



GAGAN POLYCOTINDIAL LIMITED
MALEGAON

22nd Annual Report 2009-2010

Registered Address: 201/202, Gagan Towers, Tilak Road, Malegaon – 423203

Board of Directors: Mr. Pawan Kumar Bagla
Mrs. Rachana P. Bagla
Mr. Gagan Bagla
Mr. Jitendra Kumar Bagla

Bankers: Bank of Baroda
ICICI bank

Registrar & Transfer Agents: Adroit Corporate Services Pvt. Ltd.
19, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka,
Mumbai – 400 059.

Auditors: R.M. Bothara & Co.
26/27, First Floor, Tilak Road, Malegaon – 423203.

Company Secretary: Aabid & Co.
Company Secretary

Day & Date of A.G.M.: Thursday, 30th September, 2010.

Venue: At Registered Office

Time: 10.00 am

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF THE MEMBERS OF GAGAN POLYCOT INDIA LIMITED WILL BE HELD ON 30TH DAY OF SEPTEMBER 2010 AT 10.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 201/202, GAGAN TOWERS, TILAK ROAD, MALEGAON – 423 203 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

- 1.To receive, consider and adopt the Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended 31st March 2010 and the Directors and Auditors Reports thereon.
- 2.To appoint a Director in Place of Mrs. Rachana Bagla retiring by rotation and being eligible for re-appointment.
- 3.To consider and thought fit, to pass with or without modifications, the following resolutions as ordinary resolution.

“WHEREAS M/S R.M. Bothara & Co., Chartered Accountants, Malegaon, the retiring Auditors have not sought reappointment and has also expressed their unwillingness to continue to act as Auditors of the Company.

“THEREFORE IT IS RESOLVED THAT consent of the members of the company be and is hereby accorded to the appointment of M/S AMD & Co., Chartered Accountants, Mumbai., as the Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided later plus out-of –expenses, if any, in addition to the aforesaid amount.”

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorized to sign and file the necessary forms, returns and or certified copy of the resolution as may be required with the Registrar of Companies, Mumbai office on behalf of the Company.”

- 4.To consider and thought fit, to pass with or without modifications, the following resolutions as special resolution

“RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed there under listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company be and is hereby authorized to seek voluntarily delisting of its securities from Vadodra Stock Exchange (VSE), Delhi Stock Exchange (DSE), and Ahmedabad Sock Exchange (ASE).

RESOLVED FURTHER THAT the securities of the company shall continue to be listed on the stock exchange having nation wide trading terminal i.e. Bombay Stock Exchange, (BSE) therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution.”

5.To consider and thought fit, to pass with or without modifications, the following resolutions as ordinary resolution

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 50,000,000 (Rupees Five Crores only) divided into 5,000,000 (fifty Lacs) Equity Shares of Rs.10/- (Rupees ten only) each to Rs. 100,000,000 (Rupees ten Cores only) divided into 10,000,000 (one Crore) Equity Shares of Rs.10/- (Rupees ten only) each."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to issue and allot shares as and when necessary to any person/s at their sole discretion as deemed fit.”

6.To consider and thought fit, to pass with or without modifications, the following resolutions as ordinary resolution.

"RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company as to Share Capital be and is hereby altered by deleting the same and substituting in place and stead thereof following as new Clause V:

V.The Authorized Share Capital of the Company is 100,000,000 (Rupees ten Cores only) divided into 10,000,000 (one Crore) Equity Shares of Rs.10/- (Rupees ten only) each with rights privileges and conditions attached thereto as are provided by the articles of association of the Company for the time being with power to increase and/or reduce the capital of the Company and to divide the shares in capital for the time being in to several classes or to attach thereto respectively such preferential qualified or special rights privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign and file on behalf of the Company the necessary forms with the Registrar of Companies, Mumbai office.”

7.To consider and thought fit, to pass with or without modifications, the following resolutions as ordinary resolution.

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered and the existing Article 4 (a) of the Articles of Association of the Company be and is hereby altered by deleting the same and substituting the following as new Article 4 (a):

5. The Authorized Share Capital of the Company is Rs.100,000,000/- (Rupees ten Crores only) into 10,000,000 (one crore) Equity Shares of Rs.10/- (Rupees ten) each with the power to increase or reduce the Capital of the Company for the time being into several classes as permissible in law; and attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Regulations of the Company and to vary, modify or abrogate any such rights, privileges or condition in such manner as may be for the time being provided by the regulation of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign and file on behalf of the Company the necessary forms with the Registrar of Companies, Mumbai office.”

**BY THE ORDER OF THE BOARD
FOR GAGAN POLYCOT INDIA LTD.**

**PLACE: Malegaon
DATE: 25.08.2010**

**Sd/-
DIRECTOR**

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy for attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in the order to be effective must be received at the registered office of the company not less than 48 hours before the meeting.
2. Explanatory statement is annexed to the notice of the Extra-ordinary General Meeting of the Company as required by section 173(2) of the Companies Act, 1956 in respect of item 1.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 3**

The present auditors of the Company M/S R.M. Bothara & Co., Chartered Accountants, Malegaon have unable to signing of Balance Sheet of the Company and he also expressed their unwillingness to act as statutory auditors of the Company and hence the Board recommends appointment of AMD & Co., Chartered Accountants, Mumbai as the new auditors of the Company. Pursuant to the provisions of Section 225 of the Companies Act, 1956, ordinary resolution is required to be passed in the general body meeting for the same. Your directors recommends passing of the aforesaid resolution as ordinary resolution.

None of the directors of the Company is interested in passing of the aforesaid resolution.

ITEM NO.4

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having

nation wide trading terminal, i.e., Bombay Stock Exchange (BSE) as specified by SEBI in this regard.

At present the equity shares of the company are listed at Bombay Stock Exchange (BSE), Vadodra Stock Exchange (VSE), Delhi Stock Exchange (DSE), and Ahmedabad Stock Exchange (ASE). Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Vadodra Stock Exchange (VSE), Delhi Stock Exchange (DSE), and Ahmedabad Stock Exchange (ASE) as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange (BSE).

The Board recommends the resolution for approval of members.

None of the directors is, in any way, concerned or interested in the said resolution.

ITEM NO.5 , 6 and 7

The Authorized Share Capital of the Company is to be increased from Rs. 50,000,000 (Rupees Five Crores only) divided into 5,000,000 (fifty Lacs) Equity Shares of Rs.10/- (Rupees ten only) each to Rs. 100,000,000 (Rupees ten Cores only) divided into 10,000,000 (one Crore) Equity Shares of Rs.10/- (Rupees ten only) each.

In order to meet the requirement of funds for the project, it is proposed to raise additional capital by way of issue of shares beyond the present authorized Share Capital. To facilitate rising of the capital it is proposed to increase the Authorized share capital from Rupees five crores to Rupees ten Crores. Pursuant to Section 94 of the Companies Act, 1956, consent of members by way of an ordinary resolution is required for increasing the authorized Share Capital. Approval of the members is therefore sought for giving effect to the proposal.

Amendment to the Memorandum and Articles of Association is consequential in nature.

Approval of the members is also sought by way of a Special Resolution u/s 31 of the Companies Act, 1956 for amendment of Article 4 of the articles of Association of the Company.

A copy of the Memorandum and Articles of Association is available for inspection to the Members at the Registered Office of the Company during the office hours on any working day.

The Directors recommend these resolutions for your acceptance.

None of the Directors are deemed to be concerned or interested in the said resolutions.

**BY THE ORDER OF THE BOARD
FOR GAGAN POLYCOT INDIA LTD.**

**PLACE: Malegaon
DATE: 25th August, 2010**

**Sd/-
DIRECTOR**

DIRECTOR'S REPORT

To,
The Members of,
Gagan Polycot India Limited

Your directors are pleased to present the 22nd Annual Report and audited statements of accounts for the year ended 31st March 2010.

FINANCIAL RESULTS:

Particulars	Financial year 2009-2010	Financial year 2008-2009
Total Income	39,32,82,803	28,97,27,291
Profit before Depreciation	4,12,348	1,83,892
Less: Depreciation	61,262	73,670
Profit/(loss) Before Tax,	3,51,086	1,10,222
Less: Provision for tax.	1,15,000	55,000

DIRECTORS:

In Accordance with the provision of the Companies Act 1956, Mrs. Rachana Bagla retires by rotation and being eligible, offers herself for reappointment.

AUDITORS:

M/s. R.M. Bothara & Co., the retiring Auditors have not sought reappointment. It has been proposed M/s. AMD & Co., Chartered Accountants held office as Auditors of the Company.

The Company has a Certificate from them that they are qualified under Section 224 (1) of the Companies act, 1956 for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the Financial Year ending March 31, 2010 as set out in the Notice conveying the Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a) In the preparation of the annual accounts, applicable accounting standard have been followed.
- 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 as at March 31, 2010 and of the profit & loss of the Company for that year.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

There are 13th employees, particulars of employees, as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

Information required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of the Board of Directors) Rules, 1988 does not apply to your Company.

There was no Foreign exchange earning or outgo during the Financial Year 2009-10.

ACKNOWLEDGEMENT:

The Board of Directors place on record its sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution ensuring sustained operations that your Company has achieved in most difficult and challenging environment during the year. Your director would like to record their sincere appreciation for the support and co-operation that your Company received from all its suppliers, customers and stakeholders and business associates whom your Company regard as partners in progress.

Your Board of Directors also express their appreciation of the assistance and co-operation extended by the bankers.

ON BEHALF OF THE BOARD OF DIRECTORS

GAGAN POLYCOT INDIA LIMITED

Sd/-

DIRECTOR

Place: Malegaon

Date: 25.08.2010

CORPORATE GOVERNANCE**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company believes that good corporate governance is essential to achieve long-term corporate goals and to enhance stakeholder's value. There is no one universal model of a corporate governance code. Different environments require specific solutions to meet the demands of legal compliances and regulations. However there is a single thread, which weaves through the tapestry of governance that calls for the affairs of a company to be controlled and regulated in a manner that is transparent, ethical and accountable. In pursuit of this objective, your Company is committed to achieving transparency in all its dealings, providing high quality products and services to its customers and stakeholders. This places a significant emphasis on integrity, proper internal controls and regulatory compliances, which cannot be compromised. The basic philosophy of Corporate Governance in your Company has been to achieve business excellence, to enhance shareholder value, keeping in view the needs and the interest of all its stakeholders and customers.

1. BOARD OF DIRECTORS**1.1 The constitution of the Board as on 31st March 2010.**

The Board of Gagan Polycot India Limited consists of 6[Six] directors, two of whom are non-executive. The executive directors, Mr. Pawan Kumar Bagla, Managing Director, Mrs. Rachana Bagla Executive Director, Mr. Jitendra Bagla, Mr. Gagan Bagla represent the promoter group. Mr. Pawan Kumar Bagla is the Chairman and Managing Director of the Company. The 2 non-executive directors are independent directors. The Board has no Institutional and Nominee directors.

According to Clause 49 of the Listing Agreement if the Chairman is an executive, at least half of the Board should consist of non-executive, independent directors. This provision is been failed to be adequately met at Gagan Polycot India Limited. The two non-executive independent directors besides maintaining the desired level of independence of the Board ensure a blend of executive and independent directors. All non-executive directors are persons of eminence, and bring a wide range of expertise and experience to the Board.

As per statutory requirements, at least two third of the Board should consist of retiring directors. Of these, one third is required to retire every year and if eligible, may seek reappointment by the shareholders. Two of 6 directors in Gagan Polycot India Limited will be retiring director by rotation.

1.2 Board Meetings and Agenda.

In compliance with the provisions of clause 49 of the listing agreement, the Board meets at least once in every quarter to review the performance and to deliberate and consider other items on the agenda. During the Year 2009-2010, the Board of Directors met 7(Seven) times on the following dates,

22nd day of June 2009, 17th day of July 2009, 24th day of September, 2009, 15th day of October 2009, 27th January 2010, 29th January, 2010 and 15th February, 2010

A detailed Agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board discharge its responsibilities effectively.

The Chairman briefs the Board at every meeting on the overall performance of the Company, followed by presentations by the Executive Directors. The non-executive directors are also given opportunities to express their respective opinions. A detailed report is also placed at every Board Meeting. The Board also reviews:

- Strategy and business plans
- Annual operating and capital expenditure budgets.
- Investment and exposure limits.
- Compliance with statutory / regulatory requirements and review of major legal issues.
- Major accounting provisions and write-offs.

The dates of meeting were generally decided well in advance.

1.3 Attendance record of directors.

The composition of the Board and the attendance record of all the directors at the Board meetings held during 2009-2010, as well as at the last Annual General Meeting are as follows:

Name of Director	Designation	Board Meetings attended	Whether attended last AGM on
Mr. Pawan Kumar Bagla	Chairman & Managing Director	7	Yes
Mrs. Rachana Pawankumar Bagla	Director	7	Yes
Mr. Jitendra Kumar Bagla	Director	7	Yes
Mr. Gagan Bagla	Director	5	Yes
*Mr. Rajesh Gunvantrai Mehta	Additional Director	1	N.A.
*Mr. Hemang Narendra Sampat	Additional Director	1	N.A.

*Mr. Rajesh Mehta and Mr. Hemang Sampat are appointed as Additional Directors w.e.f . 29.01.2010

1.4 Outside Directorships and Membership of Board Committees.

The number of outside directorships and committee positions held by the directors of Gagan Polycot India Limited can be summarized as follows:

Name of Director	Directorships in		Membershi p of Board Committee s
	Listed Companies	Unlisted Public Limited Companies	
Mr. Pawan Kumar Bagla	Nil	Nil	Nil
Mrs. Rachana Pawankumar Bagla	Nil	Nil	Nil
Mr. Jitendra Kumar Bagla	Nil	Nil	Nil
Mr. Gagan Bagla	Nil	Nil	Nil
Mr. Rajesh Gunvantrai Mehta	yes	yes	yes
Mr. Hemang Narendra Sampat	yes	yes	yes

2. BOARD COMMITTEES:

The Board has constituted three committees viz. Audit Committee and Remuneration Committee and Investors Grievance Committee. The roles and responsibilities assigned to these committees covered under the terms and reference approved by the Board are subject to review by the Board from time to time and the minutes of meetings of these committees are reviewed and taken note the Board. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these committees are provided herein below:

2.1 Audit Committee

2.1.1. Constitution and Composition of the Audit Committee

With a view to ensuring compliance with the various requirements under the Companies Act, 1956 and Clause 49 of the Listing Agreement, Gagan Polycot India Limited has set up its Audit Committee. The Company has been taking measures from time to time to improve the effectiveness of the Committee.

The Audit Committee consists of three Directors :

1. Mr. Hemang Sampat
2. Mr. Rajesh Mehta
3. Mrs. Rachana Bagla

Mr. Hemang Sampat is the Chairman of the Committee and all except Mrs., Rachana Bagla are independent, non-executive directors.

2.1.2 Attendance at Audit Committee meetings:

Name of Director	Category	Status	Number of Meetings	
			Held	Attended
*Mr. Hemang Sampat	Non Executive, Independent	Chairman	1	1
*Mr. Rajesh Mehta	Non Executive, Independent	Member	1	1
Mrs. Rachana Bagla	Executive	Member	4	4

*Mr. Rajesh Mehta and Mr. Hemang Sampat are appointed as Additional Directors w.e.f. 29.01.2010

2.2 REMUNERATION COMMITTEE**2.2.1 Constitution and Composition of the Remuneration Committee.**

Gagan Polycot India Limited has set up its Remuneration Committee to review the remuneration package of the executive directors and for recommending suitable revisions to the Board. It should be noted that the remuneration of the Managing Director and Executive Director is subject to the approval of the Board of Directors and the Members as well as such other approvals as may be required. Besides, approval of the Central Government may also be necessary in certain circumstances. The Company has been taking measures from time to time to improve the effectiveness of the committee. The Remuneration Committee consists of three Directors:

1. Mr. Pawankumar Bagla
2. Mr. Jitendra Bagla
3. Mrs. Rachana Bagla

2.2.2 Meetings, Attendance and Topics Discussed.

During 2009-2010, the remuneration committee met once on the 1st day of April 2009. The meeting was scheduled well in advance and was attended by all the members of the Committee.

2.2.3 Remuneration paid / payable to Directors during the Financial Year 2009-2010.

Name of the Director	Salary / Allowances Amount Rupees	Sitting Fees Amount Rupees	Total Amount Rupees
Mr. Pawan Kumar Bagla	250000	-	250000
Mrs. Rachana Pawankumar Bagla	192000	-	192000
Mr. Jitendra Kumar Bagla	156000	-	156000
Mr. Gagan Bagla	180000	-	180000
Mr. Rajesh Gunvantrai Mehta	-	-	-
Mr. Hemang Narendra Sampat	-	-	-

The Directors have voluntarily waived the Sitting fees for the Financial Year 2009-2010.

2.2.4 Share Holder / Investor Grievance Committee:

The Shareholder/investor Grievance Committee was set up with objective of consideration and speedy disposal of shareholder, and investor requirements & compliance there to. The committee specifically looks into the shareholders and investor complaints on matters relating to transfer of shares, non receipt of Annual Report, non receipt of dividend , etc. in addition the committee also looks into matters which can facilitate better investors services and relations. The company has taking measures from time to time improve the effectiveness of the committee. The grievance committee consists of three directors namely 1) Mrs. Rachna Bagla, 2) Mr. Jitendra Bagla 3) Mr. Hemang Sampat Mrs. Rachna Bagla is the chairperson of the committee of the three the two are non-executive directors

2.2.5 Compliance Officer:

The committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service Mr. Pawan Kumar Bagla is the Compliance Officer during the financial year ended 31st March, 2010.

3. GENERAL BODY MEETINGS

The details of the last three General Body Meetings can be summarized as follows:

Type of Meeting	Date of the Meeting	Place of the Meeting	Time of the Meeting
19 th Annual General Meeting	30.09.2007	Malegaon Health Club Ground, Chandanapuri Shiwari, Manmad Road, Malegaon – 423203.	03.30 P.M.
20 th Annual General Meeting	29.09.08	201/202 Gagan Towers, Tilak Road, Malegaon 423203	10 A.M.
21 st Annual General Meeting	29.09.09	201/202 Gagan Towers, Tilak Road, Malegaon 423203	10 A.M.

The Company has not passed any resolution through postal ballot during the last year.

4. DISCLOSURES

4.1 Materially significant related party transactions:

There were no related party transactions, pecuniary transactions made by the Company with its promoters, directors, management and their relatives, for which the approval from the Central Government is pending as per section 25 that may have potential conflicts with the interest of the Company at large.

4.2 Means of Communication

The Quarterly Financial Results have not been published in English and vernacular newspaper.

5. GENERAL SHAREHOLDERS INFORMATION

5.1. Annual General Meeting

Date & Time: 30th September, 2010 at 10.00 a.m
Venue: 201/202 Gagan Towers, Tilak Road, Malegoan 423203

5.2. Financial Calendar

	April 2010 to March 2011
Financial Reporting	
Unaudited first quarter financial results	: July, 2010
Unaudited second quarter financial results	: October, 2010
Unaudited third quarter financial results	: January, 2011
Unaudited third quarter financial results	: April, 2011

5.3 Dividend

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5.4. Distribution of Shareholding

The pattern of shareholdings among various categories as on 31st March 2010 is as follows:

Category	Number of shares held	Percentage
Promoters	398900	9.90
Promoter's Relatives & Associates	Nil	Nil
Financial Institutions	NIL	NIL
Banks	NIL	NIL
Mutual Funds	39200	0.97
Corporate Bodies	405500	10.07
Non Resident Indians	NIL	NIL
Individuals / Others	3,184,700	79.06

5.5 DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010 :

No. of Equity Shares held	No. of Share Holders	No. of Shares held	% of Equity Capital
Upto 500	1340	368800	9.16
500 - 1000	482	402200	9.98
1001 - 2000	207	334900	8.31
2001 - 3000	113	295200	7.33
3001 - 4000	46	169300	4.20
4001 - 5000	30	142200	3.53
5001 - 10000	60	413500	10.26
10001 - 100000	38	1902200	47.22
Total	4374	5000000	100.00

5.6 Book Disclosure:

The Register of Members and Share Transfer Books of the company will remain closed from the 23rd day of September, 2010 to 30th day of September, 2010 both days inclusive.

5.7 Registrar and Share Transfer Agent:

Adroit Corporate Services [India] Private Limited.
 SEE1 REG No. INR000002277
 Registered Office: 19, Jafferbhoy Industrial Estate. 1st Floor,.
 Makwana Road. Andheri (East) MUMBAI - 400 059.
 Telephone: 022-22702485 12264 1376.
 Fax: 022-2264 1349,
 E-mail: adroit@vsnl.net

5.8 Share Transfer System and the scheme of transfer-cum- demat:

Application for Transfer of Share held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company or at the Registered office of that company which later on are sent to the Registrar and Share Transfer Agent The Share Transfer Committee promptly attends to share transfer formalities so as to dispose them within one month of their receipt.

5.9 Stock Code:

Sr. no.	Name of the Stock Exchange	Scrip Code
1.	Bombay Stock Exchange	531196
2.	Delhi Stock Exchange	
3.	Ahmedabad Stock Exchange	
4.	Vadodara Stock Exchange	

5.10 Address for Correspondence

Investors and shareholders can correspond with the registered office of the company at the following address:

201/202 Gagan Towers,
 Tilak Road,
 Malegoan 423203

Shareholders correspondence should be addressed to the Company's above-mentioned address.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Industries Structure and Development:-**

Your directors are pleased to inform you that due to the over all recessionary trend and the meltdown in the Textile Sector, your company could not maintain growth in its profit through higher turnover is achieved. Your company managements are exploring new market for its products. The company has not taken any loan / advance from any bank or institutions.

- **Building (Construction) Segment:**

Due to very weak demand, there are no added operations in this segment requiring reporting.

- **Company Prospectus :**

The company deals in Indian Market. The purchasing power of the masses is increasing every year in our country . the company hopes to increase its profit as higher sales are being achieved. We are also trying to tie with foreign buyers and also to install imported SULZER looms with a view to diversify the production.

- **Risk Management :**

The company is subject to business risks, both internal & external and has taken adequate steps to mitigate the same . the major risks associated with the company are outlined below

- **Raw Material Price:**

Raw material cost is about 75% of the company's sales. Thus any major hikes in raw material prices can affect the operations of the company adversely.

The company's Sales are customer driven and hence pricing is order based. The company is, generally able to pass on the increase in raw material price to its customers .

- **Domestic Competition :**

The company faces competition in all the segments that it operates from both the organized and unorganized and sectors.

- **Cautionary Statement:**

Statement in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forwarding looking statements" within the meaning of the applicable laws and regulations.

Actual results might differ substantially or materially from those expressed or implied.

Date: 25.08.2010

Place: Malegaon

FOR GAGAN POLYCOT INDIA LIMITED

Sd/-

Mr. Pawan Kumar Bagla
MANAGING DIRECTOR

7. CEO & CFO CERTIFICATION**CEO/CFO CERTIFICATION TO THE BOARD
(Under Clause 49(V) of Listing Agreement)**

Date: 25.08.2010

I, Pawan Bagla, Director of Gagan Polycot India Limited Certify that --

a. I have reviewed the financial statements and the cash flow statement for the year 2009-10 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2009-10 which are fraudulent, illegal or violative of the Bank's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2009-10
- Significant changes in accounting policies during the year 2009-10 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over the financial reporting.

Date: 25.08.2010

Place: Malegaon

FOR GAGAN POLYCOT INDIA LIMITED

Sd/-
MANAGING DIRECTOR

DECLARATION ON CODE OF CONDUCT

To,
The Member of
GAGAN POLYCOT INDIA LIMITED

I, Mr. Pawan Kumar Bagla, Managing Director of Gagan Polycot India Limited declare that to the best of my knowledge and belief, all the members of the Board of Directors and the designated personnel in the senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2010.

Place: - Malegaon

Date:- 25/08/2010

For Gagan Polycot India Limited

Sd/-
Mr. Pawan Kumar Bagla
Managing Director

CERTIFICATE

To,
The Members of
Gagan Polycot India Limited

We have examined the compliance of the conditions of Corporate Governance by Gagan Polycot India Limited for year ending 31st March 2010 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of Conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and Implementation thereof, adopted by the Company for ensuring the compliance of the Condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreements.

We state that no Investors grievance were received during the year ended 31st March 2010. No investor grievances are pending against the Company as on 25th August, 2010 as per the records maintained by the Company and presented to the Share / Debenture Transfer and Investors Grievances Committee. We further state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management had conducted the affairs of the Company.

Place:- Malegaon

Date :- 25/08/2010

For R. M. Bothara & Co.
Chartered Accountant
Sd/-

Proprietor
M. No. 102905

AUDITOR'S REPORT

To
The Members of
GAGAN POLYCOT INDIA LTD.

1. I have audited the attached Balance Sheet of Gagan Polycot (India) Limited as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I have conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to my comments in the annexure referred to in paragraph 3 above, I report that:-
 - (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - (b) In my opinion, proper books of accounts as required by law have been kept by the Company so far as appears from my examination of those books.
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

(d) in my opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(e) on the basis of the written representations received from the directors as on 31st march, 2010, and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (a) to (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(f) in my opinion and to the best of my information and according to the explanation and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
- ii. in the case of the Profit and Loss Account ,of the profit for the year ended on that date, and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Malegaon.

Date : 25/8/2010

For, R. M. BOTHARA & CO.
Chartered Accountants.
Sd/-

(R. M. BOTHARA)
Proprietor
M. No.102905

ANNEXURE TO THE AUDITORS REPORT

Annexure referred to in paragraph 3 of the report of even date of the Auditors to the members of Gagan Polycot (India) Limited on the accounts for the year ended 31st March, 2010.

- (i)(a) The Company has maintained proper records showing full particulars including quantitative and situation of fixed assets.
- (b) As explained to me, the management has physically verified certain fixed assets during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.
- (c) No fixed asset is disposed off during the year and hence it has not affected the going concern assumption.
- (ii)(a) Inventories have been physically verified during the year by the management. In respect of stocks lying with third parties, confirmation have been obtained for a major portion of inventories. In my opinion, the frequency of verification is reasonable.
- (b) In my opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book stocks were not material having regard to the size of operations of the Company and have been properly dealt with in the books of accounts.
- (iii)(a) The Company has not taken any loans from any parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has not granted loans of Rs.10 Crores or more during the year to any Company covered in the register maintained under Section 301 of the Companies Act, 1956. However there are some very old & doubtful loans & advances granted which are referred in Schedule 'D' - Current Assets, Loans & Advances.

- (b) In my opinion the rate of interest and other terms and conditions in respect of loans granted by the Company to the party (referred to in (a) above) is not prima facie prejudicial to the interest of the Company. There is no recovery of interest as well principal, since inception on these doubtful loans.
- (c) in respect of loans granted by the Company (referred to in (a) above) the party is regular in repaying the principal amounts and interest as stipulated wherever stipulation have been made.
- (c) There are no overdue amount of loan granted to the Company referred to in (a) above.
- (iv) In my opinion and according to the information and explanations given to me and having regard to the explanation that most of the items purchased are of a regular nature & hence quotations are not required to be called. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets. In respect of sale of goods, the internal control procedures are generally adequate. During the course of my audit, no major weakness has been noticed in the internal control system.
- (v)(a) In my opinion and based upon the audit procedures performed and according to the information and explanations given to me, the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In my opinion and according to the information and explanations given to me, having regard to my comments in paragraph [iv] above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices for such transactions at the relevant time.

- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A & 58 AA of the Companies Act, 1956 and the Companies(Acceptance of Deposits) Rules, 1975 apply.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) I have broadly reviewed the books of account maintained by the Company pursuant to the notification of the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, and on the basis of the information received, I am of the opinion that prima facie, the prescribed accounts and records have been made and maintained. I have not, however, made a detailed examination of the said records.
- (ix)(a) According to the records of the Company, the company has been regular in depositing undisputed statutory dues, including Income tax, Sales Tax, Excise Duty, cess and other statutory dues with the appropriate authorities. There are no arrears of statutory dues which has remained outstanding as at 31st March, 2010 for a period of more than six months from the date they become payable.
- (x) The accumulated losses of the Company as at 31st March, 2010 are less than fifty percent of its net worth. The Company has not incurred any cash losses during the financial year covered by my audit.
- (xi) Based on my audit procedures and on the information and explanations given by the management, in my opinion the Company has not defaulted in repayment of dues to financial institutions or banks. The Company had not issued debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi/mutual benefit fund and therefore the requirements pertaining to such class of companies are not applicable.

- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) No loans are raised by the Company during the year.
- (xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that funds raised on short-term basis have not been used for long-term investment & funds raised on long-term basis have not been used for short-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures and therefore the question of creating security in respect thereof does not arise.
- (xx) The Company has not made any public issue during the year and therefore the question of disclosing the end use of money does not arise.
- (xxi) Based upon the audit procedures performed and according to the information and explanation given and representations made by the management, I report that no fraud on or by the Company has been noticed or reported during the year.

Place : Malegaon.

Date: 25/8/2010

For, R.M.BOTHARA & Co.
Chartered Accountants.

Sd/-
(R. M. BOTHARA)
Proprietor
M. No.102905

BALANCE SHEET AS ON 31.03.2010

	<u>Sch.</u>	<u>31/03/2009</u>	<u>31/03/2010</u>
<u>SOURCES OF FUNDS</u>			
Share Holders Funds			
Share Capital	A	40283000	40283000
<u>LOAN FUNDS</u>		NIL	NIL
	Total Rs.	40283000	40283000
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
	B		
Gross Block		2336871	2336871
Less: Depreciation		1793595	1854767
Net Block		543366	482104
<u>INVESTMENTS</u>		NIL	NIL
<u>CURRENT ASSETS, LOANS</u>			
<u>& ADVANCES</u>			
	C		
Inventories		17630696	25205433
Sundry Debtors		3980267	94404523
Cash and Bank Balances		2759597	1070508
Other Current Assets		201858	55687
Loans and Advances		35915304	15766228
		60487722	136502379
Less: Current Liabilities & Provisions	D	23537610	99255781
<u>NET CURRENT ASSETS</u>		36950112	37246598
Miscellaneous Expenses		NIL	NIL
Preliminary & Pre-operative Expenses			
Profit and Loss Account		2789522	2554298
	Total Rs.	40283000	40283000

Significant Accounting**Policies and Notes on Accounts**

As per my report of even date

Place : Malegaon

Date : 25/08/10

For, R. M. Bothara & Co.

Sd/-

Chartered Accountant

R. M. Bothara

M.NO.102905 (Proprietor)

For, Gagan Polycot India Ltd.

Sd/-

Rachana Bagla
Director

Sd/-

Pawankumar Bagla
Director

PROFIT AND LOSS ACCOUNT FOR THE YEARENDED 31-03-2010			
	Sch.	31/03/2009	31/03/2010
<u>INCOME</u>			
Sales	E	289142272	392806845.00
Other Income	F	585019	475958.00
	Total Rs.	289727291	393282803.00
<u>EXPENDITURE</u>			
Cost of Goods Consumed /Sold	G	287673075	390685273.00
Salary & employees Benefit		899400	1613000.00
Establishment Expenses		458883	220189.00
Other Expenses	H	512041	351993.00
	Total Rs.	289543399	392870455.00
<u>Profit Before Depreciation /Amortisation</u>		183892	412348
Depreciation		73670	61262
Preliminary Exp. W/off		<u>NIL</u>	NIL
Profit [Loss] Before Tax		110222	351086
Prov. For Income Tax		55000	115000
<u>Net Profit</u>		55222	236086
Balance Brought Forward		[2881977]	[2789522]
Other Adjustment (I.Tax Refund Credited)		37233	862
Profit Available for Application		55222	236086
<u>APPROPRIATION</u>			
Surplus [deficit] Carried to		2789522	2554298
Balance Sheet		2789522	2554298
Significant Accounting	I	For, Gagan Polycot India Ltd.	
Policies and Notes on Accounts		Sd/-	
As per my report of even date		Rachana Bagla	
	For R. M. Bothara & Co.	Director	
	Chartered Accountant		
	Sd/-	Pawankumar Bagla	
Place : Malegaon	Proprietor	Director	
Date : 25.08.2010	M. NO. 102905		

SCHEDULES ATTACHED TO & FORMING PART OF THE BAL. SHEET AS ON 31.03.10

	31/03/2009	31/03/2010
	[Rupees]	[Rupees]
SCHEDULE -: A :-		
SHARE CAPITAL		
Authorised Share Capital		
50,00,000 Equity Shares of		
Rs. 10/- each	50000000	50000000
Issued,Subscribed, Called up & Paidup		
4028300 Equity Shares of Rs.10/- each		
Fully Paid up	40283000	
Less: Allotment		
money	67000	40283000
	40283000	40283000
SCHEDULE -: C :-		
CURRENT ASSETS , LOAN		
AND ADVANCES		
CURRENT		
ASSETS		
A] Inventories		
[Physically Verified, Valued at cost		
price as certified by Director and		
Architect]		
Construction	3285159	1644975
Division	23031318	23560458
Cloth Division	26316477	25205433
B] Sundry Debtors [Unsecured Considered		
Goods Less than Six Months]		
Construction	NIL	1180000
Division	6019576	93134642
Cloth Division		
[More than Six Months]		
Construction	NIL	NIL
Division	330691	89881
Cloth Division	6350267	94404523

C]	<u>Cash & Bank Balances</u>		
	Cash in hand	284550.70	692055
	With Schedule Bank	439242.88	374548
	With Others Bank	3883.00	3905
		<u>727676.58</u>	<u>1070508</u>
D]	<u>Other Current Assets</u>		
	Others-Deposit	34920	18160
	Advances- Income Tax [Old]	165938	37527
		<u>200858</u>	<u>55687</u>
E]	<u>Loans & Advances</u>	31/03/2009	31/03/2010
	a) Loan given Considered good		
	1] In which Directors are interested	3561801	2623659
	2] Othes	24221003	5010069
	b) Considered doubtful	8132500	8132500
	[for which no provision is made]		
		<u>35915304</u>	<u>15766228</u>
<u>SCHEDULE :- D :- CURRENT LIABILITIES AND PROVISIONS</u>			
A]	<u>Current Liabilities</u>		
	a) <u>Sundry Creditors</u>		
	1] Construction Division	NIL	NIL
	2] Cloth Division	17098700	98238252
	b) Other Liabilities - Advances	6383910	902529
		<u>23482610</u>	<u>99140781</u>
B]	Provisions-for Taxation	55000	115000
	Others		
		<u>23537610</u>	<u>99255781</u>

<u>SCHEDULE</u> -: E :-		<u>SALES</u>	
	Construction Division	NIL	1830000
	Cloth Division	289142272	390976845
		<u>289142272</u>	<u>392806845</u>
<u>SCHEDULE</u> -: F :-		<u>OTHER INCOME</u>	
A)	Interest	584381	397353
B)	Provision W/Back/Discount Recd.	638	78605
		<u>585019</u>	<u>475958</u>
<u>SCHEDULE</u> -: G :-		<u>COST OF GOODS</u>	
		<u>CONSUMED / SOLD</u>	
1]	<u>CONSTRUCTION DIVISION</u>		
	Opening Stock	3285159	3285159
<u>Add :</u>	Construction Expenses	NIL	NIL
		3285159	3285159
<u>Less :</u>	Closing Stock	3285159	3285159
		<u>Nil</u>	<u>NIL</u>
2]	<u>CLOTH DIVISION</u>		
	Manufacturing		
	Opening Stock	23031318	14345537
	Yarn Purchases/Cloth	231032986	347352536
	Manufacturing Expenses	47954308	50907474
		302018612	412605547
<u>Less :</u>	Closing Stock	14345537	23542845.11
		<u>287673075</u>	<u>389062701.89</u>
		<u>287673075</u>	<u>389062701.89</u>
<u>SCHEDULE</u> -: H :-		31/03/2009	31/03/2010
1 .	Company Law Expenses	18841	89855
2 .	Other Expenses	133288.50	262138
3 .	Interest		
4 .	Appel Fees	500	-----
	Total	<u>152629.50</u>	<u>351993</u>

SCHEDULE :- I :-		NOTES ON ACCOUNTS			
1]	<u>CONTEINGENT LIABILITIES NOT PROVIDED FOR</u>				
	I] Cloth Division		NIL		NIL
	ii] Construction Division		NIL		NIL
2]	<u>Estimated amount of contracts outstanding on Capital Account</u>				
	I] Cloth Division		NIL		NIL
	ii] Construction Division		NIL		NIL
3]	Requirement as Set Out in Part I to IV				
A]	<u>Managerial Reuneration</u>				
	Pawan Kumar				
	Bagla Salary		16800		250000
	Gagan Bagla		120000		180000
	Jitendra kumar				
	Bagla		54000		156000
	Rachna Pawan				
	Bagla		120000		192000
B]	<u>Quantitative Details [Rs. In Lacs]:Qty.in Lacs</u>				
a]	Manufacturing	K.G.	AMOUNT	K.G.	AMOUNT
1]	Yarn				
	Opening Stock	2.62	201.42	0.67	48.62
	Purchases	29.32	2310.33	31.66	2555.48
	Sales	-----	-----	-----	-----
	Trfd.to manufacturing	31.27	2462.94	31.26	2511.05
	Closing Stock	0.67	48.82	1.08	93.24
2]	Finished Goods	METERS	AMOUNT	METERS	AMOUNT
	Opening Stock	2.67	28.89	2.71	27.35
	Manufactured	252.90	2833.65	270.75	2833.65
	Purchases	-----	-----	3.86	918.04
	Sales	252.87	2891.42	265.00	3963.51
	Closing Stock	2.71	27.35	12.32	14.13

II] Construction Division	No. of Block	Amount	No. of Block	Amount
Opening Stock	65.00	32.85	65.00	32.85
Purchases & Constru.	----	----	----	----
Sales	----	----	33.00	16.40
Closing Stock	65.00	32.85	32.00	16.45

4]	Provision for Taxation		Rs.115000/-
5]	Provision for proposed divided	NIL	NIL
6]	<u>Payment to Auditor</u>		
	Towards Audit Fees		20000
	Professional Fees	-----	7000
	Income Tax Matter		5500
	Internal Audit		----
7]	<u>Significant of Accounting Policies</u>		
a]	System of accounting and basis of prepration of financial stateent. The Company follows mercantile system for recording its transaction. The financial stateents have been prepared under historical cost convention in accordance with the generally accepted accounting principals and the provision of Companies Act, 1956 as adopted consistently.		
b]	Fixed Assets and Depreciation - Fixed assets are stated at cost after deducting depreciation as specified in SCH. XIV to the Companies Act, 1956, by W.D.V. method on pro-rata basis.		
c]	Inventories - Inventories as valued as under		
	1] Finished goods and contract jobs in progress at lower of cost or net realizable value.		
	2] Raw Materials, stores and spares at Cost.		
	3) Tax.Duties are added to cost.-		
	4] Stock of unsold Shops at cost-		
d]	The Sale under construction activity is booked only if the unit is booked and possession is given of that unit irrespective of the date of conveyance.		
e]	The preliminary and Capital Issue Expenses are charged to the profit and loss account over a period of 10 years.		

- 8] Company has granted unsecured loans out of which, loans of Rs.81.32 lacs are considered doubtful to recover. However no provision is made.

Further interest is not charged in case of some loans and the income during the year is reduced to that extent.

- 9] Previous year figures are regrouped and rearranged wherever necessary.

**As per my report of even
date**

Place : Malegaon

Date : 25/08/10

For, R. M. Bothara & Co.
Chartered Accountant

Sd/-

R. M. Bothara
(Proprietor)
M.NO.102905

For and on behalf of the Board

For, Gagan Polycot India Ltd.

Sd/-

Pawankumar Bagla
Director

Sd/-

Rachana Bagla
Director

ANNEXURE -B

:-

PARTICULARS OF PAYMENTS MADE TO SPECIFIED PERSON
UNDER SECTION 40A (2) (b) [REF. CLAUSE 18]

<u>S.NO.</u>	<u>NAME OF THE PEROSN</u>	<u>Nature of Payment</u>	<u>Amount</u>
1 }	Pawankumar J. Bagla	Salary	250000
2 }	Smt. Rachana P. Bagla	Salary	192000
3 }	Jitendrakumar J. Bagla	Salary	156000
4 }	Gagan P. Bagla	Salary	180000

For, R. M. Bothara & Co.
Chartered Accountant

Sd/-

R. M. Bothara
(Proprietor)
M.NO.102905

Place : Malegaon

Date : 25/08/10

For, Gagan Polycot India Ltd.

Sd/-

Pawankumar Bagla
Director

Sd/-

Rachana Bagla
Director

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

Registration Details

				4	7	6	7	3
--	--	--	--	---	---	---	---	---

State Code

								1	1
--	--	--	--	--	--	--	--	---	---

Balance Sheet Date : 31.03.2010

CAPITAL RAISED DURING THE YEAR (Amount in Thousand)

Public Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Right Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Private Placement/Promoter's Contribution

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
(Amount In Rs. Thousand)

Total Liabilities

				4	0	2	8	3
--	--	--	--	---	---	---	---	---

Total Assets

				4	0	2	8	3
--	--	--	--	---	---	---	---	---

SOURCE OF FUND

Paid up Capital

				4	0	2	8	3
--	--	--	--	---	---	---	---	---

Reserve & Surplus

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Secured Loan

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Unsecured Loan

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

						4	8	2
--	--	--	--	--	--	---	---	---

Investment

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Net Current Assets

				3	7	2	4	6
--	--	--	--	---	---	---	---	---

Misc. Expenditure

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Accumulated Losses

						2	5	5	4
--	--	--	--	--	--	---	---	---	---

Misc. Expenditure

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover Income

				3	9	3	2	8	2
--	--	--	--	---	---	---	---	---	---

Total Expenditure

				3	9	2	9	3	1
--	--	--	--	---	---	---	---	---	---

+/- Profit / Loss Before Tax

						+	3	5	1
--	--	--	--	--	--	---	---	---	---

Profit/Loss After Tax +/-

							+	2	3	6
--	--	--	--	--	--	--	---	---	---	---

Weighted Earnings Per Shares in Rs. - NIL