

GAGAN POLYCOT INDIA LIMITED
ANNUAL REPORT

2015
-
2016

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CORPORATE INFORMATION

BOARD OF DIRECTORS**Managing Director**

Mr. Ketu Parikh

Whole Time Director

Mr. Prajwal Patel

Directors

Mr. Rupam Chitalia

Mrs. Tejal Shah

Mrs. Manjula Vira

PRINCIPAL BANKER

Corporation Bank

REGISTERED OFFICE

Gagan Polycot India Limited

Gala no: 2, Shiv Shankar Industrial Estate 1,

Behind Burmashell Petrol pump, Waliv, Vasai (East),

Palghar- 401208

Tel: 8108511999

Email Id: compliance@gaganpolycot.com

Website: www.gaganpolycot.com

CIN: L24134MH1988PLC231956

STATUTORY AUDITORS

M/s. AMD & Co.

A 402, Chandan Chambers, 138

Modi street, Mumbai - 400001

REGISTRARS AND SHARE TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.

19, Jafferbhoy Industrial Estate,

1st Floor, Makwana Road, Marol Naka,

Mumbai - 400059

NOTICE FOR 28TH ANNUAL GENERAL MEETING

NOTICE is hereby given that 28th Annual General Meeting of (“the Company”) will be held on Friday, September 30, 2016 at 11:00 a.m. at Gala no: 2, Shiv Shankar Industrial Estate 1, Behind Burmashell Petrol pump, Waliv, Vasai (East), Palghar- 401208 to transact the business as given below in the Notice.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2016 including audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Tejal Shah (DIN - 06532797) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a director in place of Mr. Rupam Chitalia (DIN - 06532758) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. AMD & Co, Chartered Accountants as Statutory Auditors of the Company and fix their remuneration.

“RESOLVED THAT pursuant to Section 139 (8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. AMD & Co, Chartered Accountants Mumbai, be and is re- appointed as a Statutory Auditors of the Company, to hold the office of Auditors from the date of this Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be decided by the Board”.

By order of the board

Sd/-

(Ketu Parikh)
Managing Director
DIN – 00185343

Regd. Off:

Gala no: 2, Shiv Shankar Industrial Estate 1,
Behind Burmashell Petrol pump, Waliv, Vasai (East),
Palghar- 401208

Date : 12.08.2016

NOTICE FOR POSTAL BALLOT

Dear Member,

Notice pursuant to Section 110 of the Companies Act, 2013 Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as special resolutions by way of postal ballot / e-voting. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a postal ballot form (the "Form") for your consideration. The Board of Directors of the Company (the "Board") has appointed SARK & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on Monday, 26th day of September 2016.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/Director. The result of the postal ballot would be announced by a Director or the Company Secretary of the Company on Wednesday, 5th day of October 2016 at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed, published in the newspapers and displayed along with the Scrutinizer's report on the Company's website viz. www.gaganpolycot.com.

SPECIAL BUSINESS

5. To alter Memorandum of Association in respect of Change of Object of the company respect to the provisions under Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 13(9) read with of the Companies (Incorporation) Rules, 2014 and other applicable provisions of Companies Act, 2013 and subject to the approval of the Shareholder of the Company; (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, the Main object clause of the Memorandum of Association of the

Company be altered by adding the following new clause after the existing clause III Part A (1) thereof and re-arrange the remaining clauses in a proper manner:

III (A) (2)

"To carry on business as manufactures, assemblers, processors, importers, exporters, retailers, suppliers, merchants, buyers, sellers, brokers, agents, packers, marketing, re-packers, factors, distributors, stockiest and dealers in all classes and kinds of goods such as all the plastic granules, color variants, master batches silicon as raw materials or bought out part molded in any shape and form with all kinds of formulations of raw material and variants as well as design, development & trials of the mould for various products either for imports or export on job work, subcontracting or outright basis.

III (A)(3)

To carry on business as manufactures, assemblers, processors, importers, exporters, retailers, suppliers, merchants, buyers, sellers, brokers, agents, packers, marketing, re-packers, factors, distributors, stockiest and dealers in all the medical and hospital devices, equipments and devices and instruments whether disposable & non disposable made of any grades of plastic, steel, fiber and other materials. All the products or equipments or devices along with their accessories falling under the categories such as Clinical and laboratory apparatus with accessories, Infusion & transfusion, Surgery, Urology, Gastroenterology, Orthopedic Implants, Diagnostic, Sterilization & Autoclave, Anesthesia, OB Gynecologist, Any measuring scales, machines & products, OT & examination tables, machines & accessories with electrical accessories, Rubber products & accessories, Suction machines & accessories, Hospital hardware & accessories, Infant equipments & accessories, Laryngoscope Set & Accessories, Emergency products, Rehabilitation products & aid, Physiotherapy equipments & accessories, Scrub & linens, blood collection tubes, bags, pots, bottles & accessories, Latex & accessories, Cosmetics, Ophthalmic, ENT, Dental, Cardiovascular, Neurological, Radiology devices & accessories.

6. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effects to this resolution.

7. To adopt new Memorandum of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft clauses contained in the Memorandum of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the clauses contained in the existing Memorandum of Association of the Company with immediate effect;

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

By order of the board

Sd/-

(Ketu Parikh)
Managing Director
DIN - 00185343

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the Item of Special Business set out in the Notice is annexed.
3. The Notice is being sent to the Members, whose names appear in the Register of Members/List of Beneficial Owners as on 12th August, 2016 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on the said date.
4. A person can act as Proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not after than 48hours before the time fixed for the meeting.
6. Members / proxies should bring the Attendance Slip duly filled in for attending the meeting. The form of attendance slip and proxy form are attached at the end of the Annual Report.
7. Corporate members intending to send their authorized representative(s) to attend the meeting or vote electronically are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. The Annual Report and notice of the Annual General Meeting along with the Attendance Slip, Proxy Form and Postal ballot paper has been sent in electronic mode to all Members whose e-mail IDs are registered with the Company or the Depository Participant(s). Physical copy of the Notice of AGM, Annual Report, Attendance Slip, proxy form and Postal ballot paper has being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
9. Please note that Notice of AGM and Annual Report are being uploaded on the website of the Company viz. www.gaganpolycot.com for your ready reference and will be made available for inspection at the Registered Office of the Company during business hours.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 27 August, 2016 to Friday 02 September, 2016 (both days inclusive).
11. Further, pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement of the Company is providing e-voting facility for transacting the businesses contained in the notice. The Company has considered period of book closure, as the cut-off date to record the entitlement of shareholders to cast their right to vote electronically as well as physically. The Notice of AGM is available on the Company's website www.gaganpolycot.com. The procedure of E-voting is available in the notice of the AGM sent to the members.
12. 4. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-

mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with physical Form through post/courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Form may indicate their option to receive the physical Form from the Company by clicking on the box provided in the e-mail or alternatively download the Form from the link www.evoting.nsdl.com or from the 'Investors' section on the Company's website www.gaganpolycot.com.

13. Members are requested to send all their correspondence relating to the transfer of shares, dividend matters etc., to the Company's Registrars and Share Transfer Agents –Adroit Corporate Services P. L.
14. Members holding shares in physical form are requested to notify/send any change in their address to the Company's Registrars and Share Transfer Agents or to the Company at its Registered Office. Members holding shares in dematerialized form are requested to notify/send any change in their address to the concerned depository participant (s).
15. Section 72 of the Companies Act, 2013 extends nomination facility to individual shareholders of the Company. Therefore, shareholders willing to avail this facility may make nomination in Form SH-13 as provided in the Companies (Share Capital and Debentures) Rules, 2014.
16. Members are requested to update their e-mail address with their respective depository participant to ensure that the annual report and other documents reach them on their preferred e-mail address.

17. E-VOTING

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 28th AGM. The Company has engaged the services of Central Depository Services of India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 02nd September, 2016 (cut – off date) i.e., closing of Book Closure Date, are entitled to vote on the resolutions set forth in this Notice.

The E-voting shall not be allowed beyond the below mentioned date and time.

Date of Completion of sending Notice of AGM	Tuesday, September 06, 2016
Date and Time of Commencement and closure <i>for Postal Ballot</i>	Friday, September 09, 2016 to Thursday, September 29, 2016 (both inclusive) (11.00 a.m. to 6.00 p.m. on working days)
Date and Time of Commencement and closure of E-voting <i>for AGM</i>	Wednesday, September 28, 2016 and Thursday, September 29, 2016. (11.00 a.m. to 6.00 p.m.)

In case of any queries or issues regarding e- voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting user manual available at www.evotingindia.com, under held section or contact the RTA of the Company at Adroit Corporate Services P. L.

PROCEUDRE FOR E-VOTING:

Instructions for members for voting electronically are as under:

- A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Registrars)**
- a. The shareholders should log on to the e-voting website www.evotingindia.com.
 - b. Click on "Shareholders" Tab
 - c. Now Enter your user ID
 - a. For CDSL – 16 digit beneficiary ID
 - b. Members holding shares in physical form should enter folio numbers registered with the company.
 - d. Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and have cast your vote earlier for EVSN of any company, then your existing password is to be used.

If you are a first time user, follow the steps given below and fill the appropriate boxes:

For Members holding shares in Demat Form and Physical Form:

PAN *	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in capital)</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <p>o Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The Sequence Number is printed on the Attendance Slip.</p> <p>o In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format</p>
Dividend Bank details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii)(c).</p>

- e. After entering these details appropriately, click on "SUBMIT" tab.
- f. Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the

demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- g. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- h. Click on the relevant EVSN for the company on which you choose to vote.
- i. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- j. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- k. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- l. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- m. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- n. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- o. Note for Non - Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and signature of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

By order of the board

Sd/-

(Ketu Parikh)
Managing Director
DIN - 00185343

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**ITEM 5:**

The Company is in the process of commencing certain new business activities i.e. dealing in all the medical and hospital devices, equipments and devices and instruments whether disposable & non disposable made of any grades of plastic, steel, fiber and other materials.

The Company is in the process of commencing certain new business activities and consequently the company has also altered its main objects. Therefore, the Board of Directors of the Company seeks your approval for proposed change of object clause as mentioned in the resolution.

The Board of Directors of the Company is in the view that the name of the Company should be in consonance to the new main objects of the Company. Therefore, the Board of Directors of the Company seeks your approval for proposed change of object.

ITEM 6 & 7:

As company wants to replaced new set of Articles of Association in place of existing Articles of Association of the Company as per the provisions under the Companies Act, 2013 read with Regulation 33 of the Companies (Incorporation) Rules, 2014 and other applicable provisions of the Companies Act, 2013as well as incorporating all the provisions of Private Limited Company as per new Companies Act, 2013.

The existing Memorandum and Articles of Association ("MOA & AOA") were based on the Companies Act, 1956 and several clauses / regulations in the existing MOA & AOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force.

For & on behalf of Board of

GAGAN POLYCOT INDIA LIMITED

Sd/-

Ketu Parikh
(Managing Director)
DIN – 0018534

Regd. Off:

Gala no: 2, Shiv Shankar Industrial Estate 1,
Behind Burmashell Petrol pump, Waliv, Vasai (East),
Palghar- 401208

Date: 12th August, 2016

Place: Vasai

POSTAL BALLOT FORM

1	Name and regd. Address of first named member:	
2	Name of the joint holder, if any	
3	Registered folio no. / DP ID no. / Client ID (Applicable to investors holding shares in dematerialized form)	
4	Number of ordinary shares held	
5	E-voting event number	
6	User ID	
7	Password	

8. I/We hereby exercise my/our vote in respect of the following Special Resolutions to be passed through Postal Ballot / e-voting, by conveying my /our assent or dissent to the said Resolutions by placing tick (v) mark in the appropriate box below:

Sr. No;	Description of resolution	No. of Ordinary Shares for which votes cast	I / /We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)

Date:

Place:

(Signature of member)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. GENERAL INFORMATION

- a) There will be one Postal Ballot Form / e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- c) Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy.

2. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT

- a) Members desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, Mr. Sumit Khanna of SARK & Associates, Practicing Company Secretaries at Gala no. 215, Gundecha Industrial Estate, Akurli road, Kandivali East, Mumbai – 400101 in the enclosed postage prepaid self-addressed envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- b) In case of joint holding, this Postal Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member.
- c) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorization, with the specimen signature(s) of the authorized signatory (ies) duly attested.
- d) The signature of the Member on this Postal Ballot Form should be as per the specimen signature furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) or registered with the Company, in respect of shares held in dematerialized form or in physical form, respectively.
- e) Completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e at 6.00 p.m. on Monday, 26th day of September, 2016. Postal Ballot Forms received after this date will be considered invalid.
- f) Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- g) A Member seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write Adroit Corporate Services P. L. or to the e-mail ID compliance@gaganpolycot.com. Duly completed and signed duplicate Postal Ballot Forms should, however, reach the Scrutinizer not later than the close of working hours on Friday, 30th September, 2016.
- h) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for Members opting for voting by Postal Ballot" point 2c above) along with the Postal Ballot Form in the enclosed self addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

ATTENDANCE SLIP

28thAnnual General Meeting, Friday, 30 September, 2016 at 11.00 a.m..

Regd. Folio No. _____ /DP ID _____ Client ID/Ben. A/C _____ No. of shares held _____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 28thAnnual General Meeting of the Company on Friday, 30 September, 2016 at 11.00 a.m. at Gala no: 2, Shiv Shankar Industrial Estate 1, Behind Burmashell Petrol pump, Waliv, Vasai (East), Palghar- 401208

Member's/Proxy's name in Block Letters Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

Gagan Polycot India Limited

Regd. Office: Gala no: 2, Shiv Shankar Industrial Estate 1, Behind Burmashell Petrol pump, Waliv, Vasai (East),
Palghar- 401208

. CIN: L33111MH1988PLC231956 Phone: 8108511999, Fax: 022 - 39167130

Website: www.gaganpolycot.com, E-mail: compliance@gaganpolycot.com

FORM NO. MGT - 11**PROXY FORM**

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address : _____

E-mail ID: _____

Folio No./ Client ID: _____

DP ID: _____

I/We being the Member(s) of _____ equity shares of Rs. 10 each of Gagan Polycot India Limited, hereby appoint:

1. Name: _____ Email ID: _____

Add: _____

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Friday, September, 30, 2016 at 11.00 a.m. at Registered Office and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

1. Adoption of the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.
2. Re-appointment of Mrs. Tejal Shah (holding DIN 06532797) as a Director, who is liable to retire by rotation and, being eligible, offers herself for re-appointment.
3. Re-appointment of Mr. Rupam Chitalia (holding DIN 06532758) as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.
4. Appointment of M/s. AMD & Co, Chartered Accountants, having Registration No. 130247W as the Auditors of the Company for financial year 2015-16.
5. Alteration in main object of the company.
6. Adoption of new Memorandum of Association
7. Adoption of new Articles of Association

Signed: this _____ day of September 2016

Signature of Member(s): _____

Signature of the Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Annexure to Notice

STATEMENT TO BE ANNEXED TO NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES, 2013
(HEREINAFTER CALLED "THE ACT")ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE 28TH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AS ON MARCH 31, 2015

Sr. No.	Name of the Directors	Mrs. Tejal Shah	Mr. Rupam Chitalia
1	Date of Birth	18/05/1981	18/12/1965
2	Age	33 Yrs	62 Yrs
3	Date of Appointment	09/03/2013	09/03/2013
4	Permanent Account Number (PAN)	AVEPS1042F	AGFPC8125M
5	Director Identification Number (DIN)	06532797	06532758
6	No. of equity shares held in the Company	Nil	Nil
7	Qualifications	C.A.	Graduate
8	Brief Profile	Mrs. Tejal Shah is a Chartered Accountant, having good interpersonal and communication skills. Excellent interpersonal and finance skills, helps to lead and develop finance team.	Rupam Chitalia is a Commerce graduate. He posses requisite skills, experience and relevant knowledge, ability required to lead the company.
9	Directorship held in other companies	N.A.	M/s. Rammaica India Ltd.
10	Membership/Chairmanship of other Public Companies (includes Audit Committee and Stakeholder Relationship Committee)	N.A.	N.A
11	Relationships, if any between Directors, interest.	No	No

Directors' Report

To,

The Members,

The Directors of the Company take pleasure in presenting their 28th Annual Report together with the annual audited financial statements for the financial year ended March 31, 2016.

Financial Results

The summary of the Company's financial performance for the financial year 2015-16 as compared to the previous financial year 2014-15 is given below:

(Amt in lacs)

Particulars	Year Ended 31/03/2016	Year Ended 31/03/2015
Income	12300.69	11129.82
Less: Expenses	(12202.10)	(11089.29)
Less: Depreciation	(21.46)	(21.47)
Exceptional Items	-	-
Profit after Depreciation & Interest	77.13	19.04
Provision for Taxation	24.25	5.88
Provision for Tax (deferred)	4.57	(3.27)
Profit after Tax	48.31	16.43
Net profit/ (Loss)	48.31	16.43
Balance carried to Balance Sheet	48.31	16.43

Highlights During the year your company has income of Rs. 12300.69 lacs including other income as compared to Rs.11129.82 Lacs in the previous year. The Net profit after tax was Rs. 48.31 lacs against the Net Profit of Rs. 16.43 Lacs in the previous year.

Dividend - In order to conserve the resources, your Directors are unable to declare any dividends.

Deposits Your Company has not accepted any deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

Board of Directors All Independent Directors have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement

Declarations Given By Independent Directors

All the Non-Executive and Independent Directors have confirmed to the Board that they qualify to be considered as independent as per the definition of 'Independent Director' stipulated in Section 149(6) of the Act and Clause 49(II)(B)(1) of the Listing Agreement. These confirmations have been placed before, and noted by the Board.

Policies On Directors' Appointment And Remuneration

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is appended as Annexure I (a) & I (b) to this Report.

Evaluation Of Board Of Directors

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee of the Board carried out the annual evaluation of the performance of the Board as a whole, the Directors individually as well as of various Committees of the Board. The performance evaluation of the Independent Directors was carried out by the Nomination and Remuneration Committee and noted in turn by the Board.

Board Committees

Your Company has following Committees of Board, viz,

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in Report on Corporate Governance' forming part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b. appropriate accounting policies have been selected and applied consistently and estimates and judgments made 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. proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d. the annual accounts have been prepared on a going concern basis; and
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors**a) Statutory Auditor**

The Company Auditors, M/s. AMD & Co, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 ('the Act') read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, the Audit Committee and the Board have recommended their re-appointment as Auditors of the Company from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

The Company has received a written consent to such appointment from M/s. AMD & Co, Chartered Accountants, and a certificate that the appointment, if made, shall be in accordance with the criteria as specified in Section 141 of the Act. As required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. SARK & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2015-2016. The Report of the Secretarial Auditor is annexed herewith as Annexure II and forms an integral part of this Report.

Risk Management And Internal Controls

The Company has a well-defined risk management frame work in place. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

Reports on Corporate Governance and Management Discussion & Analysis

The reports on Corporate Governance and Management Discussion and Analysis for the year under review, as stipulated under Clause 49 of the Listing Agreement form part of the Annual Report. The certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report.

Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC- 2 are appended as Annexure III.

Particulars of Employees and Related Information

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are provided in the Annual Report. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been appended to this Report as Annexure IV.

Board meetings

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy apart from other Board matters. During the financial year 2015-16, fifteen board meetings were held on May 29, 2015, August 13,

2015, November 6, 2015 and February 09, 2016. The gap between the two boards meetings did not exceeds 120 days.

Extract of Annual return

Pursuant to the requirement under section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (management and administrative) Rules, 2014, an extract of Annual return in prescribed Form MGT 9 is given in the report as Annexure IV.

Conservation of Energy, technology, Foreign Exchange earning and Outgo

In the view of nature of activities which are being carried on by the company, the particulars as prescribed under Section 134 (3) (m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

Listing Of Shares of The Company

The Equity Shares of your Company continue to remain listed on Bombay Stock Exchange Ltd.

The Company has paid the listing fees as payable to the BSE Ltd. for the financial year 2015-16 on time.

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report.

During the financial year 2015-16, no cases under this mechanism were reported in the Company and any of its subsidiaries/ Associates.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace:

The company has framed policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2015-16, no cases in the nature of sexual harassment were reported at our workplace of the company.

Management Discussion and Analysis Report

Further, a separate Management Discussion and Analysis Report covering a wide range of issues relating to Industry Trends, Company Performance, SWOT analysis, Corporate Process, Business Outlook among others is annexed to this Report.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Chief Executive Officer and Chief Financial Officer Certification as required under Clause 49 of the Listing Agreements and Chief Executive Officer declaration about the Code of Conduct is Annexed to this Report.

Acknowledgements

The Directors express their sincere gratitude to the BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, National Securities Depository Limited, other government and regulatory authorities, financial institutions and the bankers of the company for their ongoing support.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company resulting in satisfactory performance during the year.

On behalf of the Board of Directors

Sd/-

**Ketu Parikh
(Managing Director)
DIN - 00185343**

Date: 12.08.2016

Place: Vasai

Annexure to Directors' Report

Annexure - I (a)

Policy on Selection and Appointment of Directors

Objective:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 (the Act), the Nomination and Remuneration Committee of a company is required formulate the criteria for determining the qualifications, positive attributes and independence of a director proposed to be appointed as an director on the board of the company.

This Policy document records the criteria for selection and appointment of directors on the Board of the Company.

Scope:

This Policy is applicable to selection and appointment of Directors on the Board of the Company.

Criteria for selection of Directors:

The Nomination and Remuneration Committee ('the Committee') of the Board of the Company to keep the following criteria in mind while assessing the suitability of an individual as a director on the Board of the Company:

- a. Demonstration of independence, integrity, high personal and professional ethics;
- b. Ability and willingness to commit sufficient time to the responsibilities as a Board member;
- c. Understanding of the Company's/Group's business and related industry;
- d. General understanding of marketing, finance and other disciplines relevant to the business of the Company / Group;
- e. Educational and professional background – professional qualification and/or experience of having run a business at senior management and decision making level;
- f. Age giving sufficient experience as well as length of service available;
- g. Ability to assessment the conflict of interest, if any;
- h. Personal accomplishments and ability to influence decisions

The above are the broad parameters for assessing the candidate's suitability. The Committee has the discretion to apply additional or different criteria as it may deem fit.

The Committee may also consider the contributions that a board candidate can be expected to make to the collective functioning of the Board based upon the totality of the candidate's credentials, experience and expertise, the composition of the Board at the time, and other relevant circumstances.

The Committee will also keep in mind regulatory requirements in this regard. For example, a person cannot serve on more than seven public listed company boards in addition to the Company. Also a person who serves as the Managing Director/ Chief Executive Officer (or equivalent position) of any company cannot serve on the Board of more than three additional public listed companies.

The Company may appoint or re-appoint any person as the Managing Director and/or Whole-time Director for a term not exceeding five years at a time. Further, they shall not be reappointed earlier than one year before the expiry of their term.

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

No Independent Director can hold office for more than two consecutive terms of five years, but such Independent Director is eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Persons to be considered for appointment as directors are selected by the Nomination and Remuneration Committee in accordance with the policies and principles above and under the Act and the Listing Agreement. The invitation to join the Board may be extended by the Chairman of the Board.

Annexure - I (b)

Policy on Performance Evaluation and Remuneration of the Directors: Scope:

All members of the Board of Directors

Objective:

- a. To assist in the process of assessing the participation and contribution in the Board level deliberations by the directors of the company
- b. To monitor and evaluate the attainment of the Board objectives
- c. To provide the Directors an opportunity to reflect on, and assess their areas of strength and development

Criteria for determination of Remuneration of Directors:

The Non-executive Directors and Independent Directors will receive remuneration by way of sitting fees for attending meetings of the Board and/or Committee thereof, as decided by the Board from time to time subject to the limits specified under the Companies Act, 2013 (the Act) including any amendments thereto. In addition to the sitting fees, the Non- executive and Independent Directors may also be paid commission as may be determined by the Board subject to the limits specified under the Act.

The remuneration of Non-executive Directors and Independent Directors will be governed by the role assumed, number of meetings of the Board and the committees thereof attended by the directors, the position held by them as the Chairman and member of the committees of the Board and overall contribution to the business. Besides these, the determination of remuneration of independent directors will also depend on the external competitive environment, track record, individual performance of the directors and performance of the Company as well as the industry standards.

Secretarial Audit Report**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended 31st March, 2016

[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
GAGAN POLYCOT INDIA LIMITED.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gagan Polycot India 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 **31st March, 2016** 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 **31st March, 2016** according to the provisions of:

- (i) the Companies Act, 2013 (the Act) and the Rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not applicable to the Company during the Audit Period.**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company during the Audit Period.**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not applicable to the Company during the Audit Period.**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company during the Audit Period.**

- 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; - **Not applicable to the Company during the Audit Period** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the Audit Period.**
- (vi) Other laws applicable to the company:
- i. Food & Drugs Act, 1906
 - ii. Factories Act, 1948
 - iii. The Standards of Weights and Measures (Enforcement) Act, 1985
 - iv. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - v. Industrial Employment (Standing Orders) Act, 1946
 - vi. Labour Law (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishment) Act, 1988
 - vii. The Industrial Disputes Act, 1947
 - viii. The Minimum Wages Act, 1948

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited, Mumbai.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above except to the extent as mentioned below:

- a) Not Appointed KMP (CS and CFO) in the company in compliance with Section 203 of the Companies Act-2013.
- b) Not complied with provisions of Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- c) Not complied with provisions of Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We further report that -

- a) 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 the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
- d) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

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

We further report that during the audit period the company has not signed any technical collaboration agreement.

- (iii) Labour Laws and other incidental laws related to labour, Acts prescribed under prevention and control of pollution, Acts prescribed under Environmental protection, Acts prescribed under Direct Tax and Indirect Tax.
- (iv) Bombay Shops and Establishment Act, 1948, Bombay Police Act, 1951, Bombay Municipal Corporation Act, 1888, Hotel Classification, Maharashtra Regional and Town Planning Act, 1966, Petroleum Rules, 2002, Maharashtra Pollution Control Board, Bombay Prohibition Act, 1949, Copyright Act, 1957, Food and Drug Authority and Standards of Weights and Measures Act, 1976 as per Annexure I enclosed herewith. Further the Licenses obtained under the above mentioned Act are valid for the financial year under review.

Place: Vasai

Date: 12-08-2016

For & on behalf of SARK & Associates
Company Secretaries

Sd/-

Raju Ananthanarayanan
(Partner)

F.C.S. No. 4175 C.P. No. 8744

To,
The Members
Gagan Polycot India Limited

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed 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. Where ever 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 provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Vasai

Date : 12-08-2016

For & on behalf of SARK & Associates
Company Secretaries
Sd/-

Raju Ananthanarayanan
(Partner)

F.C.S. No. 4175

C.P. No. 8744

GAGAN POLYCOT INDIA LIMITED			
LIST OF REGISTRATION CERTIFICATES/ LICENSES FOR BUSINESS OPERATIONS			
Sr. no:	Particular	Issued by	Certificate no:
1	Disposable surgical products - non sterile	Standard Certificate Council - Locus classicus	SCC/IN/CE/1037
2	Disposable surgical products - sterile	Standard Certificate Council - Locus classics	SCC/IN/CE/1036
3	Food & Drug Administration	License to manufacture for sale or distribution of drug	KD / 523
4	Manufacturing of Excisable goods	Central Excise	AAACG8467GEM001
5	Factory License	Industrial Security & Health	2(m)(1) - 25999 - Vasai
6	LBT License	Vasai-Virar Municiple Corporation	61/520/2011/I-PL
7	Manufacturere & Trading of Plastic components & Surgical disposable products	Standard Certificatie Council - Locus classicus	SCC/IN/QMS/2144
8	Employee's Fitness report - Form 7	Dr. Uttam babar	ACS 31-19UB/2005 .
9	Information about drugs manufactured	BY Company to Food & Drug administartion, M .S. (Konkan Div)	
10	Importer-exporter license	Ministry of Commerce & Industry - Dept. of commerce	314032541
11	Certificate of Stability	Milind Patil - Consulting Structural Engg.	Form no: 1A - Rule 3A

Form AOC – 2- Annexure – III

(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:

All contracts/arrangements/transactions entered into during the year ended March 31, 2016, were at arm's length basis.

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

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.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

On behalf of the Board of Directors

Sd/-
Ketu Parikh
(Managing Director)
DIN - 00185343

Place : Vasai
Date : 12/08/2016

Annexure - IV

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I		REGISTRATION & OTHER DETAILS:
i	CIN	L24134MH1988PLC231956
ii	Registration Date	10 th June, 1988
iii	Name of the Company	Gagan Polycot India Limited
iv	Category/Sub-category of the Company	Company limited by Share capital / Indian non-govt. Company
v	Address of the Registered office & contact details	Gala no: 2, Shiv Shankar Industrial Estate 1, Behind Burmashell Petrol pump, Waliv, Vasai (East), Palghar- 401208
vi	Whether listed company	Listed Company
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd. 19, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai – 400 059

II		PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
All the business activities contributing 10% or more of the total turnover of the company shall be stated			
Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of products	21006	17.46%
2	Selling of Fabrics & Textile Products	46695	82.54%

III		PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES			
Sl. No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Not Applicable	-	-	-	-

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)										
(i) Category of Shareholders as on 31.03.2015	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				change during the year	% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	0	0	0	0	0	0	0	0	0	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	2432100	0	2432100	24.32	2432100	0	2432100	24.32	0	0
d) Bank/FI	0	0	0	0		0			0	0
e) Any other	0	0	0	0		0			0	0
SUB TOTAL:(A) (1)	2432100	0	2432100	24.32	2432100	0	2432100	24.32	0	0
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0		0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2432100	0	2432100	24.32	2432100	0	2432100	24.32	0	0
B. Public Shareholding										
(1) Institutions	0	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0	0
c) Cenntralgovt	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0

i) Others (specify)	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0	0
(2) Non Institutions	0	0	0	0	0	0	0	0	0	0
a) Bodies corporate										
i) Indian	883493	82800	966293	9.66	630205	82800	713005	7.16	(253288)	(2.53)
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	1351008	1168900	2519908	25.19	1924324	1203500	3127824	31.28	610209	6.09
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	3886614	179600	4066214	40.66	3589286	132900	3722186	37.22	(344028)	(3.44)
c) Others (specify)	0	0	0	0	0	0	0	0	0	0
NRI	10485	0	10485	0.10	4885	0	4885	0.05	(5600)	(0.56)
Clearing Member	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(2):	6131600	1431300	7562900	75.68	6148700	1419200	7567900	75.71	5000	0.03
Total Public Shareholding (B)= (B)(1)+(B)(2)	6131600	1431300	7562900	75.68	6148700	1419200	7567900	75.71	0	0
C. Shares held by Custodian for GDRs & ADRs	5000	0	5000	0.05	0	0	0	0	(5000)	(0.05)
Grand Total (A+B+C)	6136600	1431300	10000000	100	8580800	1419200	10000000	100	0	0

(ii) SHARE HOLDING OF PROMOTERS								
Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Lien Trading Private Limited	2432100	24.32	0	2432100	24.32	0	0
	Total	2432100	24.32	0	2432100	24.32	0	0

(iii) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters & Holders of GDRS ADRS:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANJU R MAHESHWARI				
	Opening Balance	303500	3.04	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	303500	3.04	303500	3.04
2	ASHIK DINESHCHANDRA DOSHI (HUF)				
	Opening Balance	120220	1.20	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	4000	0.04		
	Closing Balance	116220	1.16	116220	1.16
3	PREMAL THAKORBHAI DESAI				
	Opening Balance	0	0	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	172907	1.72
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	0	0	172907	1.72
4	ASHOK KUMAR MAHESHWARI				
	Opening Balance	100035	1.00	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	100035	1.00
	Closing Balance	0	0	0	0
5	SAMIR JITENDRA JAVERI				
	Opening Balance	215759	2.15	215759	2.15
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	215759	2.15	215759	2.15

6	BMA WEALTH CREATORS LTD.				
	Opening Balance	100182	1.00	100182	1.00
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	100182	1.00	100182	1.00
7	SANJAY RAMESH MAHESHWARI				
	Opening Balance	160000	1.60	160000	1.60
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	160000	1.60	160000	1.60
8	URVI DEEPAK MEHTA				
	Opening Balance	180300	1.80	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	180300	1.80	180300	1.80
9	RAGHUNATH SARAOGI				
	Opening Balance	117600	1.17	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	117600	1.17	0	0
	Closing Balance	0	0	0	0
10	VIVEKANAND GANGARAMANI				
	Opening Balance	0	0	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	142000	1.42
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	0	0	142000	1.42
11	CANTABIL RETAIL INDIA LIMITED				
	Opening Balance	108800	1.09	108800	1.09
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Closing Balance	108800	1.09	108800	1.09

12	ADITYA BIRLA MONEY LIMITED				
	Opening Balance	214519	2.14	0	0
	Shares Bought during the period 01/04/2015 to 31/03/2016	0	0	0	0
	Shares sold during the period 01/04/2015 to 31/03/2016	214519	2.14	0	0
	Closing Balance	0	0	0	0

(IV) SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Shareholder's Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	% of total Shares of the Company
		No. of Shares at the beginning (01-04-14)	% of total Shares of the Company				No. of Shares	
	For each of the Top Ten Shareholders							
	N.A	0	0	-	-	-	0	0
	Total	0	0	-	-	-	0	0

V. INDEBTEDNESS				
(Amt. in lacs)				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,16,08,336.00	12,63,81,889.00	-	15,79,90,225.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,16,08,336.00	12,63,81,889.00	-	15,79,90,225.00
Change in Indebtedness during the financial year				
Additions	2,07,60,601.00	-	-	2,07,60,601.00
Reduction	-	12,01,93,958.00	-	12,01,93,958.00
Net Change	2,07,60,601.00	12,01,93,958.00	-	14,09,54,559.00
Indebtedness at the end of the financial year				

i) Principal Amount	5,23,638,937.00	61,87,931.00	-	5,85,56,868.00
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	5,23,638,937.00	61,87,931.00	-	5,85,56,868.00

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In lakhs)

Sr. No.	Particulars Of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary	10.80	10.80
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify..	-	-
5	Others, please specify -	-	-
	Total (A)	10.80	10.80
	Ceiling as per the Act	N.A.	N.A.

A. Remuneration to Other Directors

(Rs. In lakhs)

Sr. No.	Particulars Of Remuneration				Total Amount
		Rupam Chitalia	Tejal Shah	Manjula Vira	
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-

	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-

B. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

Sr. No.	Particulars Of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify -	-	-	-
	Total	-	-	-

C. Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalties/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	None	-	-
Punishment	-	-		-	-
Compounding	-	-		-	-
B. DIRECTORS					
Penalty	-	-	None	-	-
Punishment	-	-		-	-
Punishment	-	-		-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	None	-	-
Punishment	-	-		-	-
Compounding	-	-		-	-

On behalf of the Board of Directors

Sd/-
Ketu Parikh
(Managing Director)
DIN - 00185343

Place: Vasai
Date: 12/08/2016

Report on Corporate Governance

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereinafter the code) through clause 49 in the listing agreement executed by the Company with the stock exchanges. Clause 49 lays down several corporate governance practices, which listed companies are required to adopt. The code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporate. While most of the practices laid down in clause 49 require mandatory compliance, few are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Regulation 27(2), for the financial year 2015-16.

Your Company has complied, in all material respects, with the features of Corporate Governance code as per Regulation 27(2) of the Listing Agreement with the Stock Exchanges.

The Status of the Corporate Governance code of the Listing Agreement by Gagan Polycot India Limited is given below:

Company's Philosophy on Code of Governance

Gagan's Corporate Governance principles are based on the principles of transparency, responsibility, accountability, knowledge and commitment to values. The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices.

The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and the long term value of all Shareholders and Stakeholders. Broadly, however, good corporate governance practices should aim at striking a balance between interests of various stakeholders on the one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the Company on the other.

Board Of Directors

The Board of Directors of the Company is eminent people from various fields who in their individual capacity also focus on following the good governance practices.

The Board oversees various aspects of business operations with an eye on right business practices.

Composition of Board and other related matters

The Board of Directors presently consists of Managing Director, Whole Time Director and two Non-Executive Director Independent Director out of which two is Women Directors. Details are as given hereunder.

The Board has received confirmation from the Non-Executive and Independent Directors that they qualify to be considered as independent as per the definition of 'Independent Director' stipulated in Clause 49 (II)(B)(I) of the Listing Agreement and Section 149(6) of the Companies Act, 2013 (hereinafter called "the Act"). None of the Directors of the Company is related to each other. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the Directors.

Sr. No.	Name of Director	Category	No. of Other Directorship	No. of committee positions held in other public companies	
				Other Committee Memberships	Other Committee Chairmanship
1	Mr. Ketu Parikh	Managing Director	9	-	-
2	Mr. Prajwal Patel	Whole Time Director	8	-	-
3	Mrs. Manjula Vira	Independent Non - Executive Director	1	-	-
4	Mrs. Tejal Shah	Non-Executive Director & CFO	-	-	-
5	Mr. Rupam Chitalia	Independent Non - Executive Director	1	-	-

Board Meetings

The Board meets at regular intervals. The Board meetings are generally held at the registered office of the Company. During the financial year 2015-16, fourteen board meetings were held on May 29, 2015, August 13, 2015, November 6, 2015 and February 09, 2016. The gap between two meetings did not exceed 120 days. The required quorum was present at all the above meetings.

The details of the attendance of the Board of Directors at the Board Meetings and the last Annual General Meeting (AGM) are as detailed herein below:

Sr. No.	Name of Director	No. of Board Meetings Held	No of Board Meetings attended	Attendance at the previous AGM
1	Mr. Ketu Parikh	4	4	Yes
2	Mr. Prajwal Patel	4	4	Yes
3	Mrs. Tejal Shah	4	4	Yes
4	Mrs. Manjula Vira	2	2	--
5	Mr. Rupam Chitalia	4	4	Yes

Meeting of Independent Directors

The Company's Independent Directors met on March 31, 2015 without the presence of the Chairman & Managing Director and the Senior Management team. The meeting was attended by all the Independent Directors and was conducted to enable the Independent Directors to discuss matters prescribed under Schedule IV to the Act and Clause 49 of the Listing Agreement.

Code of Conduct

The Company has adopted a Code of Conduct ("Code") which applies to all the Board members and Senior Management Personnel of the Company. It is the responsibility of all Board members and Senior Management

Personnel to familiarize them with Code and comply with its provisions. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have confirmed compliance with the Code.

Other Committees at Board Level

I. Qualified and Independent Audit Committee

The Audit Committee at the Board level of your Company acts as a link between the Independent Auditors, the Management and the Board of Directors. The Audit committee interacts with the Independent Auditors and Secretarial Auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

In general the Audit Committee reviews the Audit and internal control procedures, accounting policies and the Company's financial reporting process and ensures that the financial statements are correct, sufficient and credible and exercises the powers as recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013. Further your Audit Committee also reviews the following:

- To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is corrected, sufficient and credible.]
- To Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- To Review with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report.
- To Review with the management, the quarterly financial statements before submission to the board for approval
- To Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- To Review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- To Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- To discuss with internal auditors any significant findings and follow up there on.
- To Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee comprises of four members, namely, Mr. Ketu Parikh, Managing Director and Chairman of this committee, Mrs. Manjula Vira, Mr. Rupam Chitalia and Mrs. Tejal Shah, Independent directors of the company.

During the year under consideration the constitution of Audit Committee has been changed, Mrs. Manjula Vira been appointed as a member of Audit Committee in place of Mr. Prajwal Patel.

During the year under review the Audit Committee met 5 times on May 29, 2015, August 15, 2015, November 5, 2015 and February 09, 2016 to deliberate on various matters.

II. Stakeholders Relationship Committee

In compliance with the provisions of Listing agreement and Section 178 of Companies Act, 2013, your company re-constituted this committee as "Stakeholders Relationship Committee". This committee of the Board of your Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committee also looks into issues including status of dematerialization/Re-materialization of shares and issue of duplicate share certificates and tracks investor complaints and suggests measures for improvement from time to time.

During the year under review, the terms of reference of the Stakeholders' Relationship Committee include the following:

- To provide for the safe custody of the Company Seal of the Company;
- To approve and register transfers and/or transmission of Equity Shares and Preference Shares of the Company;
- To sub-divide, consolidate and/or replace any Share Certificate of the Company;
- To authorize affixation of Common Seal of the company to Share Certificates;
- To do all other acts and deeds as may be necessary or incidental to the above,

The Committee comprises of Mr. Ketu Parikh, Mr. Prajwal Patel, Mrs. Tejal Shah and Mr. Rupam Chitalia as Members. During the year under review the committee met four times to discuss on various matters referred above. During the year No Complaints were received.

The company has no share transfers/transmission pending as on 31st March, 2016.

III. Nomination & Remuneration Committee

In compliance of Section 178 of Companies Act, 2013 the Board renamed the Remuneration committee as "Nomination and Remuneration Committee. Your Board has re-constituted the Nomination and Remuneration Committee which now comprises of Mr. Ketu Parikh as a Chairman and Mr. Prajwal Patel and Mrs. Tejal Shah as Members.

The terms of reference of the committee inter alia include Succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors

based on certain laid down criteria's, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

The terms of the reference of the Committee would be to review and recommend compensation payable to the Executive Directors and also to formulate and administer Employees Stock Option Scheme, including the review and grant of options to eligible employees under the scheme. The Committee shall also ensure the Compensation Policy of the Company and Performance Oriented Scheme for Senior Managers. The overall function of the Committee would also consist of the following:

- To Assist the Board of Directors in ensuring that affordable, fair and effective compensation policies are implemented.
- To Approve and make recommendations to the Board in respect of Directors' fees, Salary Structure and actual compensation (inclusive of Performance based incentives and benefits) of the Executive Director(s).
- To Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees.
- To Review and approve the change in terms and conditions of the ESOP.
- To Review and approve the criteria for selection and appointment of Non-Executive Directors.

The Committee met on July 14, 2014 and March 12, 2015 and reviewed the performance of the Directors both Non-Executive and Executive Directors and also the senior managerial personnel including Key Managerial personnel during the year.

Subsidiary and Associate Companies

The Company does not have any Subsidiary and Associate Companies as on 31st March, 2015.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the financial year 2014-15, as per the requirements of Listing Agreement, is given in a separate section forming part of the Annual Report.

Policy determining Material Subsidiaries and Related Party Transactions

Pursuant to requirements of Clause 49 of Listing Agreement, the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at www.gaganpolycot.com.

Whistle blower policy

The company has put in place a mechanism of reporting illegal or unethical behavior Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

General Body Meetings

The Annual General Meetings for the last three years were held as follows:

Year	Venue	Date	Day	Time
2014-15	Gala no: 2, Shiv Shankar Industrial Estate 1, Behind Burmashell Petrol pump, Waliv, Vasai (East), Palghar- 401208	30/09/2015	Wednesday	11.00 A.M.
2013-14	Gala no: 2, Shiv Shankar Industrial Estate 1, Behind Burmashell Petrol pump, Waliv, Vasai (East), Palghar- 401208	30/09/2014	Tuesday	11.00 A.M.
2012-13	B-107, Bhoomi Darshan, Mahavir Nagar, Kandivali West, Mumbai 400 067	30/09/2013	Monday	02.00 P.M..

General Shareholder Information

1. Annual General Meeting Date: 30th September, 2016 at 11.00 A.M.
2. Venue: Gala No. 2, Shiv Shankar Industrial Estate No. 1, Village Waliv, Vasai (East), Palghar - 401208.
3. Financial Year : April 2015 to March 2016
4. Book closure date: 27th August, 2016 to 02nd September, 2016 (both days inclusive.)
5. Dividend recommended for the year : No Dividend Recommended
6. Listing on stock exchange : Bombay Stock Exchange
7. Stock Code : BSE : 531196

Stock Market Data at BSE

Month	High	Low	Close	No. of Shares
Apr 2015	3.43	2.86	2.86	173467
May 2015	2.99	2.32	2.89	294282
June 2015	3.03	1.7	1.87	205289
July 2015	2.82	1.9	1.9	41013
Aug 2015	2.98	1.99	2.57	65066
Sept 2015	2.45	1.53	1.76	94088
Oct 2015	3.19	1.65	3.19	155737
Nov 2015	3.83	3.25	3.41	195662
Dec 2015	3.35	2.66	2.7	50566
Jan 2016	2.75	2.45	2.69	10950
Feb 2016	3.49	2.75	3.49	72857
Mar 2016	4.32	3.07	4.32	189101

Distribution of shareholding as on 31st March, 2016

SHARE(OR DEBENTURE) OF NOMINAL VALUE	NUM OF HOLDERS	(%) OF HOLDERS	TOTAL AMOUNT	% OF AMT
UPTO TO 500	1387	54.35%	3659560.00	3.66%
501 TO 1000	481	18.85%	4077160.00	4.08%
1001 TO 2000	237	9.29%	3954140.00	3.95%
2001 TO 3000	126	4.94%	3347790.00	3.35%
3001 TO 4000	51	2.00%	1871820.00	1.87%
4001 TO 5000	43	1.68%	2062200.00	2.06%
5001 TO 10000	103	4.04%	7917980.00	7.92%
10001 TO ABOVE	124	4.86%	73109350.00	73.11%
** TOTAL **	2552	100%	100000000	100%

Shareholding Pattern as on 31st March, 2016

Category		No. of Shares held	% of Shareholding
A	Promoter's Holding		
1	Promoters		
	- Indian Promoters	2432100	24.32
	- Foreign Promoters	0	0
2	Persons acting in concert	0	0
	Sub – Total	2432100	24.32
B	Non-Promoter's Holding	0	0
3	Institutional Investors	0	0
a)	Mutual Funds and UTI	0	0
b)	Banks, Financial Institutions, Insurance Companies	0	0
	(Central/State Govt. Institutions / Non Government Institutions)	0	0
C	FII's	0	0
	Sub – Total		
4	Others		
a)	Private Corporate Bodies	713005	7.13
b)	Indian Public	6850010	68.50
c)	NRI's/OCB's - NRI	4885	0.05
d)	Any Other (Please specify) – HUF	0	0
	Sub-Total	7567900	75.67
	Grand Total	100000000	100.00

Dematerialization of Shares

The equity shares of the company are available for trading in the dematerialized form under both the Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

No. of shares held in physical mode and dematerialized form as on 31st March, 2016.

Particulars	No. of Shares	%
Held in Dematerialized mode in NSDL	5010337	50.10
Held in Dematerialized mode in CDSL	3570463	35.70
Shares held in Physical Mode	1419200	14.19
Total	10000000	100%

Quarterly Audit of Share Capital

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and is also placed before the Board of Directors on a quarterly basis.

Registered Office of the Company/Correspondence Address

Gala no: 2, Shiv Shankar Industrial Estate 1,
Behind Burmashell Petrol pump, Waliv, Vasai (East),
Palghar- 401208

Corporate Identification Number of the Company (Cin)

L24134MH1988PLC231956

Website

www.gaganpolycot.com

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORTS

This MD&A provides analysis of the operating performance of the company's two business segments, as well as a discussion of cash flows, the impact of risks and outlook for the business, Additional information about the company.

This discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibilities for review of this disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee has reviewed and approved this disclosure and it has also been approved by the Board of directors.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

Segment-wise Performance

The Company operates in two reportable segments i.e. Textile Business and manufacturing business. The Business Segments has been identified as separate segment in accordance with Accounting Standard 17 'Segment Reporting'.

Risk Management

The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, which is the largest component of cost. Since cotton is an agriculture produce, it suffers from climatic volatility in the major cotton producing countries. This in turn creates uncertainties for textile manufacturers.

Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry. The non –availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry.

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer oriented approach.

Opportunities in Textile Industry

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. Company is also trying to enter into joint ventures with a view to diversify the production respect to the requirement of buyers.

The Manufacturing Unit is situated at Waliv Village, Vasai, Maharashtra focusing on the Industrial & Automotive, Packaging & Stationary, Cosmetics, Safety and customized products. The Company has installed the state of the art machines to produce an apt product to its clients Domestic & Exports.

The Company has made the set up of production of Plastic Molded products in the surgical division. The Company is planning to implement it own brand in the Household and Pharmaceutical Industry to suffice the never ending demands simultaneously reduce the efforts on the trading Textile activity.

Internal Control Systems and Their Adequacy

We maintain adequate internal control systems commensurate with the nature of business, size and complexity of its operations. We have well-established processes, guidelines and procedures to augment the internal controls. This, coupled with adequate internal information systems ensures proper information flow for the decision-making process. The internal control system is designed to ensure maintenance of proper accounting controls, monitoring of

operations, protection and conservation of assets and compliances with applicable laws and regulations. These controls ensure that financial and other records are reliable for preparing financial statements and other information.

We also address any issues identified by regulatory inspection teams very diligently and report the same to the Board of Directors and the regulators.

Human Resources

During the year under review, HR continued to undertake initiatives towards development, enhancement and retention of workforce. Your company strongly believes that employees are central to the company's transformation agenda and that it is important to build capabilities of employees to handle both current and future needs. During the year, the company worked extensively on identifying the needs of employees across all categories and level. The company has built a young and vibrant team of qualified and competent professionals to meet the emerging business challenges and market competition.

Cautionary Statement

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

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER REGULATION 27(2) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA

To
The Members,
Gagan Polycot India Limited

We have examined the compliance of conditions of Corporate Governance of M/s. Gagan Polycot India Limited (the 'Company'), for the year ended March 31, 2016, as stipulated in Regulation 29(2) of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Regulation 29(2) of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For AMD & Co.
Chartered Accountants
Firm's registration number: 130247W
Sd/-
Arvind M Darji
Partner
Membership number: 014748

Date: 12th August, 2016
Place: Vasai

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I hereby confirm that, as per the provisions of Clause 49 of the Listing Agreement executed with the Stock Exchanges, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the “Code of Conduct for the Board of Directors and the Senior Management Personnel”, for the financial year 2014-15.

For Gagan Polycot India Limited

Sd/-

Ketu parikh

(Managing Director)

DIN: 00185343

Date: 12/08/2016

Place: Vasai

CEO / CFO CERTIFICATION

To,
The Board of Directors,
Gagan Polycot India Limited

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. 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 Company's internal control system over financial reporting.

For Gagan Polycot India Limited

Sd/-

Ketu parikh

(Managing Director)

DIN: 00185343

Date: 12/08/2016

Place: Vasai

INDEPENDENT AUDITOR'S REPORT

To the Members of GAGAN POLYCOT INDIA LTD.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **GAGAN POLYCOT INDIA LTD ('the Company')**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('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, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2016, its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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 statement on the matters Specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e. on the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For AMD & CO
Chartered Accountants
Firm Registration No 130247W
Sd/-
Arvind M Darji
Membership No: 041748
Partner

Date: 30.05.2016
Place: Vasai

Annexure - A to the Auditors' Report

Annexure referred to in paragraph 7 Our Report of even date to the members of Gagan Polycot India Limited on the accounts of the company for the year ended 31st March, 2016.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, 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 have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) a. As explained to us, inventories have been physically verified during the period by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of the business.
 - c. In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (iii) The company has taken loans, from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The company is regular with reference to principal and interest payments.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) a. According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India.
 - b. According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes;
 - c. There has not been an occasion in case of the Company during the year under report to

transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

- (viii) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our Audit Procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For AMD & CO
Chartered Accountants
Firm Registration No 130247W
Sd/-
Arvind M Darji
Membership No: 041748
Partner

Date: 30.05.2016
Place: Vasai

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 Gagan Polycot india Limited ("the Company") as of 31 March 2016 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 AMD & CO
Chartered Accountants
Firm Registration No 130247W

Sd/-
Arvind M Darji
Partner - Membership No: 041748

Date: 30.05.2016
Place: Vasai

GAGAN POLYCOT INDIA LIMITED				
Balance Sheet as at 31 March 2016				
(` in Rs)				
Particulars		Note	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a)	Share capital	1	100,000,000	100,000,000
(b)	Reserves and surplus	2	40,672,147	35,841,409
(c)	Money received against share warrants		-	-
2 Non-current liabilities				
(a)	Long-term borrowings	3	6,187,931	126,381,889
(b)	Deferred tax Liability	4	559,895	102,803
3 Current liabilities				
(a)	Short-term borrowings	5	52,368,937	31,608,336
(b)	Trade payables		163,616,544	55,076,611
(c)	Other current liabilities	6	3,285,206	2,130,537
(d)	Short-term provisions	7	2,012,639	1,963,263
TOTAL			368,703,299	353,104,847
II. ASSETS				
1 Non-current assets				
(a)	Fixed assets			
	Tangible assets	8	22,911,849	23,226,040
(b)	Long-term loans and advances	9	430,000	430,000
2 Current assets				
(a)	Inventories	10	14,702,128	37,461,488
(b)	Trade receivables	11	283,923,043	289,577,353
(c)	Cash and cash equivalents	12	558,190	749,925
(d)	Short-term loans and advances	13	46,178,089	1,660,041

	TOTAL	368,703,299	353,104,847

Summary of Significant accounting policies

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The accompanying notes are an integral part of financial statements

As per our Report attached

For AMD & CO
Chartered Accountants
Firm Registration No:130247W

Sd/-
Ketu Parikh
Director

Sd/-
Arvind M Darji
Partner
Membership No : 041748

Sd/-
Prajwal Patel
Director

Place : Vasai

Date : 30.05.2016

Place : Vasai

Date : 30.05.2016

GAGAN POLYCOT INDIA LIMITED				
Profit and loss statement for the year ended 31 March 2016				
Particulars		Note No.	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
I.	Revenue from operations	14	1,229,898,661	1,112,852,041
II	Other income	15	170,895	130,307
	-			
III	Total Revenue (I + II)		1,230,069,556	1,112,982,348
IV.	Expenses:			
	Cost of materials consumed	16	1,179,892,197	1,104,978,862
	(Increase)/Decrease in Stock	17	22,759,360	(7,959,649)
	Finance costs	18	7,150,999	4,556,692
	Depreciation and amortization expense		2,146,830	2,147,898
	Payment to Employees	19	5,184,263	4,346,814
	Administrative and Other expenses	20	5,223,077	3,007,205
	Total expenses		1,222,356,726	1,111,077,822
V	Profit before exceptional and extraordinary items and tax (III-IV)		7,712,830	1,904,526
VI	Exceptional items			
VII	Profit before extraordinary items and tax (V - VI)		7,712,830	1,904,526
VIII	Extraordinary Items			
IX	Profit before tax (VII- VIII)		7,712,830	1,904,526
X	Tax expense:			
	(1) Current tax		2,425,000	588,498
	(2) Deferred tax	4	457,092	(327,144)
XI	Profit (Loss) for the period (V-VI)		4,830,738	1,643,172
XII	Earnings per equity share:			

	(1) Basic		0.48	0.16
	(2) Diluted		0.48	0.16

Summary of Significant accounting policies 26

The accompanying notes are an integral part of financial statements

As per our Report attached

For AMD & CO

Chartered Accountants

Firm Registration No:130247W

Sd/-

Arvind M Darji

Partner

MEMBERSHIP NO.: 014748

Place : Vasai

Date: .30.05.2016

Sd/-

Ketu Parikh

Director

Sd/-

Prajwal Patel

Director

Place : Vasai

Date: .30.05.2016

Gagan Polycot India Limited

Cash flow statement pursuant to Clause 32 of the Listing Agreement for the year ended 31st March,2016

	Particulars	Year Ended 31st March 2016	- 31st March 2015
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Taxes and Extra ordinary item	4,830,738	1,643,172
	Adjustments		
	Depreciation	2,146,830	2,147,898
	Profit on sale of investment	-	-
	Interest Paid	7,150,999	4,556,692
	Operating Profit before Working Capital Changes	14,128,567	8,347,761
	Adjustments For		
	(Increase) / Decrease in Inventory	22,759,360	(7,959,649)
	(Increase) / Decrease in Trade & Other receivable	5,654,310	(151,212,763)
	(Increase) / Decrease in Loan & Advances	(44,518,048)	11,543,108
	Increase / (Decrease) in Current Liabilities	130,504,580	23,243,986
	Cash generated from operations	128,528,768	(116,037,557)
	Deffered Tax	457,092	(327,144)
	Interest Paid	-	-
	Income Tax Paid	-	-
	Total (A)	128,985,860	(116,364,701)
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(1,895,388)	(1,174,125)
	sale of assets	62,750	-
	Sale of shares (investment)	-	-
	Total (B)	(1,832,638)	(1,174,125)
C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest paid	(7,150,999)	(4,556,692)

Issue of warrants	-	-
(Increase) / Decrease in long term loans and advances	-	775,000
Increase Long Term borrowing	(120,193,958)	121,069,950
Total (C)	(127,344,957)	117,288,258
NET CHANGE IN CASH AND CASH EQUIVALENT (A+B+C)	(191,735)	(250,568)
CASH AND CASH EQUIVALENT AS AT 01.04.2015	749,925	1,000,493
CASH AND CASH EQUIVALENT AS AT 31.03.2016	558,190	749,925

1. The above cash Flow Statement has been prepared under the "indirect method" as set out in Accounting Standard-3 Cash Flow Statements.
2. Figures in bracket indicate outflows
3. Cash and Cash Equivalent is cash and bank balance as per balance sheet

FOR AMD & CO

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO.: 130247W

Sd/-

ARVIND M DARJI

PARTNER

MEMBERSHIP NO.: 041748

Place : Vasai

Date : 30.05.2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Ketu Parikh

DIRECTOR

Sd/-

Prajwal Patel

DIRECTOR

Place: Vasai

Date :30.05.2016

GAGAN POLYCOT INDIA LIMITED

Notes to Financial Statements for the year ended 31 March 2016

Note
1
Share Capital

Share Capital	As at 31 March 2016		As at 31 March 2015	
	Number	Rs	Number	Rs
- Authorised 1,00,00,000 Equity shares of Rs.10/- each.	10,00,000	100,00,000	10,00,000	100,00,000
Total	10,00,000	100,00,000	10,00,000	100,00,000
Issued, Subscribed & Paid up shares. Equity Shares of Rs.10/- each fully paid up	10,00,000	10,00,00,000	10,00,000	10,00,00,000
Total	10,00,000	10,00,00,000	10,00,000	10,00,00,000

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

Particulars	Equity Shares			
	As at 31 March 2016		As at 31st March 2015	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	10,00,000	100,00,000	10,00,000	100,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,00,000	100,00,000	10,00,000	100,00,000

b. Details of Shareholders holding more than 5% shares in the company.

Name	Category	As At 31st March 2016		As At 31st March 2015	
		No of Shares	% of holding	No of Shares	% of holding
Lien Trading Pvt Ltd	Promoter	2,432,100	24.32%	2,132,100	21.32%

Note 2 Reserves and Surplus

<u>Reserves & Surplus</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
-		
a. Share premium	29,858,500	29,858,500
-		
b. Surplus		
Opening balance	5,982,909	4,339,737
(+) Net Profit/(Net Loss) For the current year	4,830,738	1,643,172
Closing Balance	10,813,647	5,982,909
Total reserves and surplus	40,672,147	35,841,409

Note 3 Long term Borrowings

<u>Long Term Borrowings</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
-		
(a) Other loans and advances		
From Corporates	6,187,931	126,381,889
	6,187,931	126,381,889

Note 4 Deferred Tax Liability

<u>Deferred Tax Liability</u>	As at March 2016	As at 31 March 2015
	Rs	Rs
-		
WDV as per Companies Act	22,911,849	2,147,898
WDV as per Income Tax Act	21,082,127	1,815,201
Difference	1,829,722	332,696
Deferred tax credit @30.9%	559,895	102,803

Less: opening Deferred Tax Liability	102,803	429,947
Deferred tax liability created for the year	457,092	(327,144)

Note 5 Short Term Borrowings

<u>Short Term Borrowings</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
-	-	-
Cash Credit from banks (Secured)	52,368,937	31,608,336
Total	52,368,937	31,608,336
The above amount includes		
Secured borrowings	52,368,937	31,608,336

Cash credit from banks is secured against fixed assets, stock of raw material, Stock-in-process, Finished goods, stocks and spares and receivables of the company & secured by personal guarantee of the two directors. The cash credit is repayable on demand and carries interest @ 15.75% p.a.

Note 6 Other Current Liabilities

<u>Other Current Liabilities</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
-	-	-
Advance received from customers	1,847,936	400,000
Advance Received for Capital Goods	200,000	200,000
TDS Payable	165,792	134,702
Service tax payable	20,652	-
Excise Duty Payable	-	68,450
Vat Payable 14 -15	11,621	405,794
Salary /Wages Payable	257,081	331,934
Directors Remuneration Payable	153,729	150,887

Other Statutory Dues	42,221	17,371
Creditors for capital goods	59,744	26,875
Creditors for expenses	521,430	389,525
Advance Deposit From Party	5,000	5,000
Total	3,285,206	2,130,537

Note 7 Short Term Provisions

<u>Short Term Provisions</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
- (a) Others (Specify nature)		
Provision for Tax(Net of Advance Tax)	2,012,639	1,963,263
Total	2,012,639	1,963,263

Note 8 Fixed tangible asset

DESCRIPTION	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 1st APRIL 2015	ADDITIONS	ADJUSTMENT/ DELETIONS	AS AT 31st March 2016	AS AT 1st April 2015	FOR THE YEAR	ADJUSTMENT/ DELETIONS	AS AT 31st March 2016	AS AT 31st March 2016	AS AT 31st March 2015
Freehold Land		5,242,450	-	-	5,242,450	-	-	-	5,242,450	5,242,450	5,242,450
Factory Building	10.00%	5,345,258	-	-	5,345,258	1,713,967	363,129	-	3,268,162	3,268,162	3,631,291
Building-Office	5.00%	5,723,000	25,790	-	5,748,790	1,301,273	221,656	-	4,225,861	4,225,861	4,421,727
Furniture	18.10%	344,175	98,470	-	442,645	134,022	48,897	-	259,726	259,726	210,153
Office Equipments	13.91%	648,523	16,667	-	665,190	204,337	63,088	-	397,763	397,763	444,185
Computer & Fax	40.00%	95,088	543,661	-	638,749	30,935	25,661	-	582,152	582,152	64,153
Machinery	13.91%	13,742,402	1,157,966	62,750	14,837,618	4,791,084	1,379,993	-	8,666,541	8,666,541	8,951,319
Electric Installations	13.91%	440,953	-	-	440,953	180,190	36,273	-	224,490	224,490	260,763
Vehicle	25.89%	-	52,835	-	52,835	-	8,132	-	44,703	44,703	-
Total		31,581,849	1,895,388	62,750	33,414,487	8,355,809	2,146,830	-	22,911,849	22,911,849	23,226,040

Note 9 Long-term loans and advances

<u>Long-term loans and advances</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
Advance for capital goods	430,000	430,000
Total	430,000	430,000

Note 10 Inventories

<u>Inventories</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
a. Raw Materials	5,312,511	31,573,390
b Stock-in -trade	9,390,484	5,888,098
Total	14,702,995	37,461,488

Note 11 Trade Receivables

<u>Trade Receivables</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
(Unsecured and Considered Good)		
Over six months	20,100,133	14,453,029
Others	263,822,910	275,124,324
Total	283,923,043	289,577,353

Note 12 Cash and bank balances

<u>Cash and cash equivalents</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
a. Balances with banks		
On current Accounts	-	-
b. Cash on hand	558,190	749,925
Total	558,190	749,925

Note 13 Short-term loans and advances

<u>Short-term loans and advances</u>	As at 31 March 2016	As at 31 March 2015
	Rs	Rs
Loans and advances		
Unsecured, considered good		
Excise	107,384	-
Service tax	14,827	-
VAT Refund 13 - 14	94,725	94,725
Deposits with others	1,386,796	1,537,910
Franking Charges Refundable	2,245,000	-
<u>Other loans and advances</u>		
Advances to supplier	42,263,743	-
Advances receivable in cash or kind or value to be received	65,614	27,406
Total	46,178,089	1,660,041

GAGAN POLYCOT INDIA LIMITED

Notes to Financial Statements for the year ended 31 March 2016.

Note 14 Revenue from operations

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
Sales-Fabrics	1,015,102,789	923,578,890
Sales-Manufacturing	214,795,872	189,273,152
Less: Excise duty	-	-
Total	1,229,898,661	1,112,852,041

Note 15 Other Income

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
Discount Received	9,341	1,409
Material Rejection	65,589	-
Provision for write back	22,428	-
Profit on sale of Investment	77,250	-
Rate Difference	(36,163)	5,445
Sundry balance written off	6,080	48,335
Int Recd on Margin Money	-	75,118
Product Development Cost	26,370	-
Total	170,895	130,307

Note 16 Cost of Materials Consumed

<u>Cost of Materials Consumed</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
Opening Stock	-	-
Add: Purchases Less Purchase Return	1,177,141,735	1,103,447,327
Direct Expenses	2,750,462	1,531,535
Less: Closing Stock	-	-
Total	1,179,892,197	1,104,978,862

Note 17 Increase / Decrease in stock

<u>Increase/Decrease in Stock</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
Closing Stock of material	14,702,128	37,461,488
Less: Opening Stock of material	37,461,488	29,501,839
Total	22,759,360	(7,959,649)

Note 18 Finance Cost

<u>Finance Cost</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
Interest Expenses	6,910,394	3,894,102
Bank Charges	92,180	385,708
Other borrowing cost	148,425	276,882
Total	7,150,999	4,556,692

Note 19 Payment to Employees

<u>Payment to Employees</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
Salaries	2,525,888	2,167,556
Wages	1,108,851	1,036,505
Employer's Contribution	40,861	-
Bonus	146,407	69,801
Staff Welfare	282,256	112,952
Directors Remuneration	1,080,000	960,000
Total	5,184,263	4,346,814

Note 20 Administration and Other Expenses

<u>Administration and Other Expenses</u>	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
Annual Maintenance Charges	-	3,000
Advertisement Expenses	5,974	56,000
Postage and Telephone Expenses	81,209	69,681
Travelling Expenses	270,132	83,037
Interest on VAT/TDS	-	7,994
Legal and Professional Fees	1,423,900	1,194,495
Printing and Stationery	370,040	105,039
General Expenses	1,919,670	682,608
Other Repairs	509,069	252,125
Diwali Expenses	-	74,896
Insurance (property)	46,378	4,050
Insurance (Car)	38,629	-
Rates and taxes	289,071	-
Computer Expenses	77,233	85,521
Payment to Auditors	56,180	69,180
Construction Expenses	-	15,910
Discounts	28,940	24,349
Factory License Fees	-	34,000
FDA Application Fees	1,000	67,500
Grease	-	8,640
Instruments Calibration Charges	-	19,620
Roc Charges	-	600
Website & Email Hosting	-	16,790
Office Rent	96,000	120,000
Packing & Forwarding Charges	5,450	12,170
Donation	4,202	-
Total	5,223,077	3,007,205

Note 22 Related Party Transaction

Related Party Transaction	Nature of Transaction	For the year ended 31 March 2016	For the year ended 31 March 2015
		Rs	Rs
Karma Stock Trade Pvt Ltd	Loan Taken	-	126,381,889
Karma Commodities Limited	Loan given	-	800,000
	Recovery of Loan	-	(800,000)

Note 23 Earnings per shares

Earnings per shares	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs	Rs
(A) Profit after tax and taxation adjustments of earlier years	4,830,738	1,643,172
(B) Total number of equity shares	10,000,000	10,000,000
(C) Weighted average number of equity shares	10,000,000	11,442,145
(D) Basic Earnings per equity share (EPS) (A/B)	0.48	0.16
(E) Diluted Earnings Per equity share (EPS) (A/C)	0.48	0.14
(F) Nominal value of equity share	10	10

Note 24 Directors Remuneration

Directors	For the year ended 31st March 2016	For the year ended 31st March 2015
Ketu Parikh	600000	600,000
Prajwal Patel	360000	360,000
Total	960,000	960,000

Note 25 Related Party Disclosures:

As per Accounting Standard 18, the disclosures of the transactions with the related parties are given below:

List of related parties where control exists and the related parties with whom transactions

have taken place and relationships:

a.Key Personnel

Ketu Krishvrdan Parikh	Director	
Prajwal Prakash Patel	Whole Time Director	W.ef 24/09/2012
Rupam Dukulchandra Chitalia	Additional Director	W.ef 09/03/2012
Tejal Umang Shah	Additional Director	W.ef 09/03/2012
Manjula Harakchand Vira	Additional Director	W.ef 30/09/2014

b. Companies and LLPs under the same management

Lien Trading Private Limited

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act 1956 and Companies Act 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The Financial statements have been prepared on an accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible fixed assets

Fixed assets, except land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Other expense on existing fixed assets including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period. Duties and Taxes borne to purchase capital assets are charged as expense, instead of capitalizing it to the asset.

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a WDV method using the rates specified under the Schedule XIV to the Companies Act, 1956 arrived on the basis of the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Assets	Rates (WDV)
Factory Building	10.00%
Office Buildings	5.00%
Plant and Machinery	13.91%
Electrical Installation	13.91%
Furniture and fixtures	18.10%
Office Equipments	13.91%
Vehicles	25.89%
Computers	40.00%

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial period of time to get ready for its Intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Impairment of tangible and intangible assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use i.e. the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognized.

h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

i) Inventories

Inventories are valued at cost or net realizable value whichever is lower which comply with AS -2 issued by ICAI.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore it is not an economic benefit flowing to the company. Hence it is excluded from revenue.

Interest Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" In the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

k) Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e the period for which VAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

l) Segment Reporting

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are not separately disclosed.

m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue bonus element in a rights issue, share split, and reverse share split consolidation of shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

o) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present

value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

p) Contingent liabilities

A contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO ACCOUNTS

a) Segment Reporting

The company is operating in two segments. Segment wise separate reporting as per AS 17 issued by ICAI is as follows:

Segment Revenue by Divisions:

(Rs in Lakhs)

Particulars	Fabric Division (Trading)		Plastic Division (Manufacturing)		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue	1,0151.02	9,235.78	2,147.95	1,892.73	12,298.98	11,128.52

b) Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	Financial Year 2015-16	
	Basic	Diluted
Number of shares considered as basic weighted average shares outstanding	10,000,000.00	10,000,000.00
Add : Effect of issues of shares	NIL	NIL
Number of shares considered as weighted average shares and potential shares outstanding	10,000,000.00	10,000,000.00

c) Contingent Liabilities to the extent (not provided for):

Local Body Taxes (LBT) for the current financial year are not paid. Penalty on late filing of Statutory Returns. Following statutory returns are not filed on timely basis. Late fee or penalty arising on the same:

- Tax Deducted at Source
- Local Body Tax
- Maharashtra Value Added Tax

d) Related Party Disclosures:

Key Management Personnel

1. Ketu Parikh – Managing Director
2. Prajwal Patel – Whole Time Director
3. Tejal Shah – Additional Director
4. RupamChitalia – Additional Director
5. ManjulaVira - Additional Director

List of companies under same management

1. Tien Trading Private Limited
2. Lien Trading Private Limited
3. ObikeTrading Private Limited
4. ZeltzinTrading Private Limited
5. Karma Stock Trade Private Limited
6. Artlink Vintrade Pvt. Ltd.

Related Party Transaction carried out during the year are provided separately in Note no 23

e) There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the company.

Gagan Polycot India Limited

Regd. Office: Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East),
Palghar - 401208

CIN: L24134MH1988PLC231956, Phone: 8108511999, Fax: 022 – 39167130 Website: www.gaganpolycot.com, E-mail:
compliance@gaganpolycot.com

ATTENDANCE SLIP

28th Annual General Meeting, 30TH September, 2016 at 11.00 a.m. at registered office of the company

Regd. Folio No.		* DP ID:	
No. of Equity Shares held		* Client ID:	

Name of the Shareholder	
Name of Proxy	

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 28th Annual General Meeting of the Company on Friday, 30th September, 2016 at registered office of the company at 11:00 A.M.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, please sign here

If Proxy, please sign here

Note: This form should be signed and handed over at the Meeting Venue.

* Applicable for investors holding shares in electronic form.

Gagan Polycot India Limited

Regd. Office: Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East),
Palghar - 401208

CIN: L24134MH1988PLC231956, Phone: 8108511999, Fax: 022 – 39167130 Website: www.gaganpolycot.com, E-mail:
compliance@gaganpolycot.com

Form No. MGT – 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 (the Act) and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN: L24134MH1988PLC231956

Name of the company: **Gagan Polycot India Limited**

Registered Office: Gala No. 2, Shiv Shankar Industrial Estate No. 1, Behind Burmashell Petrol Pump, Waliv, Vasai (East),
Palghar – 401208

Name of the member(s):	
Registered address:	
Email Id:	
Folio No./Client Id:	
DP ID:	

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint:

1. Name:

Address:

E-mail Id:

Signature: _____, or failing him

2. Name:

Address:

E-mail Id:

Signature: _____, or failing him

3. Name:

Address:

E-mail Id:

Signature: _____, or failing him

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on _____ at _____ and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
Ordinary Business:	
1	To receive, consider and adopt the Audited Standalone Financial Statements consisting of the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.
2	To appoint a director in place of Mrs. Tejal Shah (DIN: 06532797) and Mr. Rupam Chitalia (DIN - 06532758), the Independent Director, who though not liable to retire by rotation is retiring by rotation to enable compliance by company with the provisions of the Companies Act, 2013 (hereinafter called "the Act") and being eligible, offers himself for re-appointment.
3	Re-appointment of M/s. AMD & Co., Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration

Special Business:	
4	Alteration in main object of the company
5	Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013
6	Adoption of new set of memorandum of Association of the Company in conformity with the Companies Act, 2013

Signed this day of, 2016

.....
Signature of the Member

Please
Affix
Re.1/-
Revenue
Stamp and
sign
across

.....
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.

BOOK POST

Registered Office

Gala No. 2, Shiv Shankar Industrial Estate No. 1,
Valiv Phata, Village Valiv, Vasai (East),
Thane – 401067

Email: compliance@gaganpolycot.com

Website: www.gaganpolycot.com

Tel: 022-28020017/18