant and Equipment	612.02	4.60	-	616.62	334.43	50.77	-	385.20	231.41	277.58
Furniture and Fixtures	456.73	27.12	-	483.84	352.56	28.31	-	380.88	102.97	104.16
Vehicles	598.56	-	-	598.56	472.13	36.39	-	508.51	90.04	126.43
Office Equipment	606.57	119.73	3.17	723.13	544.18	27.04	2.24	568.97	154.16	62.39
Computers	160.08	27.81	-	187.89	143.80	12.36	-	156.16	31.73	16.28
A.C. Machines & Plant	67.06	-	-	67.06	60.52	1.91	-	62.43	4.63	6.54
Total	4,577.52	404.78	3.17	4,979.14	2,343.59	217.44	2.24	2,558.79	2,420.35	2,233.93
b Intangible Assets										
Goodwill										
Brands /trademarks	-	0.08	-	0.08				-	0.08	-
Total	-	0.08	-	0.08	-	-	-	-	0.08	-
c Capital Work In Progress										
	-	676.06	-	676.06				-	676.06	-
Total (ii)	-	676.06	-	676.06	-	-	-	-	676.06	-
d Intangible assets under Development										
Total	4,577.52	1,080.92	3.17	5,655.27	2,343.59	217.44	2.24	2,558.79	3,096.49	2,233.93
Previous Year	4,480.23	172.73	75.44	4,577.52	2,120.65	256.36	33.42	2,343.59	2,233.93	2,359.58

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 9 Non-Current Investments

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Investments (Valued at Cost)		
Unquoted Investments:		
Non Traded unquoted, fully paid-up In Associate Companies		
0 Equity Shares of Nesting Bird Media Private Limited of Rs. 10 each (P.Y. 2600 Shares)	-	-
3500 Equity Shares of Safire Technologies Private Limited of Rs. 10 each (Including Capital Reserve of Rs. 40290) (P.Y. 3500 Shares)	-	5.59
	-	5.59
Traded Quoted Investments:		
25000 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited (P.Y.50000 Shares of Re. 1 Each)	25.97	11.02
Equity Shares fully paid up of Rs. 10 each of Adani Power Limited (P.Y.44490 Shares of Rs. 10 Each)	-	26.41
Equity Shares fully paid up of Rs. 10 each of Adani Green Energy Limited (P.Y.56256 Shares of Rs. 10 each)	-	23.83
Equity Shares fully paid up of Rs. 1 each of Adani Gas Limited (P.Y.73925 Shares of Re. 1 each)	-	6.55
160000 Equity Shares fully paid up of Rs. 1 each of Adani Transmission Limited (P.Y.0 Shares)	379.08	-
1000 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 1000 Shares of Rs. 10 each))	3.89	3.89
66 Equity Shares Partly paid up of Rs. 10/- each of Reliance Industries Limited (P.Y. 6670 Shares of Rs. 10 each)	0.23	-
75000 Equity Shares fully paid up of Rs. 2/- each of Bodal Chemicals Limited (P.Y. 0 Shares)	45.75	-
50000 Equity Shares fully paid up of Re. 1/- each of Infibeam Avenue Limited (P.Y. 50000 Shares of Re. 1 Each)	32.23	32.00
100000 Equity Shares fully paid up of Re. 1/- each of Neela Infrastructure Limited (P.Y. 100000 Shares of Re. 1 Each)	5.86	5.86
100000 Equity Shares fully paid up of Re. 1/- each of Neela Spaces Limited Limited (P.Y.100000 Shares of Re. 1 each)	5.86	5.86
Equity Shares fully paid up of Re. 1/- each of Dishman Carbogen Amcis Ltd. (P.Y.0 Shares)	-	3.80
53016 Equity Shares fully paid up of Re. 1/- each of Meghmani Organics Limited Limited (P.Y.0 Shares)	-	32.15
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares of Rs. 10 Each)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares of Rs. 10 Each)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares of Re. 1 Each)	0.00	0.00
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares of Re. 1 Each)	0.69	0.69

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 10 Non-Current Investments (Contd...)

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
UNQUATED INVESTMENTS		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Shares of Rs. 100 each)	0.67	0.67
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
	500.39	152.88
INVESTMENT IN PROPERTY		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
Total	526.11	184.19
Aggregate amount of Unquoted Investments	0.00	0.00
Aggregate amount of Quoted Investments (Market Value) in Lakhs	1,571.17	284.95

Note 10 Long Term Loans & Advances (Unsecured and Considered Good)

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advance	620.03	49.16
Deposit and Balance with Government Authorities	3.81	3.81
Deposit with Others	276.87	22.23
Advance Income Tax (Net of Provisions)	28.13	1.97
Other Loans and Advances	355.68	249.23
Total	1,284.52	326.40

Advance income tax and provisions for taxation have been disclosed on net basis where a legal right to set off exists and the Company intends to settle the assets and liability on a net basis.

Note 11 Current Investments

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Mutual Fund		
SBI DUEL ADVANTAGE FUND – SERIES XIX	-	5.00
Total	-	5.00

Note 12 Inventories

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trading Goods	13.21	13.21
Raw Material	9.70	-
Total	22.90	13.21

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 13 Trade Receivables

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured- Considered good		
Outstanding for period exceeding six months	182.25	185.09
Other Receivables	1,163.52	2,086.19
	1,345.77	2,271.28
Unsecured, considered doubtful		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
Less: Provision for doubtful debts		
Total	1,345.77	2,271.28

Note 14 Cash & Cash Equivalents

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(I) Cash & Cash Equivalents		
Cash On Hand	3.42	4.00
Balances with Banks		
- In Current Accounts/Cash Credit Account/ Other Bank Accounts	59.44	69.51
(II) Other Bank Balance		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	59.75	71.63
- Short term bank FD	2.50	-
- Unpaid Dividend Accounts	2.51	2.51
Total	127.61	147.65

Note 15 Short-term Loans and Advances

(Unsecured and Considered Good)

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans and Advances to Related Parties	-	-
Loans/advance to Employees	1.21	3.96
Prepaid Expenses	16.53	21.66
Balance with statutory authority including GST credit	105.71	44.87
Sales Tax Credit Receivable	25.00	25.00
Other Loans and Advances	1,843.01	1,164.94
Total	1,991.46	1,260.43

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 16 Other Current Assets

(Rs. in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued but Not Due	0.97	1.09
Advance given to shilp Shree Associates	1.00	1.00
Total	1.97	2.09

Note 17 Other Operating Revenues

(Rs. in Lacs)

Particulars	2020-21	2019-20
Discount Income	-	4.07
Ground Handling Income	-	4.57
Management Fees	-	-
TOTAL	-	8.64

Note 18 Other Income

(Rs. in Lacs)

Particulars	2020-21	2019-20
Interest Income		
- Interest on Others	138.93	69.11
Other non-operating income :		
Dividend Income From Non- Current	0.14	2.58
Profit on Sale of Mutual Fund	14.34	14.46
Profit on sale of Shares	990.85	35.74
Profit on Sale of Fixed Assets	0.81	11.77
Foreign Exchange Difference	-	0.94
Bad Debts Recover Account	-	28.05
Excess Provision for Earlier Year	0.41	6.46
Misc. Income	29.47	27.21
Rent Income	2.52	8.82
Total	1,177.45	205.14

Note 19 Change in Inventories of Finished Goods

(Rs. in Lacs)

Particulars	2020-21	2019-20
Inventories (at close)		
Finished goods / Stock in trade	13.21	13.21
Raw Material	9.70	-
Inventories (at commencement)		
Finished goods / Stock in trade Raw Material	13.21	27.57
Total	-9.70	14.36

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 20 Employee Benefits

(Rs. in Lacs)

Particulars	2020-21	2019-20
(a) Salaries and incentives	327.15	391.28
(b) Remuneration to Directors	152.59	149.31
(b) Contributions to		
(i) Provident and other fund		
(ii) Superannuation scheme	20.10	14.59
(c) Gratuity fund	4.94	12.01
(d) Staff welfare expenses	15.23	24.88
Total	520.01	592.07

Note 21 Finance Cost

(Rs. in Lacs)

Particulars	2020-21	2019-20
Interest Expense	420.11	75.87
Bank Charges	22.14	1.93
Other Borrowing Costs	17.44	15.51
Total	459.69	93.31

Note 22 Other Expenses

(Rs. in Lacs)

Particulars	2020-21	2019-20
Rent and License Fees	301.05	343.69
Land Lease Rent for Guest House	9.24	9.24
Rates and Taxes	45.25	6.67
Insurance	38.78	26.40
Employer/Employee Insurance	166.65	166.88
Electricity	47.81	64.39
Stationery and Printing	6.09	7.09
Postage and Telephone	16.83	14.22
Repair & Maintenance Charges		
- Building	168.29	107.12
- Others	157.71	245.88
Auditors Remuneration:		
- Audit Fee	2.31	1.22
Professional Fees and Legal Expenses	501.25	124.41
Detention Charges	-	-
Vehicle & Conveyance Expenses	15.99	18.38
Advertisement & Publicity Expenses	1.55	3.91
Travelling Expenses	79.06	143.31
Guest House Expenses	18.01	17.44
Miscellaneous Expenses	72.09	33.34
Penalty / Late payment charges	0.11	-
Director fees & travelling	1.01	0.45
Sales Promotion	13.33	43.64

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 22 Other Expenses (Contd...)

(Rs. in Lacs)

Particulars	2020-21	2019-20
Security Expenses	56.68	64.19
Ground Handling Charges	-	0.22
Loss on sale of Assets	-	17.84
Royalty	567.00	747.56
Packing Materials	66.32	64.46
Donation	1.26	12.09
Bad Debts Written Off	-	-
Misc. Dr/Cr/Written off	-	8.21
Commission and Agency Commssion	0.58	0.01
Cargo Handling Expenses	0.50	44.29
Prior Period Expenses	-	2.71
Advances Written Off	-	13.58
Deputation Charges to Custom Department	12.15	21.11
Total	2,366.90	2,373.93

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

The Company and Nature of its Operations:

GSEC Limited, which was a Government Company formerly known as Gujarat State Export Corporation Limited, is primarily engaged in the activities of Export - Import facilities and trading business. The Company has a custodian of Air Cargo Complexes at Ahmedabad and it operates the Air Cargo complex under an Operations and Maintenance Arrangement at Indore, Raipur and Visakhapatnam. The Company also deals in various other products/commodities including but not limited to Chemicals, Commodities, Febrics, Petroleum Products etc.

NOTE - 23 - NOTES FORMING PART OF ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES:

1. A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to GSEC Limited ('the Company') and its subsidiary Companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.

- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- f) Gains /Losses arising on the direct sale by the company of its investments in subsidiaries or associated companies to third parties are transferred to consolidated statements of profit and loss. Such gains or losses are the difference between the sale proceeds and net carrying value of investments.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Surplus or deficits arising on sale of company's own shares held by its subsidiaries along with the tax thereon is taken to capital reserve.
- h) The Group accounts for its share of post-acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures.
- C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- D. Other significant accounting policies these are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

NOTE - 24 - OTHER NOTES FORMING PART OF ACCOUNTS:

(i) Details of Payments to Auditor (Amount Rs. In Lacs)

Particulars	2020-21	2019-20
a. auditor	2.00	1.15
b. for taxation matters	0.30	0.15
c. Certification	0.00	0.00
Total	2.30	1.30

- (ii) Salaries and wages of Rs. 152.59 Lakhs (Previous Year Rs 149.31 Lakhs) being the remuneration to Chairman and Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.
- (iii) Balance of debtors, creditors, loans and advances are subject to confirmation by the parties concerned and adjustment, if any.
- (iv) **Contingent Liabilities not provided for :**
- a. Claims against the company not acknowledged as debt of Rs. 61.86 Lakhs (Previous Year Rs. 61.86 Lakhs)
- b. Higher demand of Rs. 34.76 Lakhs including Interest for non payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However, the work at Air Cargo Complex – Indore continues and Company has deposited Rs. 35 Lakhs in 2013-14 under protest.
- c. Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of Rs. 887.39 Lakhs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited Rs. 25 Lakhs under protest.

(v) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

Employees Benefits:

Defined Benefits Plans as per Actuarial Valuation on March 31, 2020.

(Amount Rs. in Lacs)

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (unfunded)	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
(1)	The amounts recognized in the Balance Sheet as at the end of the year Present Value of Funded Obligation Fair Value of Plan Assets Present Value of Unfunded Obligation Net(Assets)/liability				
		(62.66)	(59.69)	(2.25)	
		53.36	47.34	-	-
		(9.30)	(12.36)	(2.25)	
(2)	The amounts recognized in Profit and Loss Account for the year Present value of Defined benefit Obligation at the beginning of the year Current Service Cost Interest Cost Expected Return on Plan Assets Actuarial (Gains)/Losses Past Service Cost Total Expenses				
		59.70	42.59	0	
		8.29	4.58	2.25	
		0.85	0.03		
		(4.20)	13.39		
		4.94	18.00		
(3)	The Changes in Obligations during the year Present value of Defined benefit Obligation at the beginning of the year Current Service Cost Interest Cost Actuarial (Gains)/Losses Benefit Payments Past Service Cost Present value of Defined Benefit Obligation at the end of the year				
		42.59	53.12		
		3.32	4.11		
		4.59	4.16		
		13.23	0.55		
		-	-		
		59.70	42.59		
(4)	The changes in Plan Assets during the year Plan Assets at the beginning of the year Actuarial gains and (losses) Contribution by Employer Actual Benefit Paid Plan assets at the end of the year Actual return on Plan Assets				
		47.34	42.25		
		8.00	(0.35)		
		(4.87)	(4.02)		
		47.34	47.34		
		47.34	42.25		
		3.29	4.02		
Sr. No.	Particulars			Gratuity (Funded)	Gratuity (unfunded)
(5)	Actuarial Assumption : Discount Rate Turnover Rate Mortality Salary Escalation Rate Retirement age			6.80	6.90%
				7.00%	7.00%
				58 Years	58 Years

(vi) Related Party Disclosure

As per Accounting Standard 18 (AS-18) Related Party disclosure issued by ICAI the disclosure of transaction with related parties as defined in AS-18 are given below

A. Name of Related Parties & Description of Relationship with whom Transactions where .

Name of Related Party	Relationship
Komal Infotech Pvt. Ltd.	Holding Company
Safire Technologies Pvt. Ltd.	Associate Company
Nesting Bird Media Private Limited	Associate Company
GSECAviation Limited	Sister Company
GSEC Monarch and Deccan Aviation Pvt. Ltd.	Sister Company
Kalpavruksha Estate and Finance Pvt. Ltd.	Sister Company
Vishwa Imports LLP	Sister Company
Priti R. Shah	Relative of Director
Key Management Personnel	
(i) Rakesh R. Shah	
(ii) Shaishav R. Shah	
(iii) Samir H. Mankad	
(iv) Raji Shah	
(v) Darshil Shah	

B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)**(Amount in Rs. In Lacs)**

Nature of Transaction	Holding Company Komal Infotech Pvt. Ltd.	Relative of Director Priti R. Shah	Key Management Personnel			
			Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah
Rent Paid	0	27.29	0	3.58	0	0
Interest Paid	8.39	0	5.54	23.09	0	0
Interest Received	0	0	0	0	0	0
Remuneration	0	0	72.00	22.85	40.65	17.09
Outstanding as on 31.03.2021	12.82	0	121.25	682.49	0	0
Loan Taken	349.00	0	683.00	3164.00	0	0
Loan Granted	0	0	0	0	0	0
Loan Repaid	358.31	0	587.76	2644.69	0	0
Loan Repaid by	0	0	0	0	0	0

B. Nature and Volume of Transactions with Related Parties (Excluding Reimbursement)**(Amount in Rs. In Lacs)**

Nature of Transaction	Sister Company		Associates Company	
	GSEC Aviation Limited	Kalpavruksha Worldwide Private Limited	Safire Technologies Private Limited	Nesting Bird Media Private Limited
Rent Paid	0	0	0	0
Interest Paid	0	22.35	0	0
Interest Received	56.34	0	0	10.56
Remuneration	0	0	0	0
Outstanding as on 31.03.2021	937.57	758.40	426.00	0.00
Loan Taken	0	1582.00	0	0
Loan Granted	900.25	0	426.00	229.50
Loan Repaid	0	910.48	0	0
Loan Repaid by	14.80	0	0	247.47

(vii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2021 amounting to Rs. (94.86 Lakhs) {2019-20 Rs. (10.72 Lakhs)} has been arrived at as follows.

(Rs. In Lacs)

Deferred Tax Assets arising from:	2020-21	2019-20
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	(91.97)	(10.72)
Gratuity & Leave Encashment	(8.46)	0.00
Bonus Provision	0.00	0.00
Others	5.57	0.00
Net deferred Tax Assets/(Liability)	(94.86)	(10.72)

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.384% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

(viii) **Earning per Share (EPS):**

(Amount Rs.in Lacs)

Particulars	2020-21	2019-20
Net profit/(Loss) after Tax	438.64	315.73
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In Rs.)	5.81	4.25

(ix) Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013.

(Rs. in Lacs)

Particulars	2020-21	2019-20
a. C.I.F. value of imports of:		
Trading Goods	-	7.35
Spare parts		
Capital Goods	-	-
d. Expenditure in Foreign Currency on Foreign Travel :	20.29	63.85
e. Expenditure in Foreign Currency on purchase of capital items:	-	-
f. Consumption of		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
g. Remittance in Foreign Currency		
On accounts of Agency Commission	-	-
h. Earning in Foreign Exchange (Value of Goods Exported)		

- (x) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lakhs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.
- (xi) Company has obtained Inter corporate deposit of 388.78 crore from 2 parties and given inter corporate deposit of 389.16 crore to 2 parties (Including interest receivable or payable). Company has disclosed net amount receivable of 37.44 Lakhs in Note 15 Short term loans and advances under "other loans and advances (net)" head. Amount of interest receivable and payable is also shown as net expense of 276.85 Lakhs in Note 21 Finance Charges under "Interest charges" head.
- (xii) Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure.

Financial information about the primary business segment for the year ended 31st March, 2021
(Amount Rs. In Lacs)

S. N.	Particulars	Cargo Handling Service		Trading & other Activities		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
A.	Revenue						
	Services/Sales Revenue	2665.29	3502.73	31066.61	38076.93	33731.89	41579.66
	Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Total Revenue	2665.29	3502.73	31066.61	38076.93	33731.89	41579.66
B.	Result						
	Segment Result Profit/Loss	1430.77	3502.73	349.91	46.88	1780.69	3549.61
	Other Income excluding Interest Income					1038.52	136.03
	Other Unallocable Expenses					1870.76	3222.36
	Operating Profit					948.45	463.26
	Interest Income					138.93	69.10
	Interest Expenses					420.11	93.31
	Profit Before Tax					667.28	439.05
	Provision For Income Tax (including Deferred Tax)					228.64	123.32
	Net Profit					438.64	315.73
C.	Other Information						
	Capital Employed						
	Segment Assets	1480.42	4517.71	2985.85	4228.42	4466.28	6203.67
	Segment Liabilities	527.23	544.36	1717.98	1342.88	2245.21	1887.24
	Other Unallocable Corporate Assets and Liabilities	0.00	0.00			1647.94	-886.55
	Total Capital Employed					3869.00	3429.88
	Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	47.52	153.59	1033.40	19.13	1080.92	172.72
	Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
	Total	47.52	153.59	1033.40	19.13	1080.92	172.72
D.	Segment Depreciation	153.36	197.38	57.76	58.98	211.13	256.36
E.	Non Cash Expenses other than Depreciation	0.00	0.00	0.00	8.21	0.00	0.00

As per our attached report or even date For and on behalf of Board of Directors of GSEC Limited

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

CA BIPIN J SHAH
Partner
Membership No. 10712

Date : 30.10.2021
Place : Ahmedabad

RAKESH SHAH
Chairman & Managing Director
DIN:00421920

DARSHIL SHAH
Company Secretary
M. No. A37483

Date : 30.10.2021
Place : Ahmedabad

SAMIR MANKAD
CEO & Whole-Time Director
DIN: 00421878

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **55TH ANNUAL GENERAL MEETING** of the Members of **GSEC LIMITED** will be held on **Tuesday, the 30th day of November, 2021 at 11.00 a.m.** through Video Conferencing or other audio visual means to transact the following business and the place of the meeting shall be deemed to be **2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009:**

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company including audited Balance Sheet as at 31st March, 2021, Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2021 together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Samir Mankad (DIN: 00421878), who retires by rotation and being eligible seeks re-appointment.

SPECIAL BUSINESS:-

3 APPOINTMENT OF SHRI SANDIP PARIKH (DIN: 00030990) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“**RESOLVED THAT** pursuant to provision of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sandip Parikh (DIN: 00030990) in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Shri Sandip Parikh for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years.”

4 APPOINTMENT OF SMT. RAJI SHAISHAV SHAH (DIN: 06893581) AS A WHOLE-TIME DIRECTOR OF THE COMPANY:

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 196, 197 and any other provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act along with rules made thereunder, approval be and is hereby granted for the appointment of Smt. Raji Shah (DIN: 06893581), as a Whole-time Director of the Company on the terms and conditions as stated below:

- (A) **Tenure:** 1st April, 2021 to 31st March, 2024
- (B) **Salary:** Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding Rs. 36,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.
- (C) **Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount based on the existing HR Policy of the Company.
- (d) **Perquisites:** In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.
 - (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

Other benefits:

- (iv) Medical Reimbursement: Expenses incurred for self and her family subject to a ceiling of Rs. 24,000/- per year or Rs. 72,000/- over a period of three years.
- (v) Motor Car for official use and purpose shall be provided by the Company and entitled for expenses for Driver and fuel reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

RESOLVED FURTHER THAT the said Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, she shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the above remuneration payable to her shall be subject to limits as may be prescribed from time to time under the provisions of the Companies Act, 2013, Schedule thereof and rules there under as well as any other statutory provision as may be applicable, including statutory modifications thereof, if any.

RESOLVED FURTHER THAT any directors or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

5 APPOINTMENT OF SHRI. SHAISHAV SHAH (DIN:00019293) AS A JOINT MANAGING DIRECTOR:

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

"RESOLVED THAT, in accordance with the provision of section 196, 197 and any other provisions of the Companies Act, 2013 read with provisions of Schedule V of the Companies Act, 2013 the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 approval be and is hereby granted for appointment of Mr. Shaishav Shah (DIN:00019293) as a Managing Director (designated as Joint Managing Director) of the company for the period of 3 (Three) years with effect from 20th August, 2021 and the payment of remuneration on the terms and conditions as mentioned below:

- (A) Tenure** : 20th August, 2021 to 19th August, 2024
- (B) Salary** : Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding Rs. 36,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.
- (C) Increment**: An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.
- (d) Perquisites**: In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.
- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

Other benefits:

- (iv) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of Rs. 24,000/- per year or Rs. 72,000/- over a period of three years.
- (v) Motor Car for official use and purpose shall be provided by the Company and entitled for expenses for Driver and fuel reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.
- (vii) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

RESOLVED FURTHER THAT, the said Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above in compliance of the applicable provisions of Companies Act, 2013.

RESOLVED FURTHER THAT, any Executive Director of the Company and Company Secretary, be and is hereby severally authorised to file requisite form(s) along with the certified true copy of the resolution with the Registrar of Companies, Gujarat and to do such acts, deeds and things as may be deemed necessary to give effect to the above resolution.”

NOTES:

- 1 In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated 13th April 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19” and General Circular No. 20/ 2020 dated 5th May 2020 and Circular No. 02/2021 dated January 13, 2021, in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the “Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the “Rules”), as amended from time to time, read with the MCA Circulars, the Annual General Meeting (“AGM”) of the Company is scheduled to be held through VC/OAVM and the voting for items to be transacted in the Notice to this AGM.
- 2 PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

- 3 In view of the massive outbreak of the COVID-19 pandemic, social distancing is a pre-requisite and pursuant to MCA circulars physical attendance of the Members is not required. Hence, Members will have to attend and participate in the ensuing AGM through VC / OAVM.
- 4 In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- 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 The Members can join the AGM in the VC/OAVM mode 30 minutes before and within 15 minutes from the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on a first come first served basis as per the MCA Circulars.
- 7 Further, due to threat posed by COVID-19 and in terms of the MCA Circulars, the Company is sending this AGM Notice along with the Annual Report for FY2020-21 in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The AGM Notice is also available on the website of company.
- 8 Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops 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 glitches.
- 9 Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at **cs@gsecl.co.in** before 3.00 p.m. (IST) on Monday, 22nd November, 2021. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
- 10 Members who would like to express their views/ask questions as a Speaker at the AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number to **cs@gsecl.co.in** on or before Monday, 22nd November 2021. Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- 11 Members who need assistance before or during the AGM, can contact Company Secretary on number: 079-26575757 or at email id : **cs@gsecl.co.in**.
- 12 The Register of Director and Key Managerial Personnel and their shareholding, maintained under section 170 of the companies Act, 2013 ('the Act'), and the Register of Contract or Arrangements in which the directors are interested, maintained under Section 189 of the Act and other relevant registers and documents, will be available for inspection electronically by the member at the AGM.
- 13 Those Members whose Email Id are not registered can get their Email Id registered as follows:
- Members holding shares in demat form can get their Email Id registered / updated by contacting their respective Depository Participant.
 - Members holding shares in the physical form can get their Email Id registered by contacting our Registrar & Share Transfer Agent "Bigshare Services Private Limited" on their Email Id

bssahd@bigshareonline.com or by sending the duly filled in E-communication registration form enclosed with this Notice to our RTA on their Email Id bssahd@bigshareonline.com.

- 14 A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
- 15 Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 16 The unclaimed/unpaid dividend till the financial year ended March 31, 2012 has been transferred to the Investor Education and Protection Fund of the Central Government (“the Fund”). Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.

Financial year ended on	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
2013-14	15-09-2014	10%	21-11-2021
2014-15	N.A.	N.A.	N.A.
2015-16	29-09-2016	5%	05-12-2023
2016-17	28-09-2017	5%	04-12-2024
2017-18	28-09-2018	5%	04-12-2025
2018-19	26-09-2019	5%	02-12-2026
2019-20	N.A.	N.A.	N.A.

- 17 Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund. The Company has also written to the concerned shareholders intimating them their particulars of the equity shares due for transfer. No claim shall lie against the Company in respect of these equity shares post their transfer to Investor Education and Protection Fund. Upon transfer, the shareholders will be able to claim these equity shares only from the Investor Education and Protection Fund Authority by making an online application. The Company has already transferred 1650 Equity Shares to the designated Account of IEPF during the year 2019-20.
- 18 Members are requested to intimate any change of name, address etc. to RTA i.e. M/s. Bigshare Services Private Limited at A/802, Samudra Complex, Near Klassic Gold Hotel, Off C G Road, Ahmedabad-380009 or the Secretarial Department of the Company at the registered office immediately.
- 19 Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
- 20 As per MCA Notification dated 10.09.2018 the transfer in physical form (except in case of transmission or transposition of securities) shall not be processed by the Company w.e.f. 02.10.2018. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
- 21 Members who are holding physical shares in identical order of names in more than one folio are requested

to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes thereon. Members are requested to use the new share transfer form SH-4 for the same.

- 22 Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 23 Members desiring for cancelling or making any variation in the details of nomination are required to submit SH 14 as prescribed by the Government and the form can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 24 Members may also note that the Notice of the 55th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2021 will also be available on the Company's website www.gsecl.co.in for their download.
- 25 The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the e-mail address: cs@gsecl.co.in.
- 26 The Instruction for shareholders for remote e voting are as under:
- i. The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in compliance of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') Accordingly, a member may exercise his vote by electronic means and the business set out in the notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through e-voting platform of National Securities Depository Limited (NSDL)("remote e-voting).
 - ii. The remote e-voting period will commence on Saturday, 27th November, 2021 09.00 a.m. (IST) and ends on Monday, 29th November, 2021 05.00 p.m. (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 19th November, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
 - iii. 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. Friday, 19th November, 2021, shall be entitled to avail the facility of remote e-voting as well as voting at 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.
 - iv. 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. 19th November, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through e-voting at the AGM by following the procedure mentioned in this part.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat

account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

	Login Method
Individual Shareholders holding securities in demat mode with NSDL .	1. If you are already registered for NSDL IDeAS facility , please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “ Beneficial Owner ” icon under “ Login ” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select “ Register Online for IDeAS ” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL . Click on NSDL to cast your vote.

	Login Method
	<p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.

4. Your User ID details are given below :

Manner of holding shares i.e. or Physical Demat (NSDL or CDSL)	Your User ID is:
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. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) 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.
- c) How to retrieve your 'initial password'?
 - (i) 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'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) 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.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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 info@parikhdave.com with a copy marked to evoting@nsdl.co.in.
2. 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 to reset the password.
3. 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in
4. Shareholders/Members, who need assistance before or during the AGM, can contact NSDL official Ms. Sarita Mote on Toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. 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 cs@gsecl.co.in
2. 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 cs@gsecl.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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 cs@gsecl.co.in. The same will be replied by the company suitably.

Contact Details Company	: GSEC Limited
Regd. Office	: 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad-380009.
CIN	: U52100GJ1965PLC001347
Email ID	: cs@gsecl.co.in
e-Voting Agency	: National Securities Depository Limited
E-mail ID	: evoting@nsdl.co.in / NipuIS@nsdl.co.in
Scrutinizer	: Shri Umesh Parikh failing him Shri Uday Dave Partner of – Parikh Dave & Associates, Company Secretaries e-mail ID: evoting@parikhdave.com

27 Details of Directors seeking appointment/re-appointment at the 55th Annual General Meeting of the Company:

Name of Director	Mr. Samir Hanskumar Mankad	Mrs. Raji Shaishav Shah	Mr. Shaishav Shah	Mr. Sandip Parikh
Date of Birth	July 13, 1960	February 21, 1982	May 05, 1984	August 08, 1963
Date of Appointment	March 08, 2004	March 30, 2018	June 12, 2010	February 17, 2016
Relationship with Directors	None	Spouse of Shri Shaishav Shah Whole-time Director of the company and Daughter in-Law of Shri Rakesh Shah Managing Director of the company	Son of Mr. Rakesh Shah Managing Director of the company and spouse of Ms. Raji Shah, Whole Time Director of the Company.	None
Qualifications	B. E. (Mechanical), M.B.A.	Commerce Graduate	Commerce Graduate and Post Graduate Diploma in Management	Chartered Accountant (FCA), LLB, B Com.
Expertise in functional area	Air Cargo operations, Logistics and allied services	Administrative and Finance	Business development, Administrative and Finance	Corporate Finance and Taxation matters, Cross border tax matters, Transactions Advisory
Board Membership in other Companies as on March 31, 2021	<ol style="list-style-type: none"> GSEC LOGISTICS LIMITED GSECAVIATION LIMITED AVIPARK FACILITIES PRIVATE LIMITED AVISERVE FACILITIES PRIVATE LIMITED AVIGROUND FACILITIES PRIVATE LIMITED GSEC BIRD AIRPORT SERVICES PRIVATE LIMITED GSECAIR SERVICES PRIVATE LIMITED 	<ol style="list-style-type: none"> GSEC INFRASTRUCTURE PRIVATE LIMITED GSEC GREEN ENERGY PRIVATE LIMITED KOMAL INFRAVENTURES PRIVATE LIMITED KOMAL INFOTECH PRIVATE LIMITED KALPAVRUKSHA WORLDWIDE PRIVATE LIMITED 	<ol style="list-style-type: none"> KALPAVRUKSHA WORLDWIDE PRIVATE LIMITED GSEC LOGISTICS LIMITED GSECAVIATION LIMITED GSEC MONARCH AND DECCAN AVIATION PRIVATE LIMITED GSEC GREEN ENERGY PRIVATE LIMITED SMARTMETERS TECHNOLOGIES PRIVATE LIMITED ELECTRIFY ENERGY PRIVATE LIMITED GOMAX AVIATION PRIVATE LIMITED SAFIRE TECHNOLOGIES PRIVATE LIMITED 	<ol style="list-style-type: none"> PASHUPATI COTSPIN LIMITED DYNAMIC TAX SERVICES PRIVATE LIMITED GKCADVISORY SERVICES PRIVATE LIMITED PROVIDENTIA ADVISORS PRIVATE LIMITED Z7ALLIANCE PRIVATE LIMITED KAUSHIKIARTS PRIVATE LIMITED GUJARAT EDUCATION AND TRAINING COMPANY PRIVATE LIMITED

Name of Director	Mr. Samir Hanskumar Mankad	Mrs. Raji Shaishav Shah	Mr. Shaishav Shah	Mr. Sandip Parikh
			10. AVIGROUND FACILITIES PRIVATE LIMITED 11. AVIPARK FACILITIES PRIVATE LIMITED 12. AVISERVE FACILITIES PRIVATE LIMITED 13. GSECAIRSERVICES PRIVATE LIMITED 14. HEYNAMASTE PRIVATE LIMITED 15. GSEC BIRD AIRPORT SERVICES PRIVATE LIMITED 16. INNOAGEMETERS PRIVATE LIMITED	
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2021	Nil	Nil	Nil	Nil
Number of Shares held in the Company as on March 31, 2021	Nil	Nil	4,87,270 (6.45%)	Nil

Date : 30th October, 2021

Place : Ahmedabad

**By Order of the Board of Directors,
For, GSEC Limited**

Registered Office: 2nd Floor,
Gujarat Chamber's Building,
Ashram Road, Ahmedabad - 380 009.

**Darshil Shah
Company Secretary**

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain Special Businesses mentioned in the accompanying Notice.

Item No. 3

This agenda item pertains to appointment of Mr. Sandip Ashwinbhai Parikh as an Independent Director for term of 5 years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Parikh is a renowned Chartered Accountant and fellow member of the Institute of Chartered Accountants of India (FCA). He also holds a Bachelor's degree of commerce and Law. He has spent his entire professional career working in the field of Corporate Finance, Taxation including Cross border taxation and Transactions Advisory matters.

He does not hold any share in the Company.

Mr. Sandip Parikh has given his consent to act as a Director and he is not disqualified in terms of Section 164 of the Companies Act, 2013 for being appointed as Director.

The Company has received declaration from him that he meets with the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Rules made thereunder.

The Board is of the opinion that Mr. Sandip Parikh fulfills the conditions specified in the said Act and the Rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management. Mr. Parikh is proposed to be appointed as an Independent Director for a term of 5 years up to February 15, 2026.

The Board recommends the Resolution set out under item no. 3 for approval of members.

Except Mr. Parikh, being an Appointee, none of the other Directors of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution. The Company is not required to appoint Key Managerial Personnel in the Company.

Item No. 4

As the term of Ms. Raji Shah as Whole- Time Director was completed March 31, 2021, the Board of Directors in their meeting held on March 13, 2021, has re-appointed Ms. Raji Shah as Whole Time Director of the Company for further period of three years from April 1, 2021 to March 31, 2024, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Ms. Raji Shah has been serving as the Whole-time Director since 2016. Mrs. Shah is possessing relevant experience in the field of finance and other relevant area. She looks after general administrations of the Company.

On recommendation of Nomination and Remuneration Committee and considering her knowledge and aptitude the Board has re-appointed her as a Whole-Time Director for further period of three years w.e.f. from 1st April, 2021 and payment of remuneration, subject to approval of members as per the terms and conditions as mentioned in the resolution.

Statement pursuant to clause (b) of section II of part-II of schedule V of the Companies Act, 2013 is annexed at the end of this explanatory statement.

The Board recommends the Resolution set out under item No. 4 for approval of members.

Except Smt. Raji Shah, being an appointee and Shri Rakesh Shah, Managing Director, Shri Shaishav Shah Joint Managing Director and their relatives, none of the other Directors of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

The Company is not required to appoint Key Managerial Personnel in the Company.

Item No. 5

The Board of Directors in their meeting held on August 20th, 2021, has appointed Mr. Shaishav Shah as a Managing Director (Designation Joint Managing Director) of the Company for a period of three years from 20th August,2021 to 19th August,2024, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Mr. Shaishav Shah has been associated with company since 2010, he has played leading role to convert GSEC Limited as a company in to GSEC Group having diversified business activities in Cargo, Aviation, Petro products. Company has achieved new heights and has sailed through many new developments and innovations. Considering the performance of the said Director, the Board recommends his appointment as Joint Managing Director in best interests of the company.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act,2013, necessary resolution for the appointment of Mr. Shaishav Shah for a period of three years commencing from 20th August,2021 and payment of remuneration. is proposed for the approval of the members.

The details of remuneration payable to Mr. Shaishav Shah and the terms and conditions of the appointment are given in the resolution .

Statement pursuant to clause (b) of section II of part-II of schedule V of the Companies Act, 2013 is annexed at the end of this explanatory statement.

The Board recommends the Resolution set out under item No. 5 for approval of members.

Except Mr. Shaishav Shah, being an appointee and Shri Rakesh Shah, Managing Director, Smt. Raji Shah, Whole Time Director and their relatives, none of the other Directors of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 5. The Company is not required to appoint Key Managerial Personnel in the Company.

STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I GENERAL INFORMATION:

1	Nature of Industry	Air Cargo Services, export and trading activities.		
2	Date or Expected Date of Commencement of Commercial Production	Not applicable as the company has already undertaken commercial activities long back.		
3	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	NotApplicable		
4	Financial performance based on given indicators.	Rs. in Lacs		
		Particulars	2020-21	2019-20
		Total Income	34287.40	41778.46
		Profit Before Tax and Depreciation (Including Exceptional Item)	905.92	692.39
		Depreciation	204.39	249.50
		Profit Before Tax	701.53	442.89
		Tax	230.06	122.28
		Profit After Tax	471.47	320.61
		Equity Capital (face value Rs.10) No.of shares	7550000	7550000
Earnings per Share (Rs.)	6.24	4.25		

5	Export performance based on given indicators.	Rs. in Lacs		
		Particulars	2020-21	2019-20
		Foreign Exchange Earning	–	–
		Foreign Exchange Outgo	–	7.35
6	Foreign Investments or Collaboration, if any.	The Company did not have any foreign investments or collaborations.		

II INFORMATION ABOUT THE APPOINTEE:

1 Background Details

(A) For Raji Shah:

Smt. Raji Shah is holding the bachelor degree of commerce and possessing relevant experience in the field of finance and other relevant areas.

(B) For Shaishav Shah:

Shri. Shaishav Shah is holding the degree in Post Graduate Diploma in Management and possessing relevant experience in the field of Business development, Administrative and Finance. He is serving as a Whole Time Director in the Company since 2010.

2 Past Remuneration

Details of past remuneration paid is Mr. Shaishav Shah and Mrs. Raji Shah mentioned herein below:

Name	Remuneration Paid
Mr. Shaishav Shah	Rs. 22.85 Lacs per year in 2020-21
Mr. Raji Shah	Rs. 17.08 Lacs per year in 2020-21

3 Recognition or awards: NIL

4 Job Profile and suitability:

The Whole-time Directors devotes their full time to the company and shoulders the responsibility towards the executive decision making and overall finance management. Mr. Shaishav Shah and Mrs. Raji Shah also assists the Managing Director in the overall management and administration of the Company as and when needed.

Their experience in the field of finance, managerial aptitude and logical thinking is beneficial to the Company for bringing the new outlook into the Board of Directors. Considering this the Board of Directors has thought advisable to continue to avail their services..

5 Remuneration proposed: As details given above.

6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Being in a service industry with the responsibility entrusted by the Government with no direct competitor, no such statistics is available or can be framed out.

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

(A) Ms. Raji Shah does not hold any shares in the company. She has no pecuniary relationship with the Company to be reported except to the extent of remuneration drawn by her.

She is spouse of Shri Shaishav Shah, Managing Director, and daughter in law of Shri Rakesh Shah, Chairman and Managing Director.

- (B) Mr. Shaishav Shah is having pecuniary relationship with the company to the extent of his shareholding, remuneration and transaction as mentioned in the notes to the financial statement. Further Mr. Rakesh Shah, Chairman and Managing Director is father and Ms. Raji Shah Whole-Time Director is wife of Mr. Shaishav Shah.

III OTHER INFORMATION:

1 Reasons of Loss or Inadequate Profits:-

The Company's main operations i.e. air cargo handling and allied services are completely dependent on the imports and exports in and out of the state which are further dependent on the local and external environment. The Company is very prone, even to the small fluctuations in national and international economy affect the operations of the Company.

Moreover, there is a direct involvement of the Government of India, through its various authorities and departments in the operations of the company. The handling and other service charges are decided directly by the concerned Department which naturally are highly customer friendly and hence render little room for the profitability for the company. Further, there are pretty high maintenance and operations costs which have to be borne by the company mainly due to constantly increasing Government Royalty, space rent and other maintenance costs incurred for the latest high capacitive machineries and tools.

The trading business of Commodities, Fabrics etc. is also restricted to the number of industrial customers which are unlikely to fluctuate much. Hence, there is little room to increase the reach of the company to the whole new levels in short to medium term.

2 Steps taken or proposed to be taken for improvement:

After acquiring the company from the then Government of Gujarat, lot of efforts were undertaken for redefining, restructuring and improvising the operations of the Company. The company has been now stabilized and has reached to the new level of growth thanks to the diversified businesses taken up and the team efforts of the new management.

The new air cargo complex with 8X capacity to handle the air cargo against the existing one has been built. Latest technology has been introduced and the operations has been completely redefined and made more customer friendly. The management of the company constantly looks after and categorizes the new avenues of businesses to add profitability. The company has also been working at moderate to aggressive level in taking up the marketing efforts to increase its operations. The Company continues to focus on the quality of the services provided, upholding of its high business values, increase in its cost competitiveness. The company is expected to achieve new heights in terms of volume of operations and profitability in long term.

3 Expected increase in productivity and profits in measurable terms:

As already mentioned in Point no.1, being dependent on the external factors in terms of the main operations of the company, it is hard to project the future operations and profits. However, there is a strong content and dedication of the management of the company to register the growth in terms of increase in operations as well as the profitability of the company on a year to year basis.

Date : 30th October, 2021

Place : Ahmedabad

Registered Office: 2nd Floor,
Gujarat Chamber's Building,
Ashram Road, Ahmedabad - 380 009.

By Order of the Board of Directors,

Darshil Shah
Company Secretary

E-COMMUNICATION REGISTRATION FORM

(Only for members holding shares in physical form)

Date : _____

To,
Bigshare Services Private Limited
A/802 Samudra Complex, Near Klassic Gold Hotel,
Girish Cold Drink Cross Road, Off C G Road,
Ahmedabad - 380009

UNIT – GSEC LIMITED

Dear Sir,

Sub: Registration of Email Id for serving of Notices / Annual Reports through electronic mode by Company

We hereby register our Email Id for the purpose of receiving the notices, Annual Reports and other documents / information in electronic mode to be sent by the Company:

Name of the First / Sole Shareholder :
Folio No. :
Address :
Mobile Number :
Email Id :
Signature :

Note :

- 1 Mandatory attach the identity proof & Address proof (self-attested copy of PAN Card & Aadhar Card)
- 2 Shareholder(s) are requested to notify the Company as and when there is any change in the email address.

Head Office

2nd Floor, Gujarat Chamber's Building, Ashram Road,
Ahmedabad - 380 009, Gujarat (India) Contact: +91-79-2655 4100,
+91-79-267 77 | +91-79-2658 5757 | Fax : +91-79-2658 4040
E-mail : info@gsecl.co.in | www.gsecl.co.in

Ahmedabad

Air Cargo Complex, Old Airport, Ahmedabad - 380 003
Contact: +91-79-2286 4747 / +91-79-2286 5656
Fax : +91-79-2286 4646

Visakhapatnam

C/O Andra Pradesh Trade Promotion Corporation Limited
International Air Cargo Complex, Old Terminal Building,
Vishakhapatanam Airport, Vishakhapatanam - 530 009.
Contact: 089-1279 4199.