

**Gulshan Polyols Limited**

(Gulshan Sugars & Chemical Division)

CIN : L24231UP2000PLC034918

Corporate Office: G-81, Preet Vihar,

Delhi-110092, India

Phone : +91 11 49999200

Fax : +91 11 49999202

E-mail : gscldelhi@gulshanindia.com

Website: www.gulshanindia.com

GPL\SEC\2020-21
27th August, 2020

To,
Department of Corporate Services,
The Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Security Code No. : 532457

To,
National Stock Exchange of India Ltd.
Exchange Plaza, G Block,
Bandra- Kurla Complex, Bandra (East),
Mumbai - 400051
Security Code No. : GULPOLY/EQ

**Sub: Notice of the 20th Annual General Meeting (AGM) and
Annual Report 2019-20.**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed, copy of Notice convening the 20th AGM of Shareholders containing the **Final Annual Report for the 2019-20.**

The letter dated 26th August had, inadvertently, attachment of draft version of Annual Report and not the final one which we noticed subsequently, hence such request is raised.

Please do the needful and oblige.

With best regards,

Yours faithfully
For GULSHAN POLYOLS LIMITED

Vijay Kumar Garg
Company Secretary
ACS-37151



Chairman's Statement

Dear Friends & Stakeholders,

We are living through a difficult time for society and our economies. The crisis around the COVID-19 pandemic has left no one untouched. The virus is not only claiming human lives — it is subjecting individual countries and the global political order to extraordinary stress rarely seen in peacetime. But these challenges only reinforce our resolution to continue working. The challenges are unique as COVID-19 induced lockdowns have disrupted the economic activity. Your company achieved many admirable wins and milestones through the first 11 months of FY 2020. But it was in the final days of the year that the true nature of its purpose-driven worldview truly shone through.

Your company prioritized the health and safety of its employees, kept customers' mission critical systems running under very difficult circumstances and pitched in to help communities across the nation to battle the pandemic.

As the Chairman of the Board of Directors of Gulshan Polyols Limited, let me assure you that despite myriad challenges, your company is focused on maintaining its growth momentum and delivering value to its stakeholders. It has great potential to grow and is constantly scouting for opportunities arising out of Make in India and "Aatma-Nirbhar Bharat" calls given by Hon. Prime Minister.

I am happy to announce that your company is working towards becoming "almost" Long term Debt Free company in the years to come. You will be happy to know that the Promoter Group has acquired substantial market share from secondary market up-to threshold limit of 5% per year over 2 consecutive years, depicting strength and conviction in its company's affairs.

Company's Overall Performance:

It gives me pleasure to share with you an update on the overall performance of your Company in 2019-20. It was yet another difficult year for the global economy, characterized by low growth and geopolitical uncertainties. In India, rural demand continued to be sluggish in the early part of the year on the back of two consecutive poor monsoons. The overall market showed a steep downfall owing to steep rise in raw material prices thus imposing great pressure on selling prices and also leading to exports getting unviable for a majority of our products.



During the financial year ended 31st March 2020, Revenue from operations decrease to Rs. 620.79 crores from Rs. 673.88 crores in the previous year. Registered decrease in 7.88% on net revenue basis. EBIDTA decrease of Rs. 69.82 crores against the previous year Rs. 85.61 crores. Profit after tax (PAT) of Rs. 20.58 crores in F.Y 2019-20 against Rs. 21.42 crores in the previous year.

Your Company in the tune of progressive Dividend Policy, declared and paid an interim dividend of 70 percent (0.70 per fully paid-up equity share of Rs. 1/- each) in February, 2020 for the financial year 2019-20 on the paid up equity share capital of the company. It may be recommended that same be treated as a Final Dividend for the Financial Year ended March 31, 2020, amounting to Rs. 328.42 lakhs.

Your Company is also committed to its social responsibility agenda and contributes meaningfully to the communities that it operates in. Your Company continues to focus in the areas of Health, Community Welfare, Education, Health & Hygiene, Rural development and Water management to enhance the livelihoods of people in its operating communities. These initiatives, along with several others, reaffirm our belief that addressing societal needs and business growth go hand-in-hand.

The next few months will be difficult, but your company is strong with deep relationships with customers and partners, enviable scale, a diversified business mix, a robust and resilient business model, and strong financials. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to acquire new capabilities and gain market share. In the post pandemic world, technology will play an ever larger role in helping enterprises adapt to the new normal and differentiate themselves. Your company is well poised to take the lead in partnering customers to recover and rebound on to their growth and transformation journeys.

On behalf of the Board of Directors of Gulshan Polyols Limited, I would like to take this opportunity to acknowledge and thank our bankers and vendors for their trust and support. I am deeply thankful to the continued support of our esteemed consumers, business associates, suppliers and legal authorities for their loyalty and trust in all our activities. Most importantly, also my sincere appreciation to all the shareholders for the trust reposed by them in the Management of the Company and also for continued support in our journey to create long-term value.

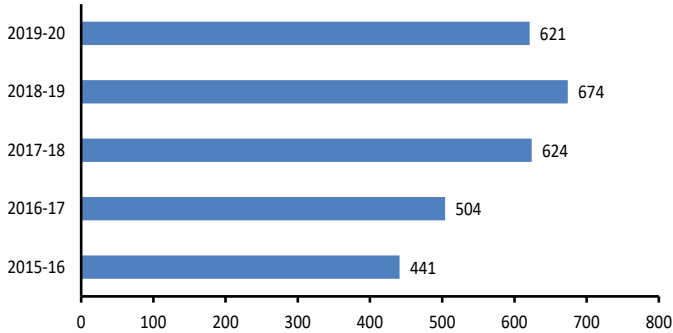
Jai Hind!!



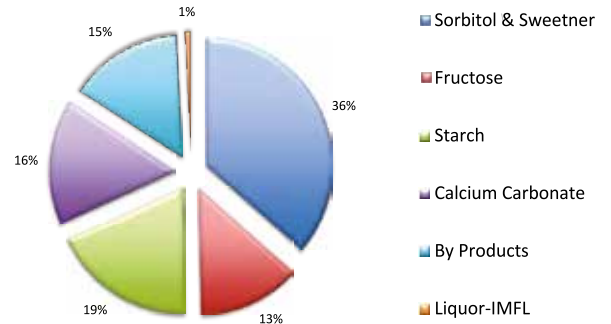
Dr. C. K. Jain
Chairman & Managing Director
DIN: 00062221

Financial Highlights FY 2019-20

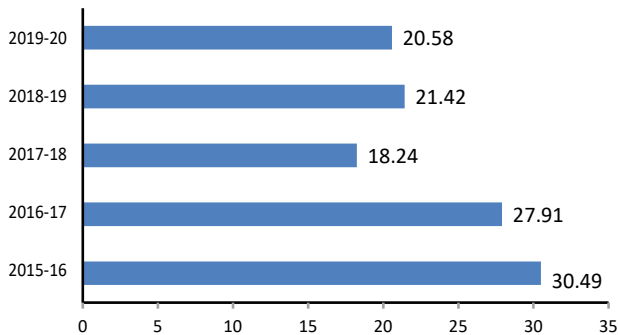
NET SALES (₹ in Crore)



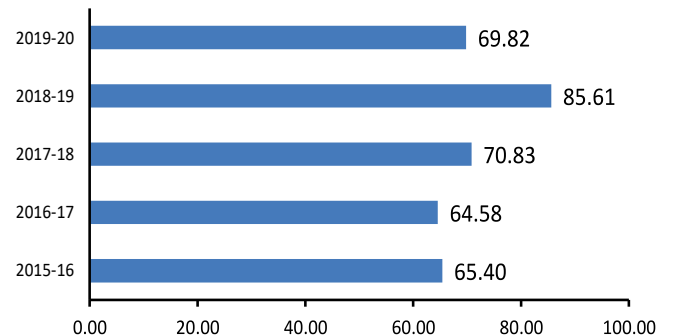
PRODUCT WISE REVENUE BREAK-UP



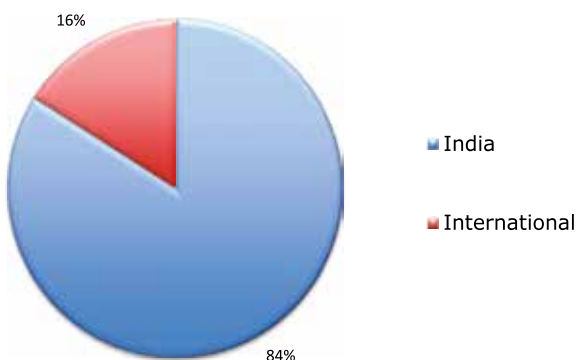
PROFIT AFTER TAX (₹ in Crore)



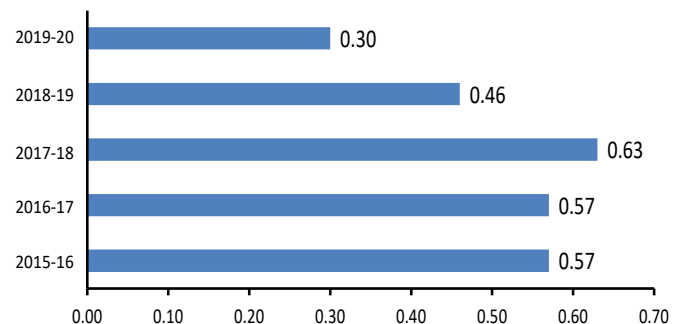
EBITDA (₹ in Crore)



INDIA INTERNATIONAL REVENUE MIX



DEBT EQUITY RATIO (in times)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. C. K. Jain
Chairman & Managing Director

Ms. Arushi Jain
Whole Time Director

Ms. Aditi Pasari
Whole Time Director

Mr. Ashwani Kumar Vats
Whole Time Director & CEO

Mr. Suresh Kumar Tewari*
Whole Time Director

Mr. Ajay Jain
Non-Executive Independent Director

Mr. A. K. Maheshwari
Non-Executive Independent Director

Mr. J. J. Bhagat
Non-Executive Independent Director

Mr. Rakesh Kumar Gupta
Non-Executive Independent Director

Mr. K. C. Gupta
Non-Executive Independent Director

AUDIT COMMITTEE

Mr. Ajay Jain
Chairman

Mr. A. K. Maheshwari
Member

Dr. C. K. Jain
Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. A. K. Maheshwari
Chairman

Mr. Ajay Jain
Member

Ms. Aditi Pasari
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Ajay Jain
Chairman

Mr. A. K. Maheshwari
Member

Mr. Rakesh Kumar Gupta
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ajay Jain
Chairman

Ms. Arushi Jain
Member

Ms. Aditi Pasari
Member

STATUTORY AUDITORS

M/s. Rajeev Singal & Co., Chartered
Accountants
Muzaffarnagar

INTERNAL AUDITORS

**M/s. Shahid & Associates,
Chartered Accountants-**
(All units except Bharuch)

**M/s. Anil Ram Kumar & Co.,
Chartered Accountants-**
(Bharuch Unit)

SECRETARIAL AUDITORS

M/s. RMG & Associates
Company Secretaries,
Delhi

COST AUDITORS

M/s. Rahul Jain & Associates,
Cost Accountants, Delhi

CHIEF FINANCIAL OFFICER

Mr. Rajiv Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vijay Kumar Garg

LISTED AT

BSE Limited
National Stock Exchange of India Limited

BANKERS

State Bank of India
HSBC Bank

REGISTRAR & SHARE TRANSFER AGENT

M/s Alankit Assignments Limited
1E/13, Alankit Heights, Jhandewalan
Extension,
New Delhi - 110055
Ph. No: 011-42541234/ 955
Fax No: 011-42541201
E-mail: rta@alankit.com

PLANT LOCATIONS

1. 9th K.M., Jansath Road, Muzaffarnagar-251001, Uttar Pradesh
2. 9th K.M., Silvertown Pulp and Papers Bhopa Road, Muzaffarnagar- 251001, Uttar Pradesh
3. Plot no. 762, Jhagadia Industrial Estate, Bharuch - 393110 Gujarat
4. Village Rampur Majri, Dhaura Kuan, Distt Sirmour -173001 Himachal Pradesh
5. E-21/22, RIICO Growth Centre, Phase - II, Abu Road, Disst. Sirohi-307026 Rajasthan
6. Plot No.9, 10 & 11, Borgaon Industrial Growth Centre, Tehsil Sausar, Distt. Chhindwara-480108 Madhya Pradesh
7. On-site plant of PCC at DSG Papers Pvt. Ltd., Patiala, Punjab
8. On-site plant of PCC at ITC Ltd., Hooghly, West Bengal
9. On-site plant of PCC at Orient Paper Mills, Amlai, Madhya Pradesh

REGISTERED OFFICE

9th K.M., Jansath Road, Muzaffarnagar,
Uttar Pradesh - 251001
Tel: 0131-32958800
Fax: 0131 - 2661378
Email: cs@gulshanindia.com
Website: www.gulshanindia.com
CIN: L24231UP2000PLC034918

CORPORATE OFFICE

G-81, Preet Vihar, Delhi- 110092
Tel: 011-49999200
Fax: 011-49999202

WHAT'S INSIDE

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* Mr. S.K. Tewari ceased to be on the Board of the Company w.e.f. 26th May, 2020.



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting ("AGM") of the members of **Gulshan Polyols Limited** will be held on Saturday, 19th September, 2020 at 12.30 p.m., Indian Standard Time, at the Registered Office situated at 9th K.M, Jansath Road, Muzaffarnagar -251001, Uttar Pradesh to transact the following Businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year 2019- 2020 including Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Ms. Aditi Pasari (DIN: 00120753), who retires by rotation, and being eligible, offers herself for re-appointment as Director.
3. To ratify the appointment of M/s. Rajeev Singal & Co., Chartered Accountants (Firm Registration No. - 008692C), as Statutory Auditors of the Company.

RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Audit Committee, the Company hereby ratify the appointment of M/s. Rajeev Singal & Co., Chartered Accountants (Firm Registration No.: 008692C), as Statutory Auditors of the Company to hold the office from the conclusion of 20th Annual General Meeting until the conclusion of 22nd Annual General Meeting of the Company to be held in the year 2022, at such remuneration plus out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company including be and is/are hereby authorized to fix the remuneration, to be paid, to M/s. Rajeev Singal & Co., Chartered Accountants (Firm Registration No.: 008692C), as Statutory Auditors of the Company."

SPECIAL BUSINESS:

4. **REVISION IN THE REMUNERATION OF MS. ARUSHI JAIN (DIN: 00764520), THE WHOLE TIME DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules framed thereunder read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and recommendation by the Nomination and Remuneration Committee of the Company, the consent of the members of the Company be and is hereby accorded for a revision in the Gross Salary of Ms. Arushi Jain (DIN: 00764520), the Whole Time Director of the Company, from Rs. 3,75,000/- to Rs. 4,50,000/- per month, effective from July 01, 2020 until her remaining tenure i.e. upto December 31, 2020.

RESOLVED FURTHER THAT all the existing terms and conditions of her appointment existing presently shall remain unchanged.

RESOLVED FURTHER THAT any of the Director(s) and/or Company Secretary of the Company be and are hereby severally authorised to do all the acts, things and deeds which may be necessary for giving effect to this resolution and to file necessary forms with the concerned Registrar of Companies (ROC) on MCA portal."

5. **REVISION IN THE REMUNERATION OF MS. ADITI PASARI (DIN: 00120753), THE WHOLE TIME DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules framed thereunder read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and recommendation by the Nomination and Remuneration Committee of the Company, the consent of the members of the Company be and is hereby accorded for a revision in the Gross Salary of Ms. Aditi Pasari (DIN: 00120753), the Whole Time Director of the Company, from Rs. 3,50,000/- to Rs. 4,50,000/- per month, effective from July 01, 2020 until her remaining tenure i.e. upto December 31, 2020.

RESOLVED FURTHER THAT all the existing terms and conditions of her appointment existing presently shall remain unchanged.

RESOLVED FURTHER THAT any of the Director(s) and/or Company Secretary of the Company be and are hereby severally authorised to do all the acts, things and deeds which may be necessary for giving effect to this resolution and to file necessary forms with the concerned Registrar of Companies (ROC) on MCA portal."



6. RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY

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

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the remuneration payable to M/s Rahul Jain & Associates, Cost Accountants (Firm Registration No.101515), who were appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the company, as applicable, for the Financial Year ending March 31, 2021, amounting to Rs. 60,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and hereby ratified.

RESOLVED FURTHER THAT the Board 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."

7. RE-APPOINTMENT AND REVISION IN TERMS OF REMUNERATION OF DR. CHANDRA KUMAR JAIN (DIN: 00062221) CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules framed thereunder read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and recommendation by the Nomination and Remuneration Committee of the Company, approval of the members of the Company be and is hereby accorded to re-appoint **Dr. Chandra Kumar Jain (DIN: 00062221)** as Chairman and Managing Director of the Company, who has attained the age of Seventy Two (72) Years, for a period of three (03) years with effect from April 01, 2020 upto March 31, 2023, not liable to retire by rotation, on the following terms and conditions:

1. Basic Salary per month:

Basic Salary: Rs. 15,00,000/- per month w.e.f. April 01, 2020 (With such annual/ special increments within the aforesaid scale as may be decided by the Board, on recommendation of Nomination and Remuneration Committee).

2. Perquisites and allowances:

- a. House Rent Allowance : 45% of Basic
- b. Medical Allowance : 5% of Basic
- c. Ex-Gratia : 8.33% of Basic

3. Commission on profits, as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee for each financial year calculated with reference to net profits of the Company, subject to the overall ceiling stipulated in section 197 and 198 read with Schedule V of the Companies Act, 2013 payable at such intervals, as may be decided by the Board of Directors.

4. Other perquisites

In addition to the perquisites and allowances as aforesaid, he shall also be entitled to the following benefits which will not be included in computation of the ceiling of remuneration specified in Para 1, 2 and 3 above.

- a. Gratuity: Gratuity payable as per the rules of the Company.
- b. Leave: Leaves as per the rules of the Company.
- c. Company Car and telephone: Use of the Company's Car, and telephone at the residence for official purposes as per rules of the Company.
- d. Other benefits as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors on the recommendations of the Nomination and Remuneration Committee be and are hereby severally authorised to revise, amend, alter and vary such terms of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Dr. Chandra Kumar Jain, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT the remuneration by way of Salary, Perquisites and Allowances, as approved in the aforesaid resolution, shall be treated as minimum remuneration with effect from April 01, 2020 for the period of his tenure ending on March 31, 2023 and in case where in any financial year, during the currency of the tenure of Dr. Chandra Kumar Jain as Chairman and Managing Director, if the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.



RESOLVED FURTHER THAT any of the Director(s) and/or Company Secretary of the Company be and are hereby severally authorised to do all the acts, things and deeds which may be necessary for giving effect to this resolution and to file necessary forms with the concerned Registrar of Companies (ROC) on MCA portal.”

8. RE-APPOINTMENT OF MR. ASHWANI KUMAR VATS (DIN: 00062413) AS A WHOLE TIME DIRECTOR DESIGNATED AS CEO OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules framed there under, read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and recommendation by the Nomination and Remuneration Committee of the Company, the approval of the members of the Company be and is hereby accorded to re-appoint **Mr. Ashwani Kumar Vats (DIN: 00062413)** as Whole Time Director of the Company, designated as Chief Executive Officer (CEO), liable to retire by rotation, for a period commencing from April 01, 2020 till March 31, 2024 on the following terms and conditions:

1. Basic Salary per month:

Basic Salary for the period April 01, 2020 to June 30, 2020 shall be Rs. 2,65,000/- per month and for the period thereafter at a Basic Salary of Rs. 2,80,000/- per month (w.e.f July 01,2020 to March 31, 2024), with such annual/ special increments as may be decided by the Board, on recommendation of Nomination and Remuneration Committee.

2. Perquisites and allowances:

House Rent Allowance : 45% of Basic

Medical Allowance : 5% of Basic

Ex-Gratia : 8.33% of Basic

3. Other perquisites

In addition to the perquisites and allowances as aforesaid, he shall also be entitled to the following benefits which will not be included in computation of the ceiling of remuneration specified in Para 1, 2 and 3 above.

- a. Gratuity: Gratuity payable as per the rules of the Company.
- b. Leave: Leaves as per the rules of the Company.
- c. Company Car and telephone: Use of the Company’s Car, and telephone at the residence for official purposes as per rules of the Company.
- d. Other benefits as per rules of the Company

RESOLVED FURTHER THAT the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to revise, amend, alter and vary such terms of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Ashwani Kumar Vats, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT the remuneration by way of Salary, Perquisites and Allowances, as approved in the aforesaid resolution, shall be treated as minimum remuneration with effect from April 01, 2020 for the period of his tenure ending on March 31, 2024 and in case where in any financial year, during the currency of the tenure of Mr. Ashwani Kumar Vats as Whole Time Director, if the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all the acts, things and deeds which may be necessary for giving effect to this resolution and to file necessary forms with the concerned Registrar of Companies (ROC) on MCA portal.”

9. RE-APPOINTMENT OF MS. ARUSHI JAIN (DIN: 00764520) AS A WHOLE TIME DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules framed thereunder read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and recommendation by the Nomination and Remuneration Committee of the Company, the approval of the members of the Company be and is hereby accorded to re-appoint **Ms. Arushi Jain (DIN: 00764520)** as Whole Time Director of the Company, liable to retire by rotation, for a period commencing from January 01, 2021 till March 31, 2024 on the following terms and conditions:

**1. Gross Salary per month:**

Total Gross Salary: Rs.4,50,000/- per month w.e.f. January 01, 2021 (With such annual/ special increments as may be decided by the Board, on recommendation of the Nomination and Remuneration Committee).

2. Commission on Profits, as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee for each financial year calculated with reference to net profits of the Company, subject to the overall ceiling stipulated in Section 197 and 198 read with Schedule V of the Companies Act, 2013 payable at such intervals, as may be decided by the Board of Directors.**3. Perquisites**

- i. Company's contribution towards Provident Fund, Gratuity and Encashment of accumulated Leaves as per rules of the company. The Gratuity shall not exceed an amount equal to half month's salary for each completed year of service. However, all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- ii. Company's Car for use on Company's business purpose with chauffeur and telephone at residence and Mobile phone will be provide but shall not be considered as perquisites. Personal long distances calls and use of car (if any) for private purpose, shall be billed by the company.
- iii. Reimbursement of actual medical expenses incurred in India and abroad for self and family. The total cost of travel to and fro and also for the stay in the foreign country of the patient, an attendant and medical supervision, if required, shall be borne by the Company.
- iv. Club Memberships: Subscription or reimbursement of membership fees for two clubs in India and/or abroad, including admission and life membership fees.
- v. Leave Travel Allowance (LTA) including Domestic and Foreign travel.
- vi. Other benefits as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors on the recommendation of the Nomination and Remuneration Committee be and are hereby severally authorized to revise, amend, alter and vary such terms of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Ms. Arushi Jain, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT the remuneration by way of Salary, Perquisites and Allowances, as approved in the aforesaid resolution, shall be treated as minimum remuneration with effect from January 01, 2021 for the period of his tenure ending on March 31, 2024 and in case where in any financial year, during the currency of the tenure of Ms. Arushi Jain as Whole Time Director, if the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all the acts, things and deeds which may be necessary for giving effect to this resolution and to file necessary forms with the concerned Registrar of Companies (ROC) on MCA portal."

10. RE-APPOINTMENT OF MS. ADITI PASARI (DIN: 00120753) AS A WHOLE TIME DIRECTOR OF THE COMPANY

To consider, and if thought fit, to pass, with or without modification, the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules framed there under read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and recommendation by the Nomination and Remuneration Committee of the Company, the approval of the members of the Company be and is hereby accorded to re-appoint **Ms. Aditi Pasari (DIN: 00120753)** as Whole Time Director of the Company, liable to retire by rotation, for a period commencing from January 01, 2021 till March 31, 2024 on the following terms and conditions:

1. Gross Salary per month

Total Gross Salary: Rs.4,50,000/- per month w.e.f. January 01, 2021 (With such annual/ special increments as may be decided by the Board, on recommendation of the Nomination and Remuneration Committee).

2. Commission on Profits, as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee for each financial year calculated with reference to net profits of the Company, subject to the overall ceiling stipulated in Section 197 and 198 read with Schedule V of the Companies Act, 2013 payable at such intervals, as may be decided by the Board of Directors.

**3. Perquisites**

- (i) Company's contribution towards Provident Fund, Gratuity and Encashment of accumulated Leaves as per rules of the company. The Gratuity shall not exceed an amount equal to half month's salary for each completed year of service. However, all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- (ii) Company's Car for use on Company's business with chauffeur and telephone at residence and Mobile phone will be provide but shall not be considered as perquisites. Personal long distances calls and use of car (if any) for private purpose, shall be billed by the company.
- (iii) Reimbursement of actual medical expenses incurred in India and abroad for self and family. The total cost of travel to and fro and also for the stay in the foreign country of the patient, an attendant and medical supervision, if required, shall be borne by the Company.
- (iv) Club Memberships: Subscription or reimbursement of membership fees for two clubs in India and/or abroad, including admission and life membership fees.
- (v) Leave Travel Allowance (LTA) including Domestic and Foreign travel.
- (vi) Other benefits as per rules of the Company

RESOLVED FURTHER THAT the Board of Directors on the recommendation of the Nomination and Remuneration Committee be and are hereby severally authorized to revise, amend, alter and vary such terms of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Ms. Aditi Pasari, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT the remuneration by way of Salary, Perquisites and Allowances, as approved in the aforesaid resolution, shall be treated as minimum remuneration with effect from January 01, 2021 for the period of his tenure ending on March 31, 2024 and in case where in any financial year, during the currency of the tenure of Ms. Aditi Pasari as Whole Time Director, if the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all the acts, things and deeds which may be necessary for giving effect to this resolution and to file necessary forms with the concerned Registrar of Companies (ROC) on MCA portal."

11. WAIVER OF EXCESS MANAGERIAL REMUNERATION PAID TO DR. CHANDRA KUMAR JAIN (DIN: 00062221) CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY FOR THE FINANCIAL YEAR 2019- 20.

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

"RESOLVED THAT upon recommendation of the Nomination and Remuneration Committee and of the Board of Directors of the Company and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed there under (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for the waiver of excess managerial remuneration amounting to Rs. 1,351,436/- paid to Dr. Chandra Kumar Jain, designated as Chairman and Managing Director (DIN: 00062221) of the Company for the Financial Year 2019-20, which was in excess of maximum remuneration permissible under the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and/or Nomination and Remuneration Committee jointly and/or severally be and are hereby authorized to finalize, settle and execute such document(s) / deed(s) / writing(s) / paper(s) / agreement(s) as may be required, to settle any question, difficulty or doubt that may arise in respect of the aforesaid payment of remuneration, to delegate all or any of the above powers to any Committee of the Board of Directors or any Director(s) / Official(s) of the Company and generally to do all acts, deeds, matters and things that may be deemed necessary, proper, expedient or incidental, in its absolute discretion for the purpose of giving effect to this resolution."

12. CONTINUATION OF DIRECTORSHIP OF MR. KAILASH CHANDRA GUPTA (DIN: 01649210), DIRECTOR IN TERMS OF REGULATION 17(1A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), if



any, approval of Members of the Company be and is hereby accorded for continuation of Directorship of Mr. Kailash Chandra Gupta (DIN: 01649210), as an Non-Executive Independent Director of the Company, on attaining the age of Seventy Five (75) years on January 01, 2021, upto May 28, 2023, being the date of expiry of his current term as an Independent Director.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all the acts, things and deeds which may be necessary for giving effect to this resolution and to file necessary forms with the concerned Registrar of Companies (ROC) on MCA portal."

Date: August 06, 2020
Place: New Delhi

By the order of the Board of Directors
Vijay Kumar Garg
Company Secretary
Membership No.:A37151

IMPORTANT NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 4 to 12 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on May 26, 2020 and on August 06, 2020 considered that the special business under Item Nos. 4 to 12, need to be transacted at the 20th AGM of the Company.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER.

A person can act as a proxy on behalf of members, not exceeding fifty (50), and holding in the aggregate not more than ten percent of the total Share Capital of the Company. A member holding more than ten percent 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 member.

3. The instrument appointing proxy should however be deposited at the Registered Office of the Company, not later than 48 hours, before the commencement of the meeting.

4. The attendance slip and route map showing direction to reach the venue of the 20th AGM is annexed.

5. GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 20TH AGM AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING

I. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, for conducting its Annual General Meeting with physical presence of members after following the advisories issued from authorities.

II. The Register of Members and Share Transfer Books of the Company will remain closed from September 12, 2020 to September 19, 2020 (both days inclusive) for the purpose of Annual General Meeting.

III. Members holding the shares in physical mode are requested to notify immediately the change of their address and Bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and Bank particulars should be given to their respective Depository Participant.

IV. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office and Corporate Office of Company, on all working days between 11.00 A.M. to 5.00 P.M., prior to date of Annual General Meeting.

V. Members can send their queries, if any, to reach the Company's Corporate Office at New Delhi or Registered office at Muzaffarnagar, Uttar Pradesh, at least 10 days before the date of AGM so that information can be made available at AGM. The members are requested to bring their copy of the Annual Report and attendance slip at the meeting.

VI. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 20th AGM and facility for those Members participating in the 20th AGM to cast vote through ballot paper during the 20th AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorized e-voting agency, for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as voting through ballot papers on the date of the AGM will be provided by CDSL.

6. Process and manner for members opting for voting through Electronic means:-

I. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. September 11, 2020, shall be entitled to avail the facility of remote e-voting as well as voting through ballot papers on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.



- II. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e September 11, 2020, shall be entitled to exercise his/ her vote either electronically i.e. remote e-voting or voting through ballot papers on the date of the AGM by following the procedure mentioned in this part.
- III. The remote e-voting will commence on September 16, 2020 at 9.00 a.m. and ends on September 18, 2020 at 5.00 p.m. During this period, the members of the Company, holding shares either in physical form, or in demat form, as on the Cut-off date i.e. September 11, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above. The remote e-voting module shall be disabled for voting by CDSL thereafter.
- IV. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- V. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. September 11, 2020.
- VI. The facility for voting through Ballot Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise or their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
- VII. The members can opt for only one mode of voting i.e. remote e-voting or physical voting at the meeting. In case of voting by both the modes, vote cast through remote e-voting, will be considered final and voting through physical voting at the meeting will not be considered.

7. The instructions for Shareholders for remote e-voting are as under:-

- I. The voting period will begin on **September 16, 2020 at 9.00 a.m.** and will end on **September 18, 2020 at 5.00 p.m.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. **September 11, 2020**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- III. The shareholders should log on to the e-voting website www.evotingindia.com.
- IV. Click on Shareholders tab to cast your votes
- V. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- VIII. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both 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 (v).

- IX. After entering these details appropriately, click on "SUBMIT" tab.
- X. Members holding shares in physical form will then directly reach the Company 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.



- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN of the Company - Gulshan Polyols Limited on which you choose to vote.
- XIII. 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.
- XIV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XV. 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.
- XVI. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- XVIII. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

8. Note for Non-Individual Shareholders and Custodians:-

- I. 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 Corporate.
- II. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- III. 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.
- IV. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- V. 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.
- VI. Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at e-mail ID: **e-voting@rmgcs.com** and to the Company at e-mail ID: **cs@gulshanindia.com**, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

9. Other Guidelines for Members

- I. The Board of Directors of the Company has appointed CS Manish Gupta, Practicing Company Secretary (Membership No. F5123), Partner of M/s. RMG & Associates, Company Secretaries, New Delhi, as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through ballot papers during the meeting, in a fair and transparent manner.
- II. The Scrutinizer shall after the conclusion of voting at the 20th AGM, unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes casted in favor or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 20th AGM, who shall then countersign and declare the result of the voting forthwith.
- III. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.gulshanindia.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange Limited.



- 10.** The Notice of the 20th AGM and the Annual Report for the year ended March 31, 2020 including therein the Audited Financial Statements for the year ended March 31, 2020, will be available on the website of the Company at www.gulshanindia.com and the website of stock exchanges on which the shares are listed. The Notice of 20th AGM will also be available on the website of CDSL at www.evotingindia.com.
- 11.** Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. Accordingly, the unclaimed dividend in respect of financial year 2012-13 is due for transfer to the said fund.

The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at www.gulshanindia.com.
- 12.** Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 33,430 Equity Shares on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred during the year March 31, 2020, to the IEPF Account, after following the prescribed procedure.

Further, Members who have not claimed / encashed their dividends in the last seven consecutive years are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.
- 13.** In pursuance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Company has obtained a certificate from the Statutory Auditors of the Company regarding implementation of 'GPL Employees Stock Option Scheme 2018'. The certificate will be placed before the shareholders at the AGM.
- 14.** To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings, should be verified from time to time.
- 15.** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 16.** In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
- 17.** Electronic copy of all the documents referred to in the accompanying Notice of the 20th AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at www.gulshanindia.com.
- 18.** Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 20th AGM, forms integral part of the Notice of the 20th AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS****ITEM NO. 4**

Ms. Arushi Jain was re-appointed, as a Whole Time Director of the Company, for a period of five years, effective from January 01, 2016 to December 31, 2020, by the Shareholders in their Annual General Meeting, held on September 17, 2016.

Ms. Arushi Jain has played a vital role in the overall growth of the Company. Considering the efforts put in by her, the Nomination and Remuneration Committee has recommended to the Board of Directors for revision in the Gross Salary from Rs. 3,75,000/- to Rs. 4,50,000/- per month, effective from July 01, 2020, until her remaining tenure, as Whole Time Director of the Company.

Except Ms. Arushi Jain, Ms. Aditi Pasari & Dr. Chandra Kumar Jain (being relatives of Ms. Arushi Jain) none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise in the resolution set out at Item No. 4 of the Notice.

Pursuant to the provisions of Sections 197, Schedule V and other applicable provisions of the Act, the approval of the Members in General Meeting, is required to be obtained for the revision in the remuneration of Ms. Arushi Jain as set out in Item No. 4 of the Notice.

ITEM NO. 5

Ms. Aditi Pasari was re-appointed, as a Whole Time Director of the Company, for a period of five years, effective from January 01, 2016 to December 31, 2020, by the Shareholders in their Annual General Meeting, held on 17 September, 2016.

Ms. Aditi Pasari has played a vital role in the overall growth of the Company. Considering the efforts put in by her, the Nomination and Remuneration Committee has recommended to the Board of Directors for revision in the Gross Salary from Rs. 3,50,000/- to Rs. 4,50,000/- per month, effective from July 01, 2020, until her remaining tenure, as Whole Time Director of the Company.

Except Ms. Aditi Pasari and Ms. Arushi Jain & Dr. Chandra Kumar Jain (being relatives of Ms. Aditi Pasari) none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise in the resolution set out at Item No. 5 of the Notice.

Pursuant to the provisions of Sections 197, Schedule V and other applicable provisions of the Act, the approval of the Members in General Meeting, is required to be obtained for the revision in the remuneration of Ms. Aditi Pasari as set out in Item No. 5 of the Notice.

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditor to conduct the audit of applicable cost records of the Company for the financial year ending March 31, 2021. In accordance with the provisions of Section 148 of the Act, read with the Rules made there under, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021.

None of the Directors/KMPs of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends ratification of payment of remuneration to the Cost Auditor for approval of the shareholders.

ITEM NO. 7

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors in its meeting held on February 21, 2020, re-appointed Dr. Chandra Kumar Jain as Chairman & Managing Director, with effect from April 01, 2020 for a period of three years. Section 196 of the Companies Act, 2013 provides, inter-alia, that a Managing Director shall be appointed and the terms and conditions of such appointment and remuneration payable, be approved by the Board of Directors at a meeting, which shall be subject to approval by a resolution, at the next general meeting of the Company. The approval of the members is sought for his re-appointment and payment of remuneration.

Further, Dr. Chandra Kumar Jain has attained the age of Seventy Two (72) years during the month of June, 2020. In pursuance of the Special Resolution passed in the Annual General Meeting of the Company, held on September 29, 2018 for his re-appointment and continuation of his employment as Chairman and Managing Director after the age of Seventy years, from April 01, 2015 to March 31, 2020, the Company, therefore, seeks consent of the members by way of Special Resolution for continuation of his holding of existing office, after the age of 70 years, during the currency of his term of appointment under the provisions of Section 196 (3)(a) of the Companies Act, 2013.

Except Dr. Chandra Kumar Jain (the appointee), Ms. Aditi Pasari & Ms. Arushi Jain (being relatives of the appointee) none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise in the resolution set out at item no. 7.

**ITEM NO. 8**

The Shareholders in their 15th Annual General Meeting held on September 19, 2015 approved the appointment of Mr. Ashwani Kumar Vats as Whole Time Director of the Company for a period of 5 years, effective from April 01, 2015. Now the tenure of Mr. Ashwani Kumar Vats, Whole Time Director and CEO of the company, has expired on March 31, 2020. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of your Company, in their Meeting held on May 26, 2020 has reviewed his performance and decided to re-appoint him as a Whole Time Director designated as Chief Executive officer (CEO) of the Company for a period of three years, effective from April 01, 2020 to March 31, 2024 on the terms and conditions including remuneration, as set out in the above resolution. The Whole Time Director shall also be a Key Managerial Personnel, under Section 203 of the Companies Act, 2013 and shall be liable to retire by rotation.

He is 57 Years, B.Com, Diploma in Marketing and Management and having, over 35 years of working experience in the matters related to marketing and production.

Mr. Ashwani Kumar Vats has played a vital role in the overall growth of the Company. Considering the efforts put in by him, the Nomination and Remuneration Committee has recommended to the Board of Directors for revision in the Gross Salary from Rs. 2,65,000/- to Rs. 2,80,000/- per month, effective from July 01, 2020, until his remaining tenure, as Whole Time Director of the Company.

Except Mr. Ashwani Kumar Vats, none of the Director and KMP of the Company and their respective relatives is/are Concerned or interested in the resolution set out at item no. 8

He does not hold any Directorship/Committee membership in any other company. Mr. Ashwani Kumar Vats does not hold any Share in the company.

The Special Resolution, as set out in item no. 8 of the notice, is therefore recommended for your approval. The Board considers that it would be in the interest of the Company to re-appoint Mr. Ashwani Kumar Vats as the Whole Time Director of the Company.

ITEM NO. 9

The Shareholders in their 16th Annual General Meeting held on September 17, 2016 approved the re-appointment of Ms. Arushi Jain as Whole Time Director of the Company for a period of 5 years effective from January 01, 2016 to December 31, 2020. Now the tenure of Ms. Arushi Jain, Whole Time Director of the Company, will expire on December 31, 2020. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of your Company, in their Meeting held on, May 26, 2020 has reviewed her performance and decided to re-appoint her as Whole Time Director of the Company for a period of three years and three months effective from January 01, 2021 to March 31, 2024 on the terms and conditions including remuneration as set out in the above resolution. The Whole Time Director shall also be a Key Managerial Personnel under Section 203 of the Companies Act, 2013 and shall be liable to retire by rotation.

Ms. Arushi Jain, aged 42 years, is being re-appointed as Whole Time Director of the Company. Ms. Arushi Jain is MS in marketing from City University of New York, USA. She is also a Baking Technologist from American Institute of Baking, USA. She has been associated with GPL, since 1996 and currently involved in operations and overall management of the Company.

Ms. Arushi Jain also holds membership in Corporate Social Responsibility Committee of the Company.

Ms. Arushi Jain also holds, 380545 Equity Shares, in the Company aggregating to 0.81% of total number of Shares.

Except Ms. Arushi Jain (the appointee), Ms. Aditi Pasari & Dr. Chandra Kumar Jain (being relatives of the appointee) none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise in the resolution set out at item no. 9.

The Special Resolution, as set out in item no. 9 of the notice, is therefore recommended for your approval. The Board considers that it would be in the interest of the Company to re-appoint Ms. Arushi Jain as the Whole Time Director of the Company.

ITEM NO. 10

The Shareholders in their 16th Annual General Meeting held on September 17, 2016, approved the re-appointment of Ms. Aditi Pasari, as Whole Time Director of the Company, for a period of 5 years effective from January 01, 2016 to December 31, 2020. Now the tenure of Ms. Aditi Pasari, Whole Time Director of the Company, will expire on December 31, 2020. Based on the recommendation of Nomination and Remuneration Committee the Board of Directors of your Company in their Meeting held on May 26, 2020 has reviewed her performance and decided to re-appoint her as Whole Time Director of the Company for a period of three years and three months effective from 1st January, 2021 to 31st March, 2024 on the terms and conditions including remuneration as set out in the above resolution. The Whole Time Director shall also be a Key Managerial Personnel under Section 203 of the Companies Act, 2013 and shall be liable to retire by rotation.



Ms. Aditi Pasari, aged 41 years, is being re-appointed as Whole Time Director of the Company. Ms. Aditi Pasari is an MBA from Cardiff University, UK. She has been associated with GPL, since 2009 and is currently designated as Whole Time Director. She has supervisory responsibility of Finance, Commercial and Human Resources functions of the Company.

Ms. Aditi Pasari holds membership in Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

Ms. Aditi Pasari also holds, 198132 Equity Shares, in the company aggregating to 0.42% of total number of Shares.

Except Ms. Aditi Pasari (the appointee), Ms. Arushi Jain & Dr. Chandra Kumar Jain (being relatives of the appointee) none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise in the resolution set out at item no. 10.

The Special Resolution, as set out in item no. 10 of the notice is, therefore recommended for your approval. The Board considers that it would be in the interest of the Company to re-appoint Ms. Aditi Pasari as the Whole Time Director of the Company.

ITEM NO. 11

The Members of the Company, at their Annual General Meeting held on September 29, 2018 had, by way of a Special Resolution, approved an increase in remuneration of Dr. Chandra Kumar Jain (DIN: 00062221) as Chairman and Managing Director of the Company, for a period Starting from April 01 2017, till the date of his remaining tenure ending on March 31, 2020.

Under Section 197 of the Companies Act, 2013, the managerial remuneration payable by a Public Company, to Managing directors shall not exceed 5% of the net profit of the Company, for the financial year, computed in the manner, laid down in section 198 of the Act. Provided that the Company, in General meeting may authorize the payment of remuneration, exceeding 5% per cent of the net profits of the company, subject to the approval of the Company, in General meeting by passing a Special Resolution.

Name & Designation	Period of Remuneration	Payment of Remuneration (in Rs)	Ceiling Limit as per the Act (in Rs)	Amount of excess remuneration (in Rs)
Dr. Chandra Kumar Jain (DIN: 00062221) Chairman and Managing Director	April 01, 2019 to March 31, 2020	16,839,600	5% of the Net Profit = 15,488,164	1,351,436

The Resolution, at item no. 11 for waiver of the excess remuneration and for approval of payment of such excess remuneration, is being placed before the Shareholders.

The management of the Company believes that the remuneration, as previously approved by the members of the Company, paid to Dr. Chandra Kumar Jain was justified in terms of his key role in the Company.

The Nomination and Remuneration Committee and the Board, have at their respective meeting(s) held on May 26, 2020, subject to the approval of the members of the Company, accorded their approvals for waiver of the excess managerial remuneration, paid by the Company to Dr. Chandra Kumar Jain and in the interest of the Company, have recommended, the aforesaid resolution, as set out in this Notice for approval of the Members.

Accordingly, it is proposed that consent of the members of the Company, by way of a Special Resolution, be obtained for the waiver of excess remuneration paid to Dr. Chandra Kumar Jain.

Except Dr. Chandra Kumar Jain, himself, Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors of the Company (Daughters of Dr. Chandra Kumar Jain), none of the other Directors, Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financial or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the members.

ITEM NO. 12

Mr. Kailash Chandra Gupta, was appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years with effect from May 29, 2018 upto May 28, 2023.

Pursuant to Regulation 17(1A) of amended Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed Company shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy five years, unless a Special Resolution is passed to that effect.

As Mr. Kailash Chandra Gupta shall attain age of seventy five (75) years on January 01, 2021, the Company is required to obtain the approval of the members by way of special resolution, for continuation of his Directorship as a Non-Executive Independent Director upto May 28, 2023, being the date of expiry of his current term of office.



A brief justification for his continuation as Non-Executive Independent Director on the Board of the Company is as under:

The Nomination and Remuneration Committee and Board of Directors have recommended the continuation of Mr. Kailash Chandra Gupta as "Non-Executive Independent Director" of the Company, considering rich experience, expertise and valuable contribution made to the Board of Directors of the Company. His presence on the Board adds more value and gives confidence to the Board in its decisions. He fulfills all conditions specified by the law for the position of an Independent Director of the Company.

The Company has also received necessary declarations from him, meeting the criteria of independence as prescribed under the Act and Listing Regulations, presently applicable. Further, he has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013.

Except Mr. Kailash Chandra Gupta, none of the Director and KMP of the Company and their respective relatives is/are Concerned or interested in the resolution set out at item no. 12.

Date: August 06, 2020
Place: New Delhi

By the order of the Board of Directors
Vijay Kumar Garg
Company Secretary
Membership No.:A37151



Brief Profile of Directors seeking Re-appointment at the 20th (Twentieth) Annual General Meeting of the Company
 [Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Dr. Chandra Kumar Jain	Ms. Arushi Jain	Ms. Aditi Pasari	Mr. Kailash Chandra Gupta
Director Identification Number (DIN)	00062221	00764520	00120753	01649210
Designation	Chairman and Managing Director	Whole Time Director	Whole Time Director	Non-Executive Independent Director
Date of Birth & Age	4-June-1948	5-August-1977	21-May-1979	01-January-1946
Nationality	Indian	Indian	Indian	Indian
Date of Appointment (DD / MM / YYYY)	20/10/2000	01/01/2010	01/01/2010	28/05/2016
Qualification	Doctorate Degree in Chemistry	MS in marketing from City University of New York, USA	MBA degree from Cardiff University, UK	Fellow Chartered Accountant with specialization in Project Financing and Funds Arrangements
Nature of expertise in specific functional areas	He is a Sugar Technologist and has been awarded a Doctorate Degree in Chemistry. He is an Industrialist of repute with more than 40 years of rich business experience and has been the guiding force behind the growth of the company since its inception. Apart from business activities, Dr. Jain is an active philanthropist	She has MS degree in marketing from City University of New York, USA. She is also a Baking Technologist from American Institute of Baking, USA. She has been associated with GPL since 1996 and currently involved in operations and overall management of the company. Ms. Arushi Jain manages business policies, strategic decisions, business development and day-to-day affairs of the Starch derivatives plant. She also has experience in market research and baking industry.	She has MBA degree from Cardiff University, UK. She has the experience of having conceived and set-up a packaging unit in Haridwar, under the umbrella of GPL. She has been associated with GPL since 2009 and is currently designated as Whole Time Director. She has supervisory responsibility for Finance and Human Resources functions and leads various strategic initiatives in the smooth operation of the company.	He is a member and Vice President of Institute of Internal Auditors (USA), member of Society of Indian Value Management (SIVAM), Bangalore, Member of the Management Association and visiting professor at well known Institute of Management Technology, Ghaziabad. He joined PICUP Limited in 1983 and worked as Regional Manager and Sr. Finance Manager in Delhi and Lucknow. He served his services to Housing and Urban Development Corporation Limited (HUDCO), IHC, New Delhi and looked after appraisals of projects and empowered for entire disbursement of loans
Number of Equity Shares held in the Company	3546990	380545	198132	465
Number of Board Meetings attended during the F.Y 2019-20	7	7	7	6
Directorships held in other Companies	-Gulshan Holdings Pvt. Ltd -Gulshan Sugars & Chemicals Ltd	-Gulshan Holdings Pvt. Ltd -Houzilla Interiors Pvt. Ltd -Gulshan Sugars & Chemicals Ltd	-East Delhi Importers & Exporters Pvt. Ltd -Gulshan Lamee Pack Pvt. Ltd -Gulshan Sugars And Chemicals Limited -ARP Developers Pvt. Ltd -Reliance Expovision Pvt. Ltd -PHD Chamber of Commerce and Industry	NO
Chairmanships of Committees	NO	NO	NO	NO
Memberships of Committees	Audit Committee	-CSR Committee	Stakeholders Relationship Committee CSR Committee	NO
Relationships between Directors of the Company inter-se	Father of Ms. Arushi Jain and Ms. Aditi Pasari	Daughter of Dr. Chandra kumar Jain and Sister of Ms. Aditi Pasari	Daughter of Dr. Chandra kumar Jain and Sister of Ms. Arushi Jain	N/A

**DIRECTORS' REPORT**

Dear Members,

Your Board of Directors have pleasure in presenting the 20th (Twentieth) Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended 31st March, 2020.

I. FINANCIAL AND OPERATIONAL PERFORMANCE**1. FINANCIAL RESULTS**

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
REVENUE		
Revenue from Operations	62,079.77	67,388.61
Other Income	94.72	196.30
TOTAL INCOME (I)	62,174.49	67,584.91
TOTAL EXPENSES (II)	55,192.22	59,023.61
Earnings before Interest, Tax , and Depreciation (EBITDA) (I –II)	6982.27	8561.30
Less: Finance Cost (Interest)	1,138.08	1,425.88
Depreciation	3,101.96	4,433.67
PROFIT BEFORE TAX (PBT) (III)	2,742.22	2,701.73
Less - Current Tax	495.94	592.68
Add - MAT Credit entitlement	47.95	44.82
- Deferred Tax	139.93	(78.30)
PROFIT AFTER TAX (PAT) (IV)	2,058.40	2,142.52
OTHER COMPREHENSIVE (INCOME)/LOSS (V)	19.01	3.02
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VI) (IV + V)	2,039.39	2,139.50
Retained Earnings-Opening Balance	19,765.95	18,322.10
Add: -profit for the year	2,058.40	2,142.52
Any other Change	-	-
Less: Dividend (including Dividend Distribution Tax) (Interim and Final)	565.61	395.65
Transfer to Capital Redemption Reserve	50	-
Transfer to General Reserve	-	300
Other Comprehensive (income) /loss for the year, net of income tax	19.01	3.02
Retained Earnings-Closing Balance	21,189.73	19,765.95
Earnings per Share – Basic (Rs.)	4.39	4.57
– Diluted (Rs.)	4.39	4.57

2. OPERATIONAL PERFORMANCE HIGHLIGHTS

We seek to develop and justify the reason of our existence through value creation in management and processes. Our approach to managing the Company stands on the core values of – Respect, Trust, Ownership, and Integrated Teamwork. We are working to strengthen our moves to achieve goals with the principles of being decisive, innovative, inspiring, empowering, dynamic and process driven to take our integrated approach forward. This is a fitting approach for an organization such as ours, where we interact and have intense relationships with a broad and diverse set of stakeholders.



The Financial Year 2019-20 was a challenging year on multiple fronts, despite that your Company has delivered a resilient performance.

During the financial year ended March 31, 2020, Company achieved Revenue from Operations of Rs. 62,079.77 lakhs (Previous Year: Rs. 67,388.61 lakhs). The EBIDTA for the year stood at Rs. 6982.26 lakhs against Rs. 8561.28 lakhs reported in the previous year. The Net Profit for the year stood at Rs. 2,058.40 lakhs (Previous year Rs. 2,142.52 lakhs).

The company has three manufacturing segments viz Mineral Processing, Grain Processing & Distillery. The products processed under these segments, are having end use in multiple industries.

Segment wise Revenue & Profits for the year ended 31st March, 2020

(₹ in Lakhs)

Segments	Revenue for the year ended 31st March		Profits before Interest and Tax for the year ended 31st March	
	2020	2019	2020	2019
Mineral Processing	13144.68	12048.18	3291.26	1706.14
Grain Processing	48430.59	52149.04	1091.82	4113.93
Distillery	504.49	3191.38	-473.20	-1750.48
Unallocated	-	-	-29.57	58.02
Total	62079.77	67388.61	3880.31	4127.61

In March 2020, the country was severely impacted by the COVID-19 pandemic, a calamity that has affected almost every country in the world. However, during these challenging times, we have prioritized the health and safety of our employees, protected the interest of our stakeholders and strictly adhered to government guidelines while conducting our operations to ensure minimal overall impact.

During the year under review, our earnings per share is Rs. 4.39 as compared to Rs. 4.57 in the previous year. As far as liquidity is concerned, we are adequately funded to navigate through these challenging times and we do not foresee any major impact on our operations. Despite difficulties due to COVID-19 pandemic, we remain motivated and committed to consistently create value for our stakeholders while maintaining our strong leadership position in key business segments.

3. ORGANISATIONAL INITIATIVES IN RESPONSE TO COVID-19 SITUATION

The ongoing COVID-19 crisis calls for the entire nation to fight as one collective force, your Company has contributed Rs. 5 lakh to the PM CARES Fund in this hour of India's battle against COVID-19. Your Company shall endeavor to contribute additional resources to support the Governments and fellow citizen in these testing times.

We aim to emerge stronger once situations normalize. The emphasis will be on continued incubation of future businesses and to create values for our stakeholders in the long term. Free distribution of sanitizers' produced at our own manufacturing unit at goregaon.

4. TRANSFER TO RESERVES

During the year under review, consequent to redemption of 50,000, 8% Redeemable Preference Shares of Rs. 100/- each, your Company has created "Capital Redemption Reserve (CRR)" and transferred a sum of Rs. 50 lakhs in pursuance to the provisions Section 55 of read with applicable rules of the Companies Act, 2013. Further, there was no amount transferred to the general reserve during the year against Rs. 300 lakhs in previous year.

5. DIVIDEND

During the year under review, the Board of Directors of your Company had declared and paid an interim dividend of 70%, on 46,917,020 equity shares of face value Rs. 1/- each amounting to Rs. 0.70 per share. The Board of Directors do not recommend any final dividend for the Financial Year 2019-20

Further, a dividend of Rs.80,65,574/- on 10,25,000 8% Redeemable Preference shares has also been declared and paid by the Board of Directors of your Company during the period under review.

6. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

During the Financial Year 2019-20, in pursuance to the provisions of Section 124(5) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and

Refund) Rules, 2016 the Company has transferred the unclaimed dividend pertaining to Financial Year 2011-12 amounting to Rs. 275,888.75/- to the Investors Education and Protection Fund ("IEPF") Account established by the Central Government. The details of dividend amount transferred to IEPF are available on the Company's website at web link <http://www.gulshanindia.com/iepf.html>.

Further, pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unclaimed for seven consecutive years or more shall be transferred to IEPF account after giving due notices to the concerned shareholders. Accordingly,



the Company has transferred 33,430 (Thirty-Three Thousand Four Hundred and Thirty only) equity shares to the IEPF account during the financial year 2019-20. The details of equity shares transferred are also available on the Company's website at web link <http://www.gulshanindia.com/iepf.html>.

The Nodal officer appointed by the Company is Mr. Vijay Kumar Garg. The details of the nodal officer are also available on the Company website www.gulshanindia.com.

7. SHARE CAPITAL

During the year under review, your Company has redeemed 50,000, 8% Redeemable Preference Shares of Rs. 100/- each. Consequently, the outstanding issued, subscribed and paid-up 8% Preference Share Capital of the Company stands reduced from Rs. 10,25,00,000 comprising of 10,25,000 Shares of Rs. 100/- each to Rs. 97,500,000 comprising of 9,75,000 shares of Rs. 100/- each. Further, the Company has not issued any shares during the financial year 2019-20.

8. ECONOMIC SCENARIO AND OUTLOOK

Due to outbreak of COVID-19 pandemic, the Company's management made an initial assessment of short term adverse impact on business and financial risks. Henceforth, the management is not foreseeing any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they shall be falling due.

Since, your Company's line of business activities falls under the category of essentials goods, therefore, your Company has managed to show more steady growth in its bottom line.

9. ENVIRONMENT, HEALTH AND SAFETY

Environment, Health and Safety are among the core values of your Company. In order to promote zero accident culture, your Company conducted various training & awareness programs.

Employees are encouraged to report all near miss incidents so that preventive actions can be taken to avoid any mishap. Environment sustainability is paramount to any industry and your Company is conscious of its responsibility towards the impact of its operations on the environment.

Your Company believes that healthy and hygienic work environment not only benefits the workforce but it also increases the productivity and works as a retention tool.

10. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation, technology absorption, foreign exchange earnings and outgo in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given as **Annexure 'A'** to this Report.

11. HOLDING, SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

During the year under review, the Company has become subsidiary of Gulshan Holdings Private Limited consequent to the acquisition of 42,45,000 (9.05%) Equity Shares by way of Inter-se transfer from and amongst the Promoters and Promoter Group and 3,725 Equity Shares from the public in open market dated February 12, 2020 through Exchange.

Further, there are no Subsidiaries, Associates and Joint Ventures of the Company.

12. MATERIAL CHANGES AND COMMITMENTS

The Board of Directors of the Company has in principle agreed to initiate the process for Amalgamation of Gulshan Holdings Private Limited (Transferor Company 1) and East Delhi Importers and Exporters Private Limited (Transferor Company 2) into your Company (Transferee Company) in its Board Meeting held on May 26, 2020.

Further, there have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year 2019-20 and the date of this report.

13. CREDIT RATINGS

During the year under review, CARE Ratings Limited has granted to your Company's Long-Term Bank Facilities rating at CAREA+; Stable and Short Term Bank Facilities rating at CARE A1+.

II. EMPLOYEES

1. KEY MANAGERIAL PERSONNEL

In pursuance of the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. C.K Jain, Managing Director, Ms. Aditi Pasari, Whole Time Director, Ms. Arushi Jain, Whole Time Director, Mr. S.K Tewari Whole Time Director, Mr. A.K Vats, Chief Executive Officer & Whole Time Director, Mr. Rajiv Gupta, Chief Finance Officer and Mr. Vijay Kumar Garg, Company Secretary are the Key Managerial Personnel of the Company.

During the year, Mr. Suresh Kumar Tewari (DIN:00062373), was re-appointed as a Whole Time Director of the Company at the Annual General Meeting held on 21st September, 2019 to hold the office for a further term of 3 (three) years from April 01, 2019 to March 31, 2022.



And Dr. Chandra Kumar Jain (DIN: 00062221), was re-appointed as a Managing Director designated as Chairman & Managing Director of the Company for a period of 3 (three) years with effect from April 01, 2020, subject to approval of the shareholders of the Company in the forthcoming AGM.

* Mr. S.K. Tewari ceased to be on the Board of the Company w.e.f. May 26, 2020

2. EMPLOYEES

Your Company believes that human resource is vital to the growth and sustainability of an organization. Your Company maintains healthy work environment at all levels in the organization and encourages the employees to contribute their best. The information required to be disclosed in pursuance of Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure "B"** to this Report.

3. EMPLOYEES STOCK OPTION PLAN

The members of the Company had approved Gulshan Polyols Limited Employees Stock Option Plan 2018, as amended ("**ESOP 2018**") for grant of stock options exercisable into not more than 23,45,851 equity shares of face value of Re 1/- each to eligible employees including Directors of the Company.

During the year under review, the Company has granted 2,45,100 and 20,400 stock options on September 12, 2019 and September 17, 2019 respectively, to all the eligible employees including Directors of the Company.

There has been no change in ESOP 2018 during the financial year 2019-20. ESOP 2018 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations") and implemented through Employees Welfare Trust ("Trust"). For the purpose of ESOP 2018, the Trustee of the Trust holds 2,65,500 equity shares of the Company as on March 31, 2020 (29,692 equity shares as on March 31, 2018), being 0.57% of the paid-up share capital of the Company. The ownership of these shares cannot be attributed to any particular employee till he / she exercises the stock options granted to him / her and the concerned shares are transferred to him / her. Hence, the eligible employees to whom the stock options were granted under ESOP 2018 cannot exercise voting rights in respect of aforesaid shares held by the Trustee of the Trust as these eligible employees are not holders of such shares. The Trustee has not exercised the voting rights in respect of the aforesaid shares during the financial year 2019-20.

The disclosures required to be made under ESOP Regulations are given on the website <http://www.gulshanindia.com/announcement.html> of the Company. The details in respect of ESOP 2018 and movements during the year are as under:

Number of options outstanding at the beginning of the period: NIL

Number of options granted during the year: 2,65,500

Number of options forfeited / lapsed during the year: NIL

Number of options vested during the year: NIL

Number of options exercised during the year: NIL

Number of shares arising as a result of exercise of options: NIL

Number of options outstanding at the end of the year: 2,65,500

4. DISCLOSURE ON SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company has an Internal Committee ("**IC**") under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. To build awareness, the Company has been conducting online training programmes on a periodic basis. During the year, no complaint was received by the Company at the beginning and end under Anti-sexual harassment Policy.

III. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company has not spent the eligible amount of Corporate Social Responsibility (CSR) due to shortage of more suitable projects and programs in line with the activities which fall under the purview of Schedule VII of the Companies Act, 2013.

Further, your company is in process of finding suitable options for implementation of appropriate and effective CSR plan in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013. Also, the Company has created the provision for spending of the entire unspent amount in the coming years.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy. The details of the CSR activities are given as **Annexure 'C'** forming part of this Report.

**IV. GOVERNANCE/SECRETARIAL****1. CORPORATE GOVERNANCE AND CODE OF CONDUCT**

A Report on Corporate Governance for the financial year ended 31st March 2020 along with the Statutory Auditor's Certificate on compliance with the provisions of Corporate Governance under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015') is forming part of the Annual Report as **Annexure-'D'**. The declaration of Chief Executive Officer (CEO) confirming compliance with the 'Code of Conduct and Ethics' by the members of the Board of Directors and Senior Management Personnel of the Company is also forming part of this report as **Annexure-'E'**.

2. EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 in accordance with the provisions of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 is attached as **Annexure 'F'** to this Report.

3. WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has established a robust Whistle Blower policy/Vigil Mechanism for Directors and employees to report the instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said policy is explained in the Corporate Governance Report forming part of this report and also displayed on Company's website: www.gulshanindia.com under investor's relations/policy documents.

4. COMMITTEE RECOMMENDATIONS

During the year, the Board of Directors has accepted all recommendation of the Committees of the Board of Directors, which are mandatorily required to be made.

5. BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, an Annual Performance Evaluation of the Board, its Committees and the individual Directors is to be carried out either by the Board or by the Nomination and Remuneration Committee or by an independent external agency and the Board is required to review its implementation and compliance. In view of the above, the Annual Performance Evaluation was undertaken by the Board. The framework and criteria of evaluation has been approved by the Nomination & Remuneration Committee of the Company. The details of evaluation of Directors, Committees and Board as a whole are given in the Corporate Governance Report which forms part of this report.

6. REMUNERATION POLICY

Remuneration Policy of the Company aims at recommending and reviewing the remuneration to Managing Director, Non-Executive Directors and Key Managerial Personnel of the Company and is based on evaluation criteria such as industry benchmarks, company's annual performance & its strategy, expertise, talent and meritocracy including criteria for determining qualification, positive attributes, independence of a Director etc. The detailed policy is available on website of the Company i.e. www.gulshanindia.com and the same has been elaborated in the Corporate Governance Report.

7. RISK MANAGEMENT

Your Company has a well-defined risk management framework in place and a robust organizational structure for managing and reporting risks. Risk management process has been established across your Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives.

8. INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

All independent Directors inducted into the Board attend an orientation program. The details of familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

9. BOARD AND COMMITTEES

As on March 31, 2020, the Board is having four committees: the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Stakeholder's Relationship Committee.

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

10. RELATED PARTY TRANSACTIONS

The framework for dealing with related party transactions is given in the Corporate Governance Report. During the year under review, all the contract / arrangement / transactions entered with Related Parties referred in Section 188(1) of the Companies Act, 2013 read with the rules made thereunder were on arm's length basis and in the



ordinary course of business. In terms of the applicable SEBI Listing Regulations, 2015', no material related party transactions were entered during the Financial Year by your Company. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to your Company. In accordance with IND AS-24, the Related Party Transactions are disclosed under Note No. 39 of the Financial Statements.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is put up on the Company's website at www.gulshanindia.com.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

11. DEPOSITS

During the year, the Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013. There was no public deposit outstanding as at the beginning and end of the financial year 2019-20.

12. PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

The particulars of Investments, Loans, Securities and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder are given in the Notes to the Financial Statements.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the operations of the Company in future.

14. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards prescribed under the Section 118(10) of the Companies Act, 2013.

15. LISTING ON STOCK EXCHANGES

The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited (NSE).

V. DIRECTORS

1. APPOINTMENT /RE-APPOINTMENT/CHANGES

- Mr. Suresh Kumar Tewari (DIN:00062373), was re-appointed as a Whole Time Director of the Company at the Annual General Meeting held on September 21, 2019 to hold the office for a further term of 3 (three) years from April 01, 2019 to March 31, 2022.
Further, Mr. Suresh Kumar Tewari resigned from the Board as Director of the Company w.e.f 26/05/2020 due to some personal reasons.
- Mr. Ajay Jain (DIN:00062146), was re-appointed as a Non-executive Independent Director of the Company at the Annual General Meeting held on September 21, 2019 to hold office for a further term of 5 (five) years from April 01, 2019 to March 31, 2024.
- Mr. Akhilesh Kumar Maheshwari (DIN: 00062645), was re-appointed as a Non-executive Independent Director of the Company at the Annual General Meeting held on September 21, 2019 to hold office for a further term of 5 (five) years from April 01, 2019 to March 31, 2024.
- Mr. Rakesh Kumar Gupta (DIN: 06909233), was re-appointed as a Non-executive Independent Director of the Company at the Annual General Meeting held on September 21, 2019 to hold office for a further term of 5 (five) years from April 01, 2019 to March 31, 2024.
- Mr. Jeewan Jyoti Bhagat (DIN: 00007743), was re-appointed as a Non-executive Independent Director of the Company at the Annual General Meeting held on September 21, 2019 to hold office for a further term of 5 (five) years from April 01, 2019 to March 31, 2024.
- Dr. Chandra Kumar Jain (DIN: 00062221), was re-appointed as a Managing Director designated as Chairman & Managing Director of the Company for a period of 3 (three) years with effect from April 01, 2020, subject to approval of the shareholders of the Company in the forthcoming AGM.
- Ms. Aditi Pasari (DIN: 00120753) is due for retirement by rotation at the forthcoming AGM and has offered herself for re- appointment.

The Board of Directors on the recommendation of Nomination and Remuneration Committee at their meeting held on May 26, 2020 has proposed the re-appointment of Ms. Arushi Jain and Ms. Aditi Pasari w.e.f January 01, 2021 and of Mr. Ashwani Kumar Vats w.e.f April 01, 2020 as Whole Time Director(s) for approval of shareholders in the ensuing AGM.

Seven meetings of the Board of Directors were held during the financial year 2019-20. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

Other information on the Directors and the Board Meetings is provided in the Corporate Governance Report attached to this Report.



A certificate obtained by the Company from M/s. RMG & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority, is enclosed as **Annexure 'G'** to this Report.

2. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

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

VI. AUDITORS

1. STATUTORY AUDITORS

M/s Rajeev Singal & Co., Chartered Accountant (Firm Registration No. 008692C), have been appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 09, 2017 for a period of five years subject to ratification by members at every consequent Annual General Meeting. The requirement for the annual ratification of auditor's appointment at the Annual General Meeting has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018

However, in compliance with the resolution passed at the Annual General Meeting held on September 09, 2017 and pursuant to the recommendations of the Audit Committee, the Board of Directors have recommended the ratification of the appointment of M/s. Rajeev Singal & Co., Chartered Accountant as Statutory Auditors of the Company for a period of two years ending on the conclusion of 22nd AGM of the Company to be held in the year 2022.

In this regard, M/s. Rajeev Singal & Co., Chartered Accountants have submitted a certificate, confirming that their appointment, if ratified, will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

2. INTERNAL AUDITORS

- i) M/s. Shahid & Associates, Chartered Accountants have been appointed as Internal Auditors for the financial year 2020-21 for all the Units of the Company except Bharuch Unit.
- ii) M/s Anil Ram Kumar & Co., Chartered Accountants have been appointed as Internal Auditors for audit of Bharuch Unit for the financial year 2020-21.

They will perform the duties of Internal Auditors of the Company and their report will be placed before the Audit Committee from time to time.

3. COST AUDITORS

M/s Rahul Jain & Associates, Cost Accountants, (Firm Registration Number:101515), have been appointed as Cost Auditors for auditing the cost accounts of your Company for the financial year 2020-21 by the Board of Directors. Pursuant to the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, Members are requested to consider the ratification of the remuneration payable to M/s Rahul Jain & Associates. The Cost Audit Report for the financial year 2019-20 will be filed with the Central Government in due course.

There has been no qualification, reservations, adverse remark or disclaimer in the above Auditor's Reports.

4. SECRETARIAL AUDITORS

The Board of Directors of the Company had appointed M/s. RMG & Associates, Company Secretaries, (Firm Registration Number: P2001DE16100), for conducting Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report issued by the aforesaid Secretarial Auditor is attached as **Annexure 'H'** to this Report.

The Secretarial Audit Report contains the following qualification, reservation, observation, disclaimer or adverse remark as follows:



- a. The company has not spent eligible amount on Corporate Social Responsibility during the financial year under review, pursuant to Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Responsibility Policy) Rules 2014. Further, the Board Report does not contain explanation about the qualification made by the Secretarial Auditors and reasons for less spending of CSR amount.
- b. The Company has paid managerial remuneration for the financial year ended on March 31, 2020 in excess of the specified limits under Section 197(1) of the Companies Act, 2013 for which approval of shareholders shall be obtained in the ensuing Annual General Meeting.
- c. The Company has published a notice under Rule 6(3) (a) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 with delay.

Management's Reply

- a. The management submits that this was due to shortage of more suitable projects and programs in line with the activities which fall under the purview of Schedule VII of the Companies Act, 2013 and company is in process of finding suitable options for implementation of appropriate and effective CSR plan. Further, the Company has created the provision for spending of the entire unspent amount in the coming years.
- b. The Company is under process of taking the approval of shareholders in the ensuing Annual General Meeting by way of Special Resolution for waiver of excess remuneration paid.
- c. There was an inadvertent delay in publishing the notice; however, the same will be taken care of in future.

The management of the Company assures you to comply all the provisions of the applicable law in true spirit in future and is under process of making all the default good.

5. REPORTING OF FRAUDS BY AUDITORS

During the year under review, Auditors have not reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

I. INTERNAL FINANCIAL CONTROLS

The Company has internal financial controls commensurate to the size and nature of its business. The Company has policies and procedures in place for ensuring orderly and efficient conduct of its business and operations including adherence to the Company's policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The details of internal control system are given in the Management Discussion and Analysis Report attached as **Annexure 'I'** to this Report.

II. ACKNOWLEDGEMENTS

The Board of Directors wish to place on record its appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government and Regulatory Authorities, Stock Exchanges, Customers, Vendors and Members during the year under review.

For and on behalf of the Board of Directors

Sd/-

Dr. C.K. Jain

Chairman and Managing Director

DIN: 00062221

Place: Delhi

Date: May 26, 2020



ANNEXURE-A TO DIRECTORS' REPORT

**Disclosure of particulars with respect to conservation of energy and Consumption per Unit of Production
Conservation of energy**

- (i) **Energy Conservation measures taken:** The Company has realigned the existing power consuming sections to remove bottleneck and to ensure the uninterrupted and quality power supply at the minimum cost.
- (ii) Additional Investment and proposal, if any, being implemented for reduction of Energy consumption: None
- (iii) Impact of measures (i) & (ii) above for reduction of energy consumption and consequent impact on cost of production of goods: This would result in higher yield and reduction in power cost.
- (iv) Total energy consumption and energy consumption per unit of production: The details are as under:

A	Power Consumption and Fuel Consumption:	31.03.2020	31.03.2019
1	Electricity:		
a	Purchased:		
	Units	3,32,25,410	3,82,27,010
	Total Amount (₹)	25,62,57,106	28,14,25,209
	Average Rate (₹)/Unit	7.71	7.36
b	Own Generation:		
I	Through Diesel Generator:		
	Units	-	-
	Cost (₹)	-	-
	Cost (₹)/Unit	-	-
II	Through Steam Turbine/Generator:		
	Units	2,42,15,067	2,74,04,618
	Cost (₹)	6,96,28,297	8,91,91,312
	Cost (₹)/Unit	2.88	3.25
2	Coal /Coke: (Used in Boiler, Microniser & Gas Producer)		
	Qty. (MT)	47,934	61,402
	Total Cost (₹)	28,21,20,266	42,02,12,419
	Average Rate (₹)	5,885.59	6,843.63
3	Agriculture Waste: (Used in Boiler, Microniser & Gas Producer)		
	Qty. (MT)	24,543	33,937
	Total Cost (₹)	11,67,20,689	17,39,70,301
	Average Rate (₹)	4,755.76	5,126.27
4	HSD: (Used in Microniser)		
	Qty. (Ltrs)	-	-
	Total Cost (₹)	-	-
	Average Rate (₹)	-	-
B	Consumption Per Unit (MT) of Production		
1	Products – Production		
	Calcium Carbonate (in MT)	64,142	83,184
	Sorbitol & Sweetener (in MT)	71,285	77,176
	Starch (in MT)	36,732	56,017
	Liquor -ENA/IMFL	6,14,066	56,15,376
2	Electricity (Units/Ton)		
	Calcium Carbonate (in MT)	211	192
	Sorbitol & Sweetener (in MT)	402	394
	Starch (in MT)	394	285
	Liquor -ENA/IMFL (Units/Ltr.)	1.18	0.48



3	Coal/Coke (MT/Ton): (On Directly attributable Production)		
	Calcium Carbonate (in MT)	0.11	0.08
	Sorbitol & Sweetener (in MT)	0.44	0.44
	Starch (in MT)	0.21	0.17
	Liquor -ENA/IMFL (Units/Ltr.)	0.002	0.002
4	Agriculture Waste (Mt/Ton): (On Directly attributable Production)		
	Calcium Carbonate (in MT)	0.12	0.11
	Sorbitol & Sweetener (in MT)	0.09	0.06
	Starch (in MT)	0.30	0.36

TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

No technology ties up were entered into. The Company keeps itself updated with latest technological innovations by way of constant communication, personal discussions and visits to foreign countries/plants.

FOREIGN EXCHANGE EARNINGS & OUTGO:

Despite severe competition from low cost countries, the Company has made efforts on various fronts for promotion of exports.

(Amount in ₹)

S.No.	PARTICULARS	2019-20	2018-19
(i)	Earnings by way of Export of Goods calculated on FOB basis	92,98,38,006	85,77,06,329
(ii)	Payment of interest on loan taken	1,59,33,955	1,59,06,733
(iii)	Payment of Commission on Export of Goods	27,43,386	53,68,407
(iv)	Expenditure on Foreign Travelling	31,01,598	26,27,014
(v)	Expenditure on Testing/Analysis Service	77,09,112	20,77,992
(vi)	Expenditure on Legal & Professional fee	5,82,499	2,55,388

**Annexure 'B' to Directors' Report****A) Information pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year 2019-20:

S/ No.	Name	Designation	Remuneration FY 2019-20	(+/-) Remuneration (%)	Ration of remuneration
1	Dr. Chandra Kumar Jain	Chairman and Managing Director	168.99	3.90	98.08
2	Ms. Arushi Jain	Whole Time Director	45.99	7.48	26.69
3	Ms. Aditi Pasari	Whole Time Director	42.99	8.04	24.95
4	Mr. Ashwani Kumar Vats	Whole Time Director and CEO	50.96	42.24	29.58
5	*Mr. Suresh Kumar Tewari	Whole Time Director	34.05	35.64	19.76
6	Mr. A. K Maheshwari	Independent Director	3.69	6.65	2.14
7	Mr. K. C. Gupta	Independent Director	3.57	3.32	2.07
8	Mr. Ajay Jain	Independent Director	3.69	6.65	2.14
9	Mr. Rakesh Kumar Gupta	Independent Director	3.57	3.32	2.07
10	Mr. J.J Bhagat	Independent Director	3.46	3.44	2.01
11	Mr. Rajiv Gupta	Chief Financial Officer	22.40	51.37	Not Applicable
12	Mr. Vijay Kumar Garg	Company Secretary	4.29	223.01	Not Applicable

- *Mr. Suresh Kumar Tewari resigned from the Board as Director of the Company w.e.f 26/05/2020.
- The Remuneration of Independent Non-Executive Directors cover sitting fees for attending Board/ Committee Meetings, re-imburement of expenses and commission.

ii) Median remuneration of employees was 3.7% lower as compared to previous year.

iii) The number of permanent employees on the rolls of the Company: 496

iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average increase in remuneration of employees excluding KMPs: 3.2%
- Average increase in remuneration of KMPs: 14.70%
- The remuneration of the Executive Chairman and the Managing Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.
- The remuneration of Non-Executive Directors consists of commission, sitting fees and re-imburement of expenses. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other factors as the Governance, Nomination and Remuneration Committee may deem fit etc. were taken into consideration.

v) It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.



B) Statement pursuant to Section 197 of the Companies Act, 2013 read with the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two Lakhs Rupees is given hereunder:

S. No.	Name	Designation of the employee	Qualifications	Age (Years)	Experience (Years)	Date of commencement of Employment	Nature of Employment	Remuneration Received (Rs.)	% of Equity share held	Last Employment	
										Employer's Name	Post Held
1.	Dr. Chandra Kumar Jain	Chairman and Managing Director	Doctorate Degree in Chemistry	72 yrs	50 yrs	20.10.2000	Contractual	1,68,99,600/-	7.56%	NO	NA

- None of the employees of the Company was in receipt of remuneration in excess of the remuneration drawn by the Managing Director of the Company.
- Except Dr. Chandra Kumar Jain, who is relative of Ms. Aditi Pasari and Ms. Arushi Jain, none of other employee is relative of any Director of the Company.

For and on behalf of the Board of Directors
Sd/-

Dr. C.K. Jain

Chairman and Managing Director
DIN: 0006222

Place: Delhi
Date: May 26, 2020

**Annexure "C" to Board's Report****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken**

At Gulshan, we have always considered sustainable development the keystone of our business strategy. Our strategy includes nurturing close and continuous interaction with the people and communities around our manufacturing divisions, bringing qualitative changes in their lives and supporting the underprivileged.

Our focus is on the all-round development of the communities around our plants located mostly in distant rural areas with focus on the following:

- a. Enhance the quality of life of the people in areas surrounding the plant and offices;
- b. Create a positive impact by making sustainable developments in the society and promote good environmental practices;
- c. Be responsible and responsive corporate citizen through endeavors to create a safe, harmonious and ecologically balanced environment for its members and the community at large;
- d. Maintain commitment to quality, health and safety in every aspect of the business and people.

The CSR policy contains the activities that can be undertaken by the Company, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/ projects. The said policy is placed on the website and is available on the following web link <http://www.gulshanindia.com/policy.html>.

In line with CSR Policy and in accordance with Schedule VII to the Companies Act, 2013, the Company has undertaken the following CSR projects:

- a. Promoting Education
- b. Providing Sanitation Facilities
- c. Promoting healthcare including preventive healthcare
- d. Ensuring Environment Sustainability
- e. Rural Development

The Company has undertaken the above CSR activities directly and also through registered trust or registered society having an established track record of more than 3 years.

2. The Composition of the CSR Committee:

- a. Mr. Ajay Jain - Chairman
- b. Ms. Arushi Jain - Member
- c. Ms. Aditi Pasari - Member

3. Average net profit of the company for last three financial years: Rs. 2696.27 Lakhs

4. Prescribed CSR Expenditure (2% of Avg. Profit of 3 years): Rs. 53.93 Lakhs

5. Details of CSR spent for the financial year 2019-20:

- a. Total amount spent for the financial year : Rs. 37.46 Lakhs
- b. Amount unspent if any : Rs. 16.47 Lakhs
- c. Total accumulated unspent amount (including previous years): Rs.148.15 Lakhs



d. Manner in which the amount spent on CSR Projects and Programs during the financial year 2019-20 is detailed below:

Sr No.	CSR project or activity identified	Sector in which project is covered	Locations	Amount Outlay- (budget) Project/ Program wise (₹ in Lakhs)	Amount (Spent)	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount spent Direct or through implementing agency
1	Organized Free Eye Checkup and Contract eye surgery Camp	Preventive Healthcare	Delhi & Muzaffarnagar	1,212,977.00	1,212,977.00	1,212,977.00	Direct
2	Organized Blood donation camp	Preventive Healthcare	Delhi H.O	20,450.00	20,450.00	20,450.00	Direct
3	Primary and secondary School development	Promoting Education	Bharuch and Muzaffarnagar	71,300.00	71,300.00	71,300.00	Direct
4	Solar Power Plant Establish Expenses Social Welfare	Social /Rural development projects	Bharuch and Muzaffarnagar	14,560.00	14,560.00	14,560.00	Direct
5	Other CSR Expenses						
	- Other Social/ Rural Development As per Schedule VII of the Companies Act 2013	Social /Rural development projects	All India	24,26,409.00	24,26,409.00	24,26,409.00	Direct
	Total			37,45,696.00	37,45,696.00	37,45,696.00	

6. In case the Company has failed to spend the two percent of the average of the net profits of the last three financial years or any part thereof, the reasons for not spending the amount:

During the year under review, your Company has not spent the eligible amount of Corporate Social Responsibility (CSR) due to shortage of more suitable projects and programs in line with the activities which fall under the purview of Schedule VII of the Companies Act, 2013. Further, your company is in process of finding suitable option for implementation of appropriate and effective CSR plan in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013. Also, the Company has created the provision for spending of the entire unspent amount in the coming years.

The Corporate Social Responsibility Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board of Committee

Date: 26.05.2020
Place: Delhi

Dr. C.K. Jain
Managing Director

Ajay Jain
Chairman of CSR Committee



**Annexure "D" to Board's Report
CORPORATE GOVERNANCE REPORT**

I. CORPORATE GOVERNANCE PHILOSOPHY

The Gulshan Polyols Limited ("the Company") is fully committed to incorporate sound corporate governance practices and upholding the highest business standards in conducting business. Being a value-driven organization, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other Stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for its Stakeholders.

II. BOARD OF DIRECTORS

As on March 31, 2020, the Board of Directors of the Company comprised of Ten (10) Directors. The Chairman of the Board is an Executive Director. The Company has an optimum combination of Executive and Non-Executive Directors in accordance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). The Board has five (5) Executive Directors and five (5) Non-Executive Directors (all are Independent Directors). Their Composition is stated below in Table A. The Board of Directors takes into account the interest of all Stakeholders while discharging its responsibilities and provides leadership and guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.

All the Independent Directors have requisite knowledge of business, in addition to the expertise in their area of specialization. The Company has received declaration from each of the Independent Directors of the Company confirming that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time Director in any listed Company, such Director is not serving as Independent Director in more than three listed companies. It is confirmed that in the opinion of the Board of Directors, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

A. Composition of the Board as on 31st March, 2020

Name of the Director (s)	Category	No. of Directorship / Chairmanship / Committees' membership including other Public Limited Companies		
		Directorship	Chairman	Member
Dr. C. K. Jain	CMD	2	-	-
Ms. Arushi Jain	WTD	3	-	-
Ms. Aditi Pasari	WTD	6	-	-
Mr. A. K. Vats	CEO& WTD	-	-	-
Mr. S. K. Tewari	WTD	-	-	-
Mr. Ajay Jain	NE & ID	-	-	-
Mr. A. K. Maheshwari	NE & ID	1	-	-
Mr. J.J. Bhagat	NE & ID	1	-	-
Mr. R.K. Gupta	NE & ID	1	-	-
Mr. K.C. Gupta	NE & ID	-	-	-

CMD - Chairman cum Managing Director, NE - Non-executive, CEO- Chief Executive Officer, ED- Executive Director, ID - Independent Director.

Dr. Chandra Kumar Jain, Ms. Arushi Jain & Ms. Aditi Pasari are the promoters of the Company. None of the other Directors on the Board have any relationship interse.



Details of name of other entities where Directors of the Company are Directors and the category of Directorship as on 31st March, 2020 are as under:

Name of Director	Name of other entities in which the concerned Director is a Director	Category of Directorship
Dr. C. K. Jain	Gulshan Holdings Private Limited	Director
	Gulshan Sugars And Chemicals Limited	Director
Ms. Arushi Jain	Gulshan Holdings Private Limited	Director
	Houzilla Interiors Private Limited	Director
	Gulshan Sugars And Chemicals Limited	Director
Ms. Aditi Pasari	Gulshan Lamee Pack Private Limited	Director
	ARP Developers Private Limited	Director
	Reliance Expovision Private Limited	Director
	East Delhi Importers & Exporters Private Limited	Director
	PHD Chamber Of Commerce And Industry	Director
	Gulshan Sugars And Chemicals Limited	Director
Mr. A. K. Vats	-	-
Mr. S. K. Tewari	-	-
Mr. Ajay Jain	-	-
Mr. A. K. Maheshwari	ACE Integrated Solutions Limited	Director
Mr. J.J. Bhagat	STM Projects Limited	Director
Mr. R.K. Gupta	Exhume Services Private Limited	Director
Mr. K.C. Gupta	-	-

In terms of Regulation 26(1) of Listing Regulations:

- Foreign companies, private limited companies, and companies under section 8 of the Companies Act, 2013 are excluded for the purpose of considering the limit of Committees.
- The Committees considered for the purpose are Audit Committee and Stakeholders Relationship Committee.
- None of the Directors was a member of more than 10 Committees or Chairman of more than 5 Committees across all listed companies in which he/she is a Director

In terms of Schedule V of Listing Regulations:

- In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of management.
- A certificate is also obtained from M/s. RMG & Associates, Practicing Company Secretaries stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

B. Board Meetings

During the year, the Board met seven times on April 12, 2019, May 29, 2019, August 13, 2019, November 13, 2019, January 27, 2020, February 21, 2020 and March 25, 2020. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations. During the year, separate meeting of the Independent Directors was held on February 21, 2020 without the attendance of non-independent Directors and members of the management. All Five Independent Directors had attended the said meeting.

Board Meetings and AGM Attendance Record of the Directors in 2019-2020

S. No.	Name	Number of Board Meetings attended out of Total meetings held	Whether attended last AGM (21st September, 2019)
1	Dr. C. K. Jain	7	Yes
2	Ms. Arushi Jain	7	Yes
3	Ms. Aditi Pasari	7	Yes
4	Mr. A. K. Vats	6	Yes



5	Mr. S. K. Tewari	6	Yes
6	Mr. Ajay Jain	7	Yes
7	Mr. A. K. Maheshwari	7	Yes
8	Mr. J.J. Bhagat	5	Yes
9	Mr. R.K. Gupta	6	Yes
10	Mr. K.C. Gupta	6	Yes

C. Matrix highlighting core skills/expertise/competencies of the Board of Directors:

The following is the list of core skills/ competencies identified by the board of Directors as required in the context of the Company’s business and that the said skills are available within the Board Members:

Business Leadership	Leadership experience including areas of business development, succession planning, driving change, long term growth and guiding the Company and its Senior Management towards its vision and goals.
Visioning and Strategic Planning	Expertise in developing and implementing strategies for sustainable and profitable growth in the changing business environment. Ability to assess the strength and weaknesses of the Company and devise strategies to gain competitive advantage.
Financial Literacy	Expertise in understanding and management of complex financial functions and processes of a large organisations, and knowledge of accounting, finance and taxation.
Technology & Innovation	Experience and knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.
Risk Management	Ability to understand and assess the key risks to the organisation, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
Legal & Governance	Knowledge and experience in regulatory and governance requirements and ability to identify & manage key risks affecting the governance of the Company.
Global Experience	Global mindset and staying updated on global market opportunities, competition experience in driving business successfully around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Director	Areas of Skills/Expertise						
	Business Leadership	Visioning and Strategic Planning	Financial Literacy	Technology & Innovation	Risk Management	Legal & Governance	Global Experience
Dr. C. K. Jain	✓	✓	✓	✓	✓	✓	✓
Ms. Arushi Jain	✓	✓	✓	✓	✓	✓	✓
Ms. Aditi Pasari	✓	✓	✓	✓	✓	✓	✓
Mr. A. K. Vats	✓	✓	✓	✓	✓	✓	✓
Mr. S. K. Tewari	✓	✓	-	✓	✓	✓	-
Mr. Ajay Jain	✓	✓	✓	✓	✓	✓	✓
Mr. A. K. Maheshwari	✓	✓	✓	✓	✓	✓	✓
Mr. J.J. Bhagat	✓	✓	-	✓	✓	✓	✓
Mr. R.K. Gupta	✓	✓	✓	✓	✓	✓	-
Mr. K.C. Gupta	✓	✓	✓	✓	✓	✓	✓

D. Familiarization Programmes imparted to Independent Directors

Independent Directors of the Board are familiarized through updates on nature of industry in which the Company operates, Company’s performance and future outlook related to business, operations, expansion, strategy, budgets, financial statements, besides relevant regulatory updates. The web link of the Familiarization Programmes imparted to Independent Directors is “<http://www.gulshanindia.com/pdf/policy/Details%20of%20familiarization%20programmes%20of%20Independent%20Directors.pdf>”

**E. Shareholding of Directors as on March 31, 2020**

Name	Number of Share held
Dr. C. K. Jain	35,46,990
Ms. Arushi Jain	3,80,545
Ms. Aditi Pasari	1,98,132
Mr. A. K. Vats	-
Mr. S. K. Tewari	-
Mr. Ajay Jain	435
Mr. A. K. Maheshwari	1,121
Mr. J.J. Bhagat	15,370
Mr. R.K. Gupta	1,000
Mr. K.C. Gupta	465

III. COMMITTEES OF BOARD

The Board of Directors has constituted various Committees with specific terms of reference to ensure effective working of the Company, in addition to compliance with the provisions of the Companies Act, 2013, rules framed thereunder, Listing Regulations and other applicable regulations, guidelines, circulars and notifications of Securities and Exchange Board of India ("SEBI"). These Committees operate as empowered bodies of the Board of Directors. There are various Committees of the Board of Directors, which have been entrusted with adequate powers to discharge their roles & responsibilities. These Committees are - (i) Audit Committee; (ii) Corporate Social Responsibility Committee; (iii) Nomination and Remuneration Committee; (iv) Stakeholders Relationship Committee. These Committee meetings are often held as and when required and its minutes are circulated to the Board of Directors.

The brief description of terms of reference and composition of these Committees is as follows:

1. AUDIT COMMITTEE**a) Terms of Reference:**

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations. It also discharges such other functions as may be delegated by the Board of Directors from time to time. The terms of reference of the Audit Committee, inter-alia, include oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending the appointment, remuneration and terms of appointment of Auditors of the Company and approval of payment for any other service(s) rendered by the statutory auditors, reviewing with the management and examination of the annual financial statements and the auditor's report thereon before submission to the Board of Directors for approval, reviewing with the management the quarterly financial statements before submission to the Board of Directors for approval, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions with related parties including omnibus approval for related party transactions, scrutiny of inter- corporate loans and investments, valuation of undertakings or assets of the Company, wherever necessary, evaluation of internal financial controls and risk management systems, reviewing with the management performance of statutory and internal auditors and adequacy of the internal control systems, reviewing the adequacy of internal audit function, formulation, in consultation with the internal auditor, the scope, functioning, periodicity and methodology for conducting the internal audit, discussion with internal auditors of any significant findings and follow up thereon, reviewing 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 of Directors, discussion 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, look into the reasons for substantial defaults in the payment to shareholders, creditors etc., reviewing the functioning of whistle blower mechanism and to verify that the systems for internal control are adequate and are operating effectively and reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Audit Committee is also required to review the management decisions and analysis of financial condition and results of operations, statement of significant related party transactions, management letters / letters of internal control weaknesses issued by the internal auditors.

In addition to the above, the Audit Committee reviews the contracts entered into by the Company with related parties, the contracts entered in the register maintained under Section 189 of the Companies Act, 2013 and status of material claims filed against the Company.

**b) Composition**

Table below shows the composition of the audit Committee and the details of attendance. The audit Committee met four times during the year on 29th May, 2019, 13th August, 2019, 13th November, 2019 and 27th January, 2020. All the members of the audit Committee are financially literate and Mr. Ajay Jain, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholders' queries.

Table: Composition as on 31st March, 2020 and Attendance

S. No	Name	Category	Designation	No. of Meetings attended in 2019-2020
1	Mr. Ajay Jain	Independent	Chairman	4
2	Mr. A.K. Maheshwari	Independent	Member	4
3	Dr. C.K. Jain	Executive & Managing Director	Member	4

The Company Secretary acts as the secretary to the audit Committee. Wherever required, Chief Financial Officer, Internal Auditors and Statutory Auditors are also invited to the meetings of the Audit Committee

2. NOMINATION AND REMUNERATION COMMITTEE**a) Terms of reference**

The terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of the Companies Act, 2013, Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. It discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Nomination and Remuneration Committee includes formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel and other employees of the Company, formulation of criteria for evaluation of performance of Directors including Independent Directors and the Board of Directors, specifying the manner for effective evaluation of performance of the Board of Directors, its Committees and individual Directors of the Company to be carried out either by the Board of Directors or by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance, devising a policy on diversity of Board of Directors, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal, recommending to the Board of Directors all remuneration, in whatever form, payable to senior management of the Company and determining whether to extend or continue the term of appointment of an Independent Director of the Company, on the basis of the report of performance evaluation of Independent Directors of the Company.

The Nomination and Remuneration Committee is also authorized to superintend and administer the Employees Stock Option Scheme 2018.

b) Composition

Table shows the composition of the Nomination and Remuneration Committee and the details of attendance. The Nomination and Remuneration Committee met four times during the year on May 29, 2019, September 12, 2019, September 17, 2019 and February 21, 2020.

Table: Composition as on 31st March, 2020 and Attendance

S. No	Name	Category	Designation	No. of Meetings attended in 2019-2020
1	Mr. Ajay Jain	Independent	Chairman	4
2	Mr. A.K. Maheshwari	Independent	Member	4
3	Mr. Rakesh Kumar Gupta	Independent	Member	4

Performance Evaluation

During the year, the Board conducted a formal annual evaluation mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. The criteria to evaluate the performance of the Board, Committees, independent Directors and non – independent Directors were; a) Board Composition, size mix of skill, experience and role; b) attendance and deliberation in the



meetings; c) contribution / suggestions for effective functioning, development of strategy, board process, polices and others. A Separate meeting of Independent Directors was also held to review the performance of Chairman of the Company and Non-Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

REMUNERATION TO DIRECTORS: (AS ON 31ST MARCH, 2020)

Executive Directors

The appointment of executive Directors is by virtue of their employment with the Company as management employees and therefore, their terms of employment are governed by the applicable policies at the relevant point in time.

Below table gives details of the remuneration for the financial year ended 31st March, 2020.

(In ₹)

Name	Salaries	Value of Perquisites	Total
Dr. Chandra Kumar Jain	16860000	39600	16899600
Ms. Arushi Jain	4560000	39600	4599600
Ms. Aditi Pasari	4260000	39600	4299600
Mr. Ashwani Kumar Vats	5096615	-	5096615
Mr. Suresh Kumar Tewari	3404847	-	3404847
Total	34181462	118800	34300262

The Company has also granted stock options to the following Directors:

Name of Directors	Designation	Number of Stock Options
A. K Vats	Executive Director & CEO Corporate office New Delhi	56604 + 2400
S. K Tewari	Whole Time Directors, Corporate office New Delhi	31768 + 1670

Non-Executive Directors:

The Non-Executive Directors of your Company are paid sitting fees for attending meetings of the Board or Committees thereof. Apart from the sitting fees and re-imburement expenses, the Non-Executive Directors are also paid commission not exceeding 1% of the net profits of the Company for the year, calculated as per provisions of the Companies Act, 2013.

Commission to Non-Executive Directors for the FY 2019-20:

Name	Sitting fees	Commission	Re-imburement expenses
Mr. Akhilesh Kumar Maheshwari	60,000	3,00,000	9000
Mr. Ajay Jain	60,000	3,00,000	9000
Mr. Jeewan Jyoti Bhagat	40,000	3,00,000	6000
Mr. Rakesh Kumar Gupta	50,000	3,00,000	7500
Mr. Kailash Chandra Gupta	50,000	3,00,000	7500
Total	2,60,000	15,00,000	39000

During FY 2019-20, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company.

3. STAKEHOLDERS RELATIONSHIPS COMMITTEE

a) Terms of reference

The terms of reference of the Stakeholders Relationship Committee are in accordance with the provisions of Companies Act, 2013 and the Listing Regulations. It discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Stakeholders Relationship Committee includes resolving the grievances of the stakeholders of the Company, issue of duplicate certificates for securities of the Company, deciding the dates of book closure/ record date in respect of shares and other securities issued by the Company, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent of the Company, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/



statutory notices by the shareholders of the Company and approve, from time to time, issue of new share certificates, transfer / transmission of shares to Investor Education and Protection Fund Authority.

In order to provide quick service to investors and expedite the process of transfers, the Board of Directors had delegated sufficient powers to the Company's executives to deal with various matters including transfer of shares across the counter, transmission of securities, etc.

b) Composition

Table below shows the composition of the Stakeholders Relationship Committee and the details of attendance, Mr. A.K. Maheshwari, Chairman, attended the last Annual General Meeting to address shareholders queries. The Stakeholders Relationship Committee met four times during the year on May 29, 2019, August 13, 2019, November 13, 2019 and January 27, 2020.

Composition as on 31st March, 2020 and Attendance

S. No	Name	Category	Designation	No. of Meetings attended in 2019-2020
1	Mr. A.K. Maheshwari	Independent	Chairman	4
2	Mr. Ajay Jain	Independent	Member	4
3	Ms. Aditi Pasari	Executive	Member	4

c) Name, designation and address of Compliance Officer

Mr. Vijay Kumar Garg
 Company Secretary
 Gulshan Polyols Limited
 G- 81, Preet Vihar, Delhi- 110092
 Tel: 011-49999200 Ext. 237
 Mob: +91- 9599216336 (Call/Whatsapp)
 Email: cs@gulshanindia.com

d) Shareholders' complaints received and solved during the year

During the year under review, the status of investor complaints was as follows:

No. of Investor Complaints			
Opening Balance	Received	Solved	Pending
1	0	1	0

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a) Terms of reference

The terms of reference of the Corporate Social Responsibility Committee are as prescribed under the Companies Act, 2013 and the Rules framed thereunder and it discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Committee includes formulating and recommending to the Board of Directors a Corporate Social Responsibility ("CSR") Policy indicating the activities to be undertaken by the Company as specified in the Companies Act, 2013, recommending the amount of expenditure to be incurred on such activities and monitoring the CSR Policy of the Company from time to time. The Corporate Social Responsibility Committee also reviews periodically the progress of CSR projects / programs / activities undertaken by the Company.

b) Composition

Below table shows the composition of the Corporate Social Responsibility Committee and the details of attendance. The Corporate Social Responsibility Committee met two (2) times during the year on May 29, 2019 and February 21, 2020

Composition as on 31st March, 2020 and Attendance

S. No	Name	Category	Designation	No. of Meetings attended in 2019-2020
1	Mr. Ajay Jain	Independent	Chairman	2
2	Ms. Arushi Jain	Executive	Member	2
3	Ms. Aditi Pasari	Executive	Member	2

**IV. GENERAL BODY MEETINGS**

Location and time of last three Annual General Meetings (AGMs) are as under:

Financial Year	Date and time	Venue/Location	Special resolution passed
2018-19	21.09.2019 At 12:30 P.M	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	-Re-appointment of Mr. Ajay Jain as an Independent Director -Re-appointment of Mr. Akhilesh Kumar Maheshwari as an Independent Director -Re-appointment of Mr. Rakesh Kumar Gupta as an Independent Director -Re-appointment of Mr. Jeevan Jyoti Bhagat as an Independent Director -Approval for waiver of Recovery of Excess Managerial Remuneration paid to Dr Chandra Kumar Jain (Din: 00062221) Chairman cum Managing Director of the Company for the period 01st April, 2018 to 31st March, 2019.
2017-18	29.09.2018at 12:30 p.m.	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	-Revision in terms of appointment and remuneration of Dr. C. K. Jain, Managing Director of the Company -Variation in terms of remuneration of Ms. Arushi Jain, Whole Time Director of the Company -Variation in terms of remuneration of Ms. Aditi Pasari, Whole Time Director of the Company -Payment of Commission to Non-Executive Directors of the Company -Approval of Gulshan Polyols Limited Employees Stock Option Plan 2018 (GPL ESOP 2018) -Acquisition of Shares of the Company through 'Employees Welfare Trust' for implementation of GPL ESOP 2018 -To authorize for making of Loan/ Provision of money at Employees' Welfare Trust for purchase of / subscription for Company's shares under GPL ESOP, 2018 -Re-appointment of Mr. Kailash Chandra Gupta as an Independent Director of the Company
2016-17	09.09.2017at 12:15 p.m.	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	There was no special resolution passed in this meeting

During the year, no special resolution was passed through postal ballot. There is no immediate proposal for passing a resolution through postal ballot. In case a resolution is proposed to be passed through postal ballot, the procedure of postal ballot and other requisite details shall be provided in the postal ballot notice.

V. MEANS OF COMMUNICATION

- A. The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed electronically with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- B. The quarterly, half yearly, nine months and yearly financial results are also published in the leading news papers viz. The Pioneer (English & Hindi).
- C. The results are simultaneously posted on the website of the Company at www.gulshanindia.com. The investors can also find on this website the Annual Reports, Quarterly Results, various policies of the Company, details of unpaid dividend, composition of various Committees of the Board of Directors, terms and conditions for appointment of independent Directors, details of various services being provided to investors, details of shares to be transferred to Investor Education and Protection Fund, etc.
- D. The official news releases and presentation made to the institutional investors or to the analysts (if any) are uploaded on the website of the Company.

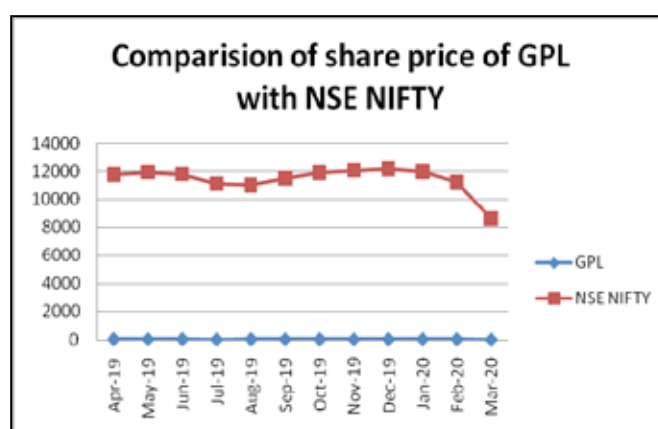
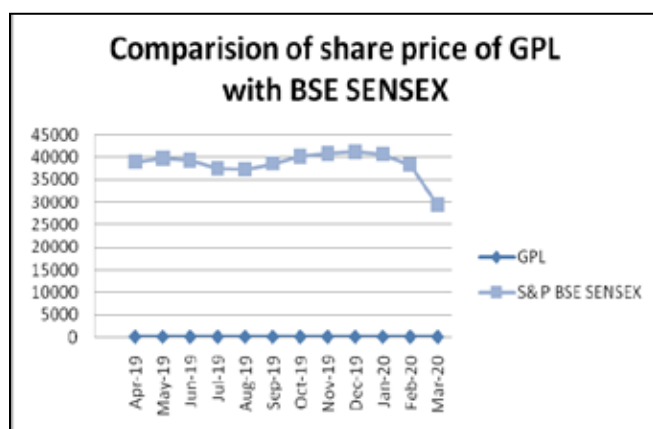


VI. GENERAL SHAREHOLDER INFORMATION

- a. The 20th Annual General Meeting is scheduled to be held on Saturday, 19th September, 2020 at 12:30 P.M. at Registered office of Company situated at 9th K.M Jansath Road Muzaffarnagar -251001 Uttar Pradesh.
- b. **Financial Year:** 1st April to 31st March
- c. **Tentative Financial Calendar for 2020-21 is as follows:**
 - First Quarter Mid of August 2020
 - Second Quarter and half year ending on
September 30, 2020 Mid of November 2020
 - Third Quarter Mid of February 2021
 - Fourth Quarter and year ending 31 March, 2021 Last week of May 2021
- d. **Dates of Book Closures:** 12th September 2020 To 19th September 2020 (both days inclusive).
- e. **Dividend payment date:** Not Applicable.
- f. **Listing of Equity Shares on Stock Exchange at:** National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE). The annual listing fees for equity shares have been paid to the aforesaid Stock Exchanges for FY 2020-21.
- g. **Demat ISIN Number for Equity Shares:** INE255D01024
- h. **Stock Code and Stock Market price data for the year 2019-20**

MONTH	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	Stock Code: 532457		Stock Code: GULPOLY	
	Month's High	Month's Low	Month's High	Month's Low
April, 2019	56.10	52.10	58.00	52.10
May, 2019	53.90	47.00	54.80	47.25
June, 2019	51.90	43.20	52.45	43.05
July, 2019	47.00	34.20	48.35	34.00
August, 2019	47.50	32.55	47.65	32.65
September, 2019	52.55	44.95	52.60	45.10
October, 2019	48.85	36.45	47.75	36.40
November, 2019	44.70	36.80	45.00	37.25
December, 2019	41.60	36.30	41.90	36.05
January, 2020	55.95	39.50	56.35	39.50
February, 2020	49.25	41.15	49.90	39.45
March, 2020	42.50	19.90	43.90	19.60

i. Stock Performance (Comparison of closing price/index value on the respective dates):





- j. Registrar and Share Transfer Agent:** M/s Alankit Assignments Ltd is your Company's share transfer agent. The communication regarding shares, dividends, change of address etc. may be addressed to:

M/s Alankit Assignments Ltd.

1E/13, Alankit Heights,
Jhandewalan Extension, New
Delhi 110055, and Phone No:
011-42541234/ 42541955,
Fax No: 011-42541201,
E-mail: rta@alankit.com.

- k. Share Transfer System:** Shareholders' requests for transfer / transmission of equity shares and other related matters are handled by Registrar and Transfer Agent and are effected timely, if all the documents are valid and in order.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of share certificates for transfer, sub-division, and consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI Listing Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

- l. Dematerialization of Shares:** The Equity Shares of the Company are compulsorily traded in dematerialized form and the Company has signed agreements with both the Depositories i.e. National Securities Depositories Limited and Central Depository Services (India) Limited. As on 31st March, 2020, 97.83% of the Company's total shares representing 45,897,400 shares were held in dematerialized form and the balance 10,19,620 equity shares representing 2.17% shares were in Physical form.

- m. Distribution of shareholding as on 31st March, 2020:**

No. of shares	Number of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	10592	72.77	2132035	4.54
501-1000	1937	13.31	1500282	3.20
1001-2000	966	6.64	1453568	3.10
2001-3000	325	2.23	840830	1.79
3001-4000	154	1.06	549097	1.17
4001-5000	155	1.06	730794	1.56
5001-10000	235	1.61	1677628	3.58
10001 above	191	1.31	38032786	81.06
Total	14555	100.00	46917020	100.00

- n. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:** Not Applicable

- o. Plant Locations:**

1	9th K.M., Jansath Road, Muzaffarnagar- 251001, Uttar Pradesh
2	9th K.M., Silverton Pulp and Papers Bhopa Road, Muzaffarnagar- 251001, Uttar Pradesh
3	Plot no. 762, Jhagadia Industrial Estate, Bharuch - 393110 Gujarat
4	Village Rampur Majri, Dhaula Kuan , Distt Sirmour -173001 Himachal Pradesh
5	E-21/22, RIICO Growth Centre, Phase - II, Abu Road, Disst. Sirohi-307026 Rajasthan
6	Plot No.9, 10 & 11, Borgaon Industrial Growth Centre, Tehsil Sausar, Distt. Chhindwara-480108 Madhya Pradesh
7	On-site plant of PCC at DSG Papers Pvt. Ltd., Patiala, Punjab
8	On-site plant of PCC at ITC Ltd., Hooghly, West Bengal
9	On-site plant of PCC at Orient Paper Mills, Amlai, Madhya Pradesh

- p. Address for correspondence:** Registered office address is at **9th K.M. Jansath Road, Muzaffarnagar - 251001 (Uttar Pradesh)** and phone: +131-3295880/ 3295888. Email: cs@gulshanindia.com. Corporate office address & Investor cell of the Company is located at **G-81, Preet Vihar, Delhi 110092**. Phone no 011-49999200 and Fax no. 011-49999202. Email of share department cs@gulshanindia.com.

**q. Credit Ratings**

The details of the Credit Ratings assigned to the Company as on March 31st, 2020 are as under:

Facilities	Amount (Rs. Crore)	Ratings	Rating Action
Long term bank facilities	141.25	CARE A+; Stable	Reaffirmed
Short term bank facilities	8.75	CARE A1+	Reaffirmed
Total facilities	150		

r. Disclosure of commodity price risks or foreign exchange risk and hedging activities:

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. Your Company has a robust framework and governance mechanism to ensure that it is sufficiently protected from market volatilities. The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the approved foreign currency risk management policy. Your Company manages foreign exchange risk with appropriate hedging activities consistent with the policies of the Company. Your Company uses forward exchange contracts to hedge against its foreign currency exposures. The details of foreign exchange exposures as on 31st March 2020 are disclosed in the Notes to the Standalone financial statements.

VII. OTHER DISCLOSURES**i) Basis of related party transactions**

Pursuant to requirements of Regulation 23 of Listing Regulations, the Company has adopted the policy on related party transactions and the said policies are available on the Company's website at www.gulshanindia.com.

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large - NIL.

Further, the transactions with related parties have been shown in "Note No. 39" to the Notes to the Accounts of the Company".

ii) The Company has complied with the requirements of regulatory authorities on capital markets. There were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority.**iii) Board Disclosures - Risk Management**

The Company has laid down procedures and informed the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework and the board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

iv) Whistle Blower Policy

The Company has a Whistle Blower Policy for establishing vigil mechanism for Directors, employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud, violation of the Company's "Code of Conduct and Ethics" or leak of Unpublished Price Sensitive Information of the Company. The Directors and employees are not only encouraged but required to report their genuine concerns and grievances under the Whistle Blower Policy. The vigil mechanism under the Whistle Blower Policy provides adequate safeguard against victimization of the Directors and the employees who avail of the mechanism and also provides for direct access to Chairman of the Audit Committee in appropriate or exceptional cases. No personnel were denied access to the Audit Committee, during the period under review. The Whistle Blower Policy is available on the website of the Company at www.gulshanindia.com.

v) Compliance with mandatory requirements

The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

vi) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.**vii) Certificate from Practicing Company Secretary:**

A certificate from M/s. RMG & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is forming part of Annual Report.



viii) All the recommendations made by the Committees of the Board of Directors were accepted by the Board of Directors.

ix) Fees paid to Auditors and firms

The details of total fees paid/payable by the Company for the financial year 2019-2020 to Statutory Auditors are as under:

Particulars	Amount (₹ in Lakhs)
Audit Fee	6.25
Tax Audit Fee	2.75
Fees for issue of various certificates	2.75
Reimbursement of expenses	0.78
Total	12.53

x) Disclosure of Accounting Treatment

There have not been any significant changes in accounting policies during the year.

xi) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No complaint was filed with the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year ended March 31, 2020. Further, no complaint was pending with the Company as at the beginning and end of the Financial Year 2019-20 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

VIII. NON-MANDATORY REQUIREMENTS

- a) The Board has taken cognizance of the non-mandatory requirements of Regulation 27 (1) read with schedule II Part E of Listing Regulations and shall consider adopting the same at an appropriate time.
- b) The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

IX. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As on March 31, 2020, there are no outstanding shares lying in the demat account suspense account/unclaimed suspense account.

X. CODE FOR PREVENTION OF INSIDER TRADING

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a code of conduct for prevention of Insider Trading. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information related to the Company.

XI. CEO/ CFO CERTIFICATION

The Chief Executive Officer and Whole Time Director; and the Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2020.

XII. COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted the "Code of Conduct". The updated Code incorporated the duties of Independent Directors. The Code is available on the website of the Company (web link http://www.gulshanindia/investors/code_of_conduct).

The CEO has confirmed and declared that all Members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

For and on behalf of the Board of Directors

Date: 26.05.2020
Place: Delhi

Sd/-
Dr. C. K Jain
Chairman and Managing Director
DIN: 00062221

**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To
The Members,
Gulshan Polyols Limited

We have examined the compliance of conditions of Corporate Governance by **Gulshan Polyols Limited** ("the Company") for the year ended March 31, 2020, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred to as "SEBI Listing Regulations, 2015").

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, 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 SEBI Listing Regulations, 2015.

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 and on behalf of
M/s. Rajeev Singal & Co
Firm Registration Number: 008692C
Chartered Accountants

Place: Delhi
Date: May 26, 2020

Rajeev Kumar Singhal
Partner
Membership No. 077834
UDIN: 20077834AAAAAC2420

Annexure "E" to Board's Report**DECLARATION OF CHIEF EXECUTIVE OFFICER (CEO)**

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ashwani Kumar Vats, Chief Executive Officer (CEO) & Whole Time Director of Gulshan Polyols Limited, declare that the members of Board of Directors and senior management personnel of the Company have affirmed their compliance with the Code of Conduct and Ethics of the Company during the financial year 2019-20.

Place: Delhi
Date: May 26, 2020

Ashwani Kumar Vats
CEO

**Annexure 'F' to Directors' Report****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020****[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]****I. REGISTRATION & OTHER DETAILS:**

CIN	L24231UP2000PLC034918
Registration Date	20 th October 2000
Name of the Company	Gulshan Polyols Limited
Category/Sub-category of the Company	Limited by Shares and having share capital
Address of the Registered office & contact details	9 th K.M., Jansath Road, Muzaffarnagar, Uttar Pradesh, 251001, India Contact Details: 0131-3295880, Fax No. (0131) 2661378 Email : cs@gulshanindia.com Website : www.gulshanindia.com
Whether listed company	Yes, at National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE)
Scrip name/ ID	GULPOLY (NSE) and 532457 (BSE)
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Alankit Assignments Limited 1E/13, Jhandewalan Extension, New Delhi- 110055 Contact Details:(011) 42541234 / 23541234 Fax No. (011) 42541201

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sorbitol & Sweeteners	106-21,23,24,26,29	34.88
2	Calcium Carbonate	20119	15.12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Gulshan Holdings Pvt. Ltd. 9th K.M., Jansath Road, Muzaffarnagar -251001	U74899UP1985PTC128005	Holding Company	51.29%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	8925161	0	8925161	19.023%	4658371	0	4658371	9.929%	-9.094%
c) Bodies Corporates	18881035	0	18881035	40.243%	25029780	0	25029780	53.349%	13.106%
Total Shareholding of Promoter (A)	27806196	0	27806196	59.267%	29688151	0	29688151	63.278%	4.011%



B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Banks/FI	124	0	124	0.000%	50	0	50	0.000%	0.000%
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Portfolio Investor	2175000	0	2175000	4.636%	1710287	0	1710287	3.645%	-0.990%
i) Others (specify)									
SUB TOTAL (B)(1):	2175124	0	2175124	4.636%	1710337	0	1710337	3.645%	-0.991%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	1316150	65320	1381470	2.944%	1360313	65240	1425553	3.038%	0.094%
ii) Foreign	2500000	0	2500000	5.329%	600000	0	600000	1.279%	-4.050%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	10785995	1020920	11806915	25.166%	10583704	954380	11538084	24.593%	-0.573%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0	0	0.000%	409914	0	409914	0.874%	0.874%
c) Non Resident Indians	730528	0	730528	1.557%	762536	0	762536	1.625%	0.068%
d) Any Others # IEPF	487095	0	487095	1.038%	516945	0	516945	1.102%	0.064%
SUB TOTAL (B)(2):	15819768	1086240	16906008	36.034%	14233412	1019620	15253032	32.511%	-3.523%
Total Public Shareholding (B)= (B)(1)+(B)(2)	17994892	1086240	19081132	40.670%	15943749	1019620	16963369	36.156%	-4.514%
C1 Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0	0	0	0.000%	0.000%
C2 Employee Benefit Trust									
GPL Employee Welfare Trust	29692	0	0	0.063%	265500	0	265500	0.566%	0.503%
Grand Total (A+B+C)	45830780	1086240	46917020	100.000%	45897400	1019620	46917020	100.000%	0.000%

B) Shareholding of Promoter(including promoter Group)-

SN	Shareholder's Name	Shareholding at the beginning of the year at 01-04-2019			Shareholding at the end of the year at 31-03-2020			% change in shareholding 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	Dr. C. K. Jain	4846990	10.331	Nil	3546990	7.560	Nil	-2.771
2	Mrs. Mridula Jain	1560105	3.325	Nil	460105	0.981	Nil	-2.345
3	Ms. Arushi Jain	1080545	2.303	Nil	380545	0.811	Nil	-1.492
4	Ms. Aditi Pasari	669389	1.427	Nil	198132	0.422	Nil	-1.005
5	Ms. Anubha Gupta	768132	1.637	Nil	72599	0.15	Nil	-1.487



6	Gulshan Holdings Pvt. Ltd.	18881035	40.243	Nil	24064760	51.292	Nil	11.049
7	East Delhi Importers & Exporters Pvt Ltd	0	0	NIL	965020	2.057	Nil	2.057

C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. C. K. Jain				
	At the beginning of the year	4846990	10.330	4846990	10.330
	Sell on 12 February, 2020	-1300000	-2.771	3546990	7.560
	At the End of the Year			3546990	7.560
2	Mrs. Mridula Jain				
	At the beginning of the year	1560105	3.330	1560105	3.330
	Sell on 12 February, 2020	-1100000	-2.345	460105	0.981
	At the End of the Year			460105	0.981
3	Ms. Arushi Jain				
	At the beginning of the year	1080545	2.303	1080545	2.303
	Sell on 12 February, 2020	-700000	-1.492	380545	0.811
	At the End of the Year			380545	0.811
4	Mrs. Aditi Pasari				
	At the beginning of the year	669389	1.430	669389	1.430
	Sell on 12 February, 2020	-596790	-1.272	72599	0.155
	At the End of the Year			72599	0.155
5	Mrs. Anubha Gupta				
	At the beginning of the year	768132	1.640	768132	1.64
	Sell on 12 February, 2020	-570000	-1.215	198132	0.422
	At the End of the Year			198132	0.422
6	M/s Gulshan Holdings Pvt. Ltd.				
	At the beginning and end of the year	18881035	40.24	18881035	40.240
	Buy on 21 August, 2019	935000	1.993	19816035	42.236
	Buy on 12 February, 2020	4248725	9.056	24064760	51.292
	At the End of the Year			24064760	51.292
7	M/s East Delhi Importers & Exporters Pvt. Ltd				
	At the beginning and end of the year	0	0		
	Buy on 21 August, 2019	965020	2.057	965020	2.057
	At the End of the Year			965020	2.057



D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

The shareholding pattern of top ten shareholders at the beginning of the financial year and at the end of the financial year is given herein below.

S/ No.	Top 10 Shareholders	Shareholding at the beginning of the financial year 2019-20		Shareholding at the end of the financial year 2019-20		Change During the Year
		No of Shares	Holding %	No of Shares	Holding %	
1	ANTARA INDIA EVERGREEN FUND LTD	4634600	9.878	2310287	4.924	-2324313
2	SIMPLE AGARWAL	0	0.000	409914	0.874	409914
3	ADESH VENTURES LLP	202960	0.433	152960	0.326	-50000
4	RAJESH KUMAR AGRAWAL	129179	0.275	140100	0.299	10921
5	ANISH AND CO PVT LTD	0	0.000	125000	0.266	125000
6	RAGHURAM KANYAN SHETTY	94858	0.202	111896	0.238	17038
7	MANISHA LODHA	0	0.000	100000	0.213	100000
8	ANUJA CHINTAN VIRANI	100000	0.213	100000	0.213	0
9	ANIRUDH MOHTA	100000	0.213	100000	0.213	0
10	KISHAN GOPAL MOHTA	42000	0.090	87000	0.185	45000

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Chandra Kumar Jain				
	At the beginning of the year	4846990	10.330	4846990	10.330
	Sell on 12 February, 2020	-1300000	-2.771	3546990	7.560
	At the End of the Year			3546990	7.560
2.	Mr. Ashwani Kumar Vats				
	At the beginning and end of the year	Nil	Nil	Nil	Nil
3.	*Mr. Suresh Kumar Tewari				
	At the beginning and end of the year	Nil	Nil	Nil	Nil
4.	Ms. Arushi Jain				
	At the beginning of the year	1080545	2.303	1080545	2.303
	Sell on 12 February, 2020	-700000	-1.492	380545	0.811
	At the End of the Year			380545	0.811
5.	Ms. Aditi Pasari				
	At the beginning of the year	669389	1.430	669389	1.430
	Sell on 12 February, 2020	-596790	-1.272	72599	0.155
	At the End of the Year			72599	0.155
6.	Mr. Ajay Jain				
	At the beginning and end of the year	435	0.001	435	0.001
7.	Mr. Akhilesh Kumar Maheshwari				
	At the beginning and end of the year	2610	0.006	2610	0.006
	Sell During the Year	1489	0.003	1121	0.002
	At the End of the Year			1121	0.002
8.	Mr. Jeewan Jyoti Bhagat				
	At the beginning and end of the year	15370	0.033	15370	0.033
9.	Mr. Rakesh Kumar Gupta				
	At the beginning and end of the year	1000	0.002	1000	0.002



10.	Mr. Kailash Chandra Gupta				
	At the beginning and end of the year	465	0.00	465	0.001
11.	Mr. Rajiv Gupta				
	At the beginning and end of the year	-	-	-	-
12.	Mr. Vijay Kumar Garg				
	At the beginning and end of the year	-	-	-	-

* **Mr. Suresh Kumar Tewari resigned from the Board as Director of the Company w.e.f 26/05/2020.**

VI. INDEBTEDNESS -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	1346769895	102500000	Nil	1449269895
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	3000000	9886000	Nil	12886000
Total (i+ii+iii)	1349769895	112386000	Nil	1462155895
Change in Indebtedness during the financial year				
* Addition	-	-	Nil	-
* Reduction	439155357	10785000	Nil	449940357
Net Change	439155357	10785000	Nil	449940357
Indebtedness at the end of the financial year				
i) Principal Amount	909914537	101601000	Nil	1011515537
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	700000	-	Nil	700000
Total (i+ii+iii)	910614537	101601000	Nil	1012215537

Note:

- Unsecured Loans comprise of 8% Redeemable Preference Shares which are considered as Debt, as per Indian Accounting Standards prescribed under the Companies Act, 2013 and lease liabilities.
- Secured Loans represents term loans from banks, long term maturities, current maturities and working capital loans.

VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Dr. C.K. Jain (MD)	Ms. Arushi Jain (WTD)	Ms. Aditi Pasari (WTD)	Mr. A. K. Vats (WTD)	Mr. S. K. Tewari (WTD)	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	16860000	4560000	4260000	5096615	3404847	34181462
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	39600	39600	39600	-	-	118800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act 1961	-	-	-	-	-	-
2	Stock Option(Refer Note below)	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others specify...	-	-	-	-	-	-
5	Others please specify-sitting and other benefits	-	-	-	-	-	-
	Total (A)	16899600	4599600	4299600	5096615	3404847	34300262
	Ceiling as per the Act						30976328

Note: During the period, the Company has also granted 59004 and 33438 stock options to the Mr. A. K Vats and Mr. S. K. Tewari respectively.

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors (Non-executive & Independent Directors)					Total Amount
		Mr. A. K. Maheshwari	Mr. Ajay Jain	Mr. J. J. Bhagat	Mr. R. K. Gupta	Mr. K.C Gupta	
1)	Non-executive & Independent Directors						
	Fee for attending board & committee meetings	60000	60000	40000	50000	50000	260000
	Commission	300000	300000	300000	300000	300000	1500000
	Others - Travelling fees	9000	9000	6000	7500	7500	39000
	Total (1)	369000	369000	346000	357500	357500	1799000
	Ceiling as per the Act						3097633

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Rajiv Gupta (CFO)	Mr. Vijay Kumar Garg (CS)	Mr. A. K. Vats (CEO)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	2240668	429600	5096615	7766883
	(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 a. as % of profit b. others specify	-	-	-	-
5	Others please specify-Travelling fees and other benefits	-	-	-	-
	Total	2240668	429600	5096615	7766883

IX. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There was no significant penalty / punishment / compounding fee imposed on the Company / Directors / any other officer of the Company which effect the functioning of the Company.

For and on behalf of the Board of Directors
Sd/-

Dr. C.K. Jain

Chairman and Managing Director
DIN: 00062221

Place: Delhi
Date: 26th May, 2020

**Annexure "G" to Boards' Report****CERTIFICATE**

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,

Gulshan Polyols Limited

(CIN: L24231UP2000PLC034918)

9th KM Jansath Road Muzaffarnagar,

Uttar Pradesh – 251001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Gulshan Polyols Limited (CIN L24231UP2000PLC034918)** having its Registered Office at **9th KM Jansath Road Muzaffarnagar, Uttar Pradesh – 251001** (hereinafter referred to as "**the Company**") produced before us by the Company for the purpose of issuing this certificate, in accordance with **Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015**, as amended from time to time (hereinafter referred to as "Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

S. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment in the Company
1.	Mr. Jeewan Jyoti Bhagat	00007743	02/08/2014
2.	Mr. Ajay Jain	00062146	05/10/2005
3.	Mr. Chandra Kumar Jain	00062221	01/04/2012
4.	Mr. Suresh Kumar Tiwari	00062373	01/04/2011
5.	Mr. Ashwani Kumar Vats	00062413	30/10/2008
6.	Mr. Akhilesh Kumar Maheshwari	00062645	29/10/2007
7.	Ms. Aditi Pasari	00120753	01/01/2010
8.	Ms. Arushi Jain	00764520	01/01/2010
9.	Mr. Kailash Chandra Gupta	01649210	28/05/2016
10.	Mr. Rakesh Kumar Gupta	06909233	02/08/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Place : New Delhi
Date : 26th May, 2020
UDIN : F005123B000268188

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095



Annexure "H" to Boards' Report
FORM NO. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

The Members,
Gulshan Polyols Limited
CIN: L24231UP2000PLC034918
9th KM Jansath Road
Muzaffarnagar-251001, Uttar Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gulshan Polyols Limited** (hereinafter referred as 'the Company'), having its Registered Office at 9th KM Jansath Road Muzaffarnagar-251001, Uttar Pradesh. 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. We hereby report that, the Secretarial Audit has been conducted at corporate office of the Company situated at G-81 Preet Vihar, Delhi – 110092.

Based on our verification, *to the extent possible due to lockdown announced by Government of India on account of COVID – 19 pandemic*, of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2020** 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 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [**Not Applicable as the Company has not issued further share capital during the financial year under review**];
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [**Not Applicable as the Company has not issued and listed any debt securities during the financial year under review**];
 - 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 to the extent of securities issued;



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review**]; and
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 [**Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review**].

VI. Other Laws applicable specifically to the Company are as follows:

- a. The Food Safety & Standards Act, 2006;
- b. The Food Safety & Standard Rules, 2011
- c. The Food Safety And Standards (Food Products Standards And Food Additives) Regulations, 2011;
- d. The Legal Metrology Act, 2009 and rules made thereunder;
- e. The Boilers Act-1923 and Indian Boiler Regulations 1950;

For the compliances of Environmental Laws, Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information, explanations and confirmation of compliances as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable Environmental Laws, Labour Laws & other General Laws, however the same needs to be strengthened.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

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

1. Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India. However, the stricter applicability of the Secretarial Standards is to be observed by the Company.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. Further, it is recommended that for the better governance and compliance of the applicable laws to the Company, timelines prescribed in various provisions must be adhered in true letter and spirit.

During the financial year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. *The company has not spent eligible amount on Corporate Social Responsibility during the financial year under review, pursuant to Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Responsibility Policy) Rules 2014. Further, the Board Report does not contain explanation about the qualification made by the Secretarial Auditors and reasons for less spending of CSR amount.*
2. *The Company has paid managerial remuneration for the financial year ended on March 31, 2020 in excess of the specified limits under Section 197(1) of the Companies Act, 2013 for which approval of shareholders shall be obtained in the ensuing Annual General Meeting.*
3. *The Company has published a notice under Rule 6(3) (a) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 with delay.*

We further report that

- The Board of Directors of the Company is constituted with balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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 provisions of the Act.
- Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the applicable provisions to all Directors 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.
- Majority decision is carried through, while the dissenting members' views, if any, are generally captured and recorded as part of the minutes.
- As per the records, the Company has generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is generally in compliance with the Act.



We further report that there seems to be 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. Further, it is recommended to adopt the good corporate governance practices in true letter and spirit.

We further report that during the audit period, the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:

1. The members in the Annual General Meeting held on September 21, 2019 approved:
 - a. the re-appointment of Mr. Suresh Kumar Tiwari (DIN:00062373), as an Whole Time Director of the Company to hold the office for a further term of 3 years from 1st April, 2019 to 31st March, 2022;
 - b. the re-appointment of Mr. Ajay Jain (DIN:00062146), as an Non-executive Independent Director of the Company to hold office for a further term of 5 years from 1st April, 2019 to 31st March, 2024;
 - c. the re-appointment of Mr. Akhilesh Kumar Maheshwari (DIN: 00062645), as an Non-executive Independent Director of the Company to hold office for a further term of 5 years from 1st April, 2019 to 31st March, 2024;
 - d. the re-appointment of Mr. Rakesh Kumar Gupta (DIN: 06909233), as an Non-executive Independent Director of the Company to hold office for a further term of 5 years from 1st April, 2019 to 31st March, 2024;
 - e. the re-appointment of Mr. Jeewan Jyoti Bhagat (DIN: 00007743), as an Non-executive Independent Director of the Company to hold office for a further term of 5 years from 1st April, 2019 to 31st March, 2024;
 - f. the waiver of recovery of the excess managerial remuneration aggregating to Rs. 12,33,421/- for financial year ending on March 31, 2019, paid to Dr. Chandra Kumar Jain (DIN: 00062221) Chairman and Managing Director, in excess of limits of 5% of Net Profit of the Company, by passing a special resolution thereat; and
 - g. the shareholders have approved and ratified the respective transactions with Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors of the Company (related parties as defined under section 2(76) of the Companies Act, 2013) for entering into contracts and/or agreements with respect to their re-appointment to the office or place of profit in the Company.
2. The Board of Directors of the Company in its meeting held on February 21, 2020, declared an interim dividend of Rs. 0.70 (i.e. 70%) per equity share of Rs. 1/- each for the Financial Year ended on March 31, 2020.
3. The appointment of Dr. Chandra Kumar Jain (DIN: 00062221) as a Managing Director designated as Chairman & Managing Director of the Company for a period of 3 years with effect from April 01, 2020, subject to approval of the shareholders of the Company.
4. The Company has become subsidiary of Gulshan Holdings Private Limited consequent to acquisition of 42,45,000 (9.05%) Equity Shares by way of Inter-se transfer from and amongst the Promoters and Promoter Group and 3,725 Equity Shares from the public in open market dated February 12, 2020 through Exchange.
5. The Board of Directors of the Company at its meeting held on March 25, 2020, declared a dividend of Rs. 80,65,574/- on 10,25,000 8% Redeemable Preference shares and distributed the same within 5 days from the Companies Bank Account.
6. The Company has redeemed 50,000, 8% Redeemable Preference Shares of Rs. 100/- each at its Board Meeting held on March 25, 2020. Consequent to such redemption, the outstanding issued, subscribed and paid-up 8% Preference Share Capital of the Company stands reduced from Rs. 10,25,00,000/- comprising of 10,25,000 Shares of Rs. 100/- each to Rs. 97,50,000/- comprising of 9,75,000 shares of Rs. 100/- each.

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Place: New Delhi
Date: 26-05-2020
UDIN: F005123B000268199

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095

Note: This report is to be read with 'Annexure' attached herewith and forms an integral part of this report.



Annexure

**The Members,
Gulshan Polyols Limited
CIN: L24231UP2000PLC034918
9th KM Jansath Road
Muzaffarnagar-251001, Uttar Pradesh**

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2020 is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have tried to verify the physical records maintained by the company to the extent possible in order to verify the compliances, *however, reliance was also placed on electronic records for verification due to lockdown announced by Government of India on account of COVID- 19 pandemic.*

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Place: New Delhi
Date: 26-05-2020
UDIN: F005123B000268199

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095

**Annexure "I" to Boards' Report****MANAGEMENT'S DISCUSSION & ANALYSIS****1. INDUSTRY STRUCTURE & DEVELOPMENT**

The unprecedented outbreak of COVID-19 impacted the global economy and human life, making it a very challenging environment for all the businesses. The changes forced on people and businesses by the pandemic are likely to last for some more time due to which established ways of doing business may undergo changes.

International Monetary Fund (IMF), highlights that India and China would be the only two major economies likely to register growth with all others contracting, however, the recovery will depend on how the pandemic is controlled, consumer and investor confidence is restored in the second half of 2020. Moreover, the growth is expected to be supported by the monetary and fiscal stimulus as well as subdued oil prices.

Chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Bulk chemicals, Specialty chemicals, Agrochemicals, Petrochemicals, Polymers and Fertilizers. The Chemical Industry is providing solution to diverse range of Industries and niche markets in core sector i.e. from toothpaste to alcohol, from sweeteners to paints, from paper to medicines, from plastics to personal care.

The Indian Commodity Chemical Industry witnessed muted growth during 2019-20 on the back of slowdown in the domestic industry. Excess supplies from local producers or continuing low price imports resulted in an oversupply situation with all manufacturers carried large inventories and prices continued to be under pressure through the second half of the year.

The Impact of the COVID-19 started at the later half of March, Indian economy witnessed an almost shut down, impacting sales performance for the year.

Company overview and recent developments

Gulshan Polyols Limited ("GPL") is a multi location, multi product manufacturing company and has become a market leader in most of its products in India with global presence in 42 countries, across 3 continents. Its business portfolio covers Starch Sugars, Calcium Carbonate, Ethanol, Ethyl Neutal Alcohol, Agro based Animal Feed, & On-Site PCC plants with production facilities at Muzaffarnagar in Uttar Pradesh, Bharuch in Gujarat, Chhindwara in M.P., Dhaula Kuan in Himachal Pradesh, Abu Road in Rajasthan, Patiala in Punjab, Tribeni in West Bengal, Amlai in Madhya Pradesh.

Gulshan Polyols Ltd. caters to wide range of industry & niche markets in core sector encompassing pharmaceuticals, personal care products, footwear, tyres, rubber & plastics, paints, alcohol, value added paper, agrochemicals, food and agro products. It caters to leading industrial units of the country such as Colgate Palmolive, Hindustan Unilever Ltd, Dabur, Asian Paints and ITC etc.

2. COMPANY'S PRODUCT CATEGORIES/SEGMENT PERFORMANCE:

2.1 The company has three manufacturing segments viz Mineral Processing, Grain Processing & Distillery. The products processed under these segments, are having end use in multiple industries.

Starch Sugars Business: It includes Sorbitol-70% solution, Liquid Glucose, Native Starch, High Fructose Rice Syrup (HFRS), Brown Rice Syrup and Rice Syrup Solids.

The **Sorbitol-70%** plant in Bharuch, Gujarat is working at optimum capacity and has been the highest revenue contributor in the growth of the company.

The **Rice-based Grain Processing Plant** at Muzaffarnagar, has achieved optimum level of capacity utilization and was the main growth driver and will remain the same in the future also.

Native Starch/ Maize Starch: It is the main carbohydrate nutrient from different sources of vegetation. Maize or corn starch powder is white, odorless and tasteless, which is extracted from kernel of maize/ corn. It is widely used as a thickener and a stiffening agent with numerous industrial applications.

High Fructose Rice Syrup (HFRS) which is naturally found in fruits, honey, corn syrup and molasses. Commercially, High Fructose Rice Syrup is used as a sweetener in flavored and unflavored syrups, energy drinks, processed food, bakery products.

Brown Rice Syrup, popularly known as Liquid Glucose. It is a preferred sweetener for natural/healthy foods. Rice syrup is used as base sweetener in edible sweet syrups (Flavored / Unflavored), blended honey, bakery foods, cakes, pastries, fillings, toppings, candies, canned fruits, health drinks, juices, soft drinks, Dairy products, ice-creams.

Rice Syrup Solids which is also known as dried glucose syrup or Glucose Powder. It is usually used as sweetener and stabilizers for moisture & texture in baked goods, confectionary (hard candy), dairy products, processed meats, seafood and also used by breweries to lighten beer color, add body, rice flavor and fermentable sugars. It is easily dispersed into water for ease of use in quick dissolving beverage mixes.



The performance of this segment has reducing trends during the year in absolute terms. However this has not much impact on overall performance of the segment or the Company as the share of this segment is at manageable level.

2.2 Agro based Animal Feed business:

India's feed industry is growing with poultry, cattle and aqua feed sectors emerging as major growth drivers. The demand for animal protein and dairy products in India will increase the compound feed consumption volumes. Consequently, cattle need to be developed, more requirement of nutritious food for them, which implies higher demand of grain by-products.

2.3 Calcium Carbonate business:

Your Company also produces over 19 grades of Calcium Carbonate (Precipitated, Activated, Wet and Ground Natural Calcite Powder) used in various industries. The Company has four integrated facilities to manufacture Calcium Carbonate spread across the country.

In the Company's endeavor to add new products delivering value addition, the company is gradually shifting its focus from producing lower grade products to higher grade products which will increase the overall profitability of the Company in medium to long term perspective.

2.4 Onsite PCC/WGCC Plants:

The Company is '**FIRST**' in the country to introduce the concept of On-site PCC manufacturing plant for Value Added Paper (VAP) industries. **Company's achievement has been recorded in the Limca Book of Records in 2010.** The Company has successfully installed Seven Onsite PCC plants for paper industry Companies.

The Management hopes for the exponential growth in this segment in the country, in line with the developed nations, where on-site PCC has become an integral part of Value-Added Paper such as printing, photo copier, tissue paper and writing paper.

Your company is the only Indian company which is offering such technology & providing plants to Indian and overseas companies engaged in manufacturing Value Added Paper.

2.5 Distillery:

The company "during the Covid-19 pandemic situations and seeking the future opportunities" has successfully introduced the commercial production of **Ethanol** and started supplies to BPCL and HPCL and It was been awarded a tender of 72 lakh KL for the year 2020.

Company has also ventured into the production of WHO approved **Hand Sanitizers** with alcohol content of 80% which it is selling under 6 packing variants and also supplying to B2B customers in tankers and drums. Being the licensed manufacturer of key ingredient, and located right in center of the country, Company sees it as an opportunity to develop a new and sustainable product.

Segment wise Revenue & Profits for the year ended March 31, 2020

(₹ in Lakhs)

Segments	Revenue for the year ended 31 st March		Profits before interest and tax for the year ended 31 st March	
	2020	2019	2020	2019
	Mineral Processing	13144.68	12048.18	3291.26
Grain Processing	48430.59	52149.04	1091.82	4113.93
Distillery	504.49	3191.38	-473.20	-1750.48
Unallocated	-	-	-29.57	58.02
Total	62079.77	67388.61	3880.31	4127.61

3. OPPORTUNITIES & THREATS

In this current scenario, due to COVID-19 pandemic adequate sanitation, together with good hygiene and safe water, are fundamental to good health and to social and economic development. Improvements in one or more of these three components of good health can substantially reduce the rates of morbidity and the severity of various diseases and improve the quality of life of huge numbers of people, particularly children, in developing countries.

Our strengths revolve around our penchant for innovation and consistent product development with the aim of creating a clear differentiation from competition, our strong passion for sustainability and the circular economy, our thought leadership in creating intellectual property and our ability to collaborate with multiple agencies to realize our four-pillar strategy.

The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to all the businesses of the Company. The Company's manufacturing facilities - and offices at various locations remained



fully shut due to lockdown. The Company partially re-opened the same, in a phased manner, in accordance with the applicable guidelines issued by the ministry of Home affairs Government of India and various State Governments. This has impacted its operations during April and May, 2020.

The company has re-started its operations at all its manufacturing facilities and reopened offices in a phased manner, considering the order book, Inventory levels and available workforce. It is adhering to all the safety norms and precautions prescribed by Government of India/ State Government. The Corporate office of the Company, situated at New Delhi, has also started operating with limited Staff as per Government guidelines on the lockdown.

4. FUTURE OUTLOOK

During the year, Indian economy witnessed significant slowdown impacting consumer demand. The global trade tensions and credit squeeze in domestic market have played a major role in driving down demand and growth expectations. Just when the markets were recovering, an unprecedented calamity in the form of the COVID-19 pandemic affected the world, leading to forced lock downs and large-scale disruptions. This may lead to fundamental shifts in consumer behavior in future and present new opportunities and threats to businesses. Your Company expects to face this situation by harnessing the intrinsic strengths of its brands, innovation capabilities, strong distribution network and cost efficiency programs. Your Company is well positioned with its strong management team, technology interventions and robust processes to address any changes that may emerge post COVID-19.

Your Company is impacted by the constant fluctuations in commodity and fuel prices. It is your Company's endeavor to source the right material, that is of high quality and constantly keep track of emerging costs to take corrective action at the right time.

The company has successfully commenced the commercial production of Ethanol and started supplies to BPCL and HPCL. It has been awarded a tender of 72 lakhs KL for the year 2020.

Company has also ventured into the production of WHO approved Hand Sanitizers with alcohol content of 80% which it is selling under 6 packing variants and also supplying to B2B customers in tankers and drums. Being the licensed manufacturer of key ingredient, and located right in center of the country, Company sees it as an opportunity to develop a new and sustainable product.

Your Company has always strived towards nation building, through its business endeavors which focuses on creating excellent environment. The emergence of Covid-19 pandemic has brought things to a halt, we will persistently support our fellow Indians through these testing times. We aim at emerging stronger once situations normalize. The emphasis will be on continued incubation of future businesses and create value for our stakeholders in the long term.

5. RISK AND CONCERNS

The Company is exposed to various risks which may be internal as well as external. The Company has a comprehensive risk management system in place and is tailored to the specific requirements of its diversified businesses, taking into consideration various factors, such as the size and nature of the inherent risks and the regulatory environment of the individual business segment of operating company. The risk management system enables it to recognize and analyze risks early and to take timely appropriate action. The Senior Management of the Company regularly reviews the risk management processes of the Company.

Therefore, the Company's diversified product profile, quality approach, value-added segments, manufacturing flexibility, modern technology & strong marketing network has saddled the company to successfully counter the effect of such adversities.

We believe that our multi-location operations also allow us to leverage the competitive advantages of each location to enhance our competitiveness and reduce geographic and political risks in our businesses.

The Management, being well acquainted with business risks, is saddled to take care of the risks and concerns and takes appropriate and timely measures as and when the need arises.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a strong internal control system comprising various levels of authorization, supervision, checks and balances and procedures through documented policy guidelines and manuals. The Internal Audit Team regularly monitors the efficacy of internal controls/and compliances with Standard Operating Procedures and Manuals with an objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance that all transactions are authorized, recorded and reported correctly and follow policies and statutes.

The management exercises their control over business processes through operational systems. These processes are reviewed and updated on regular basis to improve their efficacy and meet the business needs.

The Internal audit approach is based on random sample selection and takes into consideration the generally accepted business practices. The internal audit reports are discussed by the Audit Committee of the Board of Directors along with the directions/ action plan. The directions are implemented by the respective departments.



The Internal Audit Team also assesses opportunities for improvement in business processes, systems and controls, gives recommendations and reviews the implementation of directions issued by the management, Board of Directors or its Committees.

7. OPERATIONAL AND FINANCIAL PERFORMANCE

(Amount in Rs. Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	62,079.77	67,388.61
Profit before Interest, Tax & Depreciation (EBITDA)	6982.27	8561.30
Profit/(Loss) before tax	2,742.22	2,701.73
Profit/(Loss) after tax for the year	2,058.40	2,142.52

8. CHANGES (Change of 25% or more) IN SIGNIFICANT KEY FINANCIAL RATIOS AND RETURN ON NET WORTH

As per provisions of SEBI Listing Regulations, 2015, the details of changes in significant financial ratios and any changes in return on Net Worth of the Company including explanations therefore are given below:

S. No.	Particulars	F.Y 2019-20	F.Y 2018-19	% Change	Explanations
1	Debtors Turnover	6.81	6.24	9.10%	NA
2	Inventory Turnover	8.65	10.35	-16.45%	NA
3	Interest Coverage Ratio	3.63	3.11	16.87%	NA
4	Current Ratio	1.44	1.31	9.39%	NA
5	Debt Equity Ratio	0.30	0.46	-34.78%	Due to Repayment of Long Term Debt
6	Operating Profit Margin (%)	6.09%	5.91%	3.12%	NA
7	Net Profit Margin (%) etc	3.32%	3.18%	4.29%	NA
8	Return on Net Worth	6.74%	7.37%	-8.56%	NA

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company has a team of experienced and qualified personnel to support its plant and other allied operations. The team is having technical expertise and experience, which is critical for successful or timely implementation of operational decisions.

The recruitment of well qualified personnel and retention of experienced workforce is critical for maintaining the talent pool in the Company. The Company continuously works towards ensuring that appropriate recruitment and retention plans are in place to avoid any gaps in talent pool.

Employees are also empowered to take full ownership and accountability of their responsibilities. Besides human resource development, Company provides various welfare measures for its employees and their families. Cordial industrial relations in factory have also helped Company to build a strong team of employees at various levels having good experience and skills

As at the financial year ended March 31, 2020, there were total 496 numbers of employees and workers on roll / Contract Employee of the Company.

10. CAUTIONARY STATEMENT

Certain Statements in the Management Discussion and analysis Report section concerning future prospects may be forward looking statements which involve a number of identified/non identified risks, uncertainties and assumptions that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk, inter alia to the Company and the environment to which it operates. The result of these identified/non identified risks, uncertainties and assumptions are made on available internal and external information and are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward looking statements represent only company's current intentions, beliefs, expectations, and any forward looking statements speaks only as of the date on which it was made.

For and on behalf of the Board of Directors
Sd/-

Dr. C. K Jain

Chairman and Managing Director

Date: May 26, 2020

Place: Delhi

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of ,
Gulshan Polyols Limited**

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the standalone financial statements of Gulshan Polyols Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

"We have determined that there are no key audit matters to communicate in our report."

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in " **Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (1) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
 - (2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .
 - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (4) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For and on behalf of
For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

Date : 26th May, 2020
Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834
UDIN: 20077834AAAAAC2420

**Annexure A'' to the Independent Auditors' Report**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the Cost Records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Status	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where pending	REMARKS
Central Excise Act 1944	Excise Duty	44.92	2011-2012	CESTAT ALLAHABAD	4.49/- Lakh Deposit.

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) further only a term loan of Rs. 30 lacs from GMUCB as a vehicle Loan raised during the year.



- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For and on behalf of
For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

Date : 26th May, 2020
Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834
UDIN: 20077834AAAAAC2420



"ANNEXURE - B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 with reference to standalone financial statements of **GULSHAN POLYOLS LIMITED** ("the Company") as of 31 March 2020 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 with reference to financial statements 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 (the "Guidance Note") 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that ;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial



statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For and on behalf of
For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

Date : 26th May, 2020
Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834
UDIN: 20077834AAAAAC2420

**BALANCE SHEET AS AT 31ST MARCH, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	25,978.79	27,291.57
(b) Capital Work-in-Progress	3	321.56	456.54
(c) Intangible Assets	4	11.88	14.79
(d) Financial Assets			
(i) Investments	5	41.95	46.73
(ii) Other Financial Assets	6	543.35	337.26
(e) Deferred Tax Assets(Net)	7	-	164.20
(f) Other Non-Current Assets	8	148.35	118.64
Total Non- Current Assets		27,045.88	28,429.71
Current Assets			
(a) Inventories	9	8,650.06	5,332.99
(b) Financial Assets			
(i) Trade Receivables	10	8,236.90	10,003.93
(ii) Cash and Cash equivalents	11	242.51	2,515.67
(iii) Balance with Banks Other than (ii) above	12	73.41	59.95
(c) Other Current Assets	13	1,449.50	1,880.03
Total Current Assets		18,652.38	19,792.57
Total Assets		45,698.26	48,222.28
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	469.17	469.17
(b) Other Equity	15	30,059.90	28,586.11
Total Equity		30,529.07	29,055.28
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,149.95	4,081.77
(b) Deferred Tax Liabilities (Net)	17	23.71	-
Total Non-Current Liabilities		2,173.66	4,081.77
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	5,960.93	7,459.27
(ii) Trade payables	19	2,887.70	2,096.45
(iii) Other Financial Liabilities	20	2,654.57	3,835.87
(b) Other Current Liabilities	21	820.02	937.57
(c) Provisions	22	180.56	164.23
(d) Liabilities for current Tax (Net)		491.74	591.83
Total Current Liabilities		12,995.53	15,085.23
Total Equity and Liabilities		45,698.26	48,222.28
The accompanying notes form an integral part of the financial statements	1		

As per our report of even date
For RAJEEV SINGAL & CO.
Chartered Accountants
(Registration No.008692C)

For and on behalf of the Board of Directors

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834
UDIN: 20077834AAAAAC2420
Date: 26-05-2020
Place : Delhi

DR. C. K. JAIN
Chairman & Managing Director
DIN: 00062221

VIJAY KUMAR GARG
Company Secretary

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

RAJIV GUPTA
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
REVENUE			
Revenue from Operations	23	62,079.77	67,388.61
Other Income	24	94.72	196.30
Total Income (I)		62,174.49	67,584.91
EXPENSES			
Cost of Materials Consumed	25	35,496.96	34,822.21
Purchase of Stock in Trade	26	704.73	1,320.16
Changes in Inventories of Finished goods, Work in progress and Stock in Trade	27	(848.39)	(77.97)
Employee Benefits Expenses	28	2,168.43	2,232.78
Finance Cost	29	1,138.08	1,425.88
Depreciation & amortisation Expenses	30	3,101.96	4,433.67
Other Expenses	31	17,670.49	20,726.43
Total Expenses (II)		59,432.27	64,883.18
Profit Before Tax III (I-II)		2,742.22	2,701.73
Tax Expense:	33		
Current Tax Expense		495.94	592.68
Add: Mat Credit (Utilised)		47.95	44.82
Deferred Tax Expense		139.93	(78.30)
Total Tax Expenses (IV)		683.82	559.21
Profit/(Loss) for the year V (III-IV)		2,058.40	2,142.52
Other Comprehensive Income			
Item that will not to be reclassified to Profit and Loss:			
(Gain)/Loss of defined benefit obligation		23.21	3.88
Income Tax relating to item that will not be reclassified to profit or loss		(4.20)	(0.85)
Total Other Comprehensive (Income)/Loss (VI)		19.01	3.02
Total Comprehensive Income for the year VII (V - VI)		2,039.39	2,139.50
Earning per equity share of face value of Rs. 1 each Basic and diluted (in Rs.) VIII	40		
Basic		4.39	4.57
Diluted		4.39	4.57
The accompanying notes form an integral part of the financial statements	1		

As per our report of even date
For RAJEEV SINGAL & CO.
Chartered Accountants
(Registration No.008692C)

For and on behalf of the Board of Directors

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834
UDIN: 20077834AAAAAC2420
Date: 26-05-2020
Place : Delhi

DR. C. K. JAIN
Chairman & Managing Director
DIN: 00062221

VIJAY KUMAR GARG
Company Secretary

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

RAJIV GUPTA
Chief Financial Officer

**Statement of Cash Flow for the year ended 31st March, 2020**

(₹ in Lakhs)

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
A. Cash flow from operating activities		
Profit before Tax	2,742.22	2,701.73
Adjustment for :		
Depreciation and Amortization Expenses	3,101.96	4,433.67
Dividend income	(0.99)	(0.57)
Net Gain on Sale/Fair value of non-current investment FVTPL	-	-
Profit on Sale of Current Investments	-	(49.59)
Provision/(write back) for doubtful debts and advances (net)	-	22.24
(Gain) / Loss on disposal of property, plant and equipment	(0.18)	(22.94)
Interest income	(93.55)	(70.51)
Interest expenses	1,138.08	1,425.88
Cash generated from operations before working capital changes	6,887.53	8,439.91
Adjustment for :		
Decrease/(increase) in other assets	182.95	(554.92)
Decrease/(increase) in trade receivables	1,767.03	1,571.67
Decrease/(increase) in inventories	(3,317.07)	2,106.45
(Decrease)/increase in other current liabilities	(117.55)	201.99
(Decrease)/increase in provisions	16.33	(21.94)
(Decrease)/increase in trade and other payables	(390.04)	(2,301.24)
Cash generated from operating activities	(1,858.36)	1,002.01
Direct taxes paid (net of refunds)	(616.70)	(733.00)
Cash flows before exceptional items	4,412.47	8,708.93
Exceptional items	-	-
Net Cash flow generated from operating activities (A)	4,412.47	8,708.93
B. Cash Flow from Investing activities		
Sale proceeds from property, plant and equipment	93.52	52.63
Purchase of property, plant and equipment	(1,743.62)	(2,374.57)
Purchase of intangibles	(1.01)	(2.58)
Sale proceeds of from sale/maturity of non-current investments and current investments	4.78	581.27
Interest income	93.55	70.51
Dividend income	0.99	0.57
Net Cash Flow Generated from investing activities (B)	(1,551.79)	(1,672.16)
C. Cash flow from Financing activities		
Interest expenses	(1,138.08)	(1,425.88)
Repayment of long-term borrowings	(1,931.82)	(2,939.57)
Repayment of short-term borrowings	(1,498.34)	(49.70)
Dividend paid	(469.17)	(328.42)
Dividend distribution tax paid	(96.44)	(67.23)
Net Cash flow Generated from financing activities (C)	(5,133.85)	(4,810.80)
Net increase in cash and cash equivalents (A+B+C)	(2,273.17)	2,225.96
Cash and cash equivalents at the beginning of the year	2,515.67	289.71
Cash and cash equivalents at year end	242.50	2,515.67

Note:

1. The cash flow statement has been prepared under the indirect method as set out in Indina Accounting Standard (Ind AS 7) Statement of Cash Flows.

The Accompanying notes form an integral part of the financial statements

As per our report of even date

For **RAJEEV SINGAL & CO.**

Chartered Accountants

(Registration No.008692C)

For and on behalf of the Board of Directors

(RAJEEV KUMAR SINGHAL)

Partner

Membership no: 077834

UDIN: 20077834AAAAAC2420

Date: 26-05-2020**Place : Delhi****DR. C. K. JAIN**

Chairman & Managing Director

DIN: 00062221

VIJAY KUMAR GARG

Company Secretary

ASHWANI KUMAR VATS

Whole Time Director and CEO

DIN : 00062413

RAJIV GUPTA

Chief Financial Officer

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in Lakhs)

Particulars	RESERVES AND SURPLUS					Total
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	
Balance as at 1st April 2019	469.17	132.35	3,701.57	4,986.24	-	19,765.95
Profit for the year	-	-	-	-	-	2,058.40
Amount Transfer to General Reserve	-	-	-	-	-	-
Amount Transfer to Capital Redemption Reserve	-	-	-	-	50.00	(50.00)
Dividend on equity shares	-	-	-	-	-	(469.17)
Dividend Distribution Tax	-	-	-	-	-	(96.44)
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	(19.01)
As at 31st March 2020	469.17	132.35	3,701.57	4,986.24	50.00	21,189.73
						30,529.06

Particulars	RESERVES AND SURPLUS					Total
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	
Balance as at 31st March 2018	469.17	132.35	3,701.57	4,686.24	-	18,322.10
Profit for the year	-	-	-	-	-	2,142.52
Amount Transfer to General Reserve	-	-	-	300.00	-	-300.00
Dividend on equity shares	-	-	-	-	-	-328.42
Dividend Distribution Tax	-	-	-	-	-	-67.23
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-3.02
As at 31st March, 2019	469.17	132.35	3,701.57	4,986.24	-	19,765.95
						27,311.43
						2,142.52
						-328.42
						-67.23
						-3.02
						29,055.28

As per our report of even date
For RAJEEV SINGAL & CO.
 Chartered Accountants
(Registration No.008692C)

(RAJEEV KUMAR SINGHAL)
 Partner
 Membership no: 077834
 UDIN: 20077834AAAAAC2420
Date: 26-05-2020
Place : Delhi

For and on behalf of the Board of Directors

DR. C. K. JAIN
 Chairman & Managing Director
 DIN: 00062221

ASHWANI KUMAR VATS
 Whole Time Director and CEO
 DIN : 00062413

VIJAY KUMAR GARG
 Company Secretary

RAJIV GUPTA
 Chief Financial Officer



DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

(i) Corporate Information

Gulshan Polyols Limited ("GPL" or "the Company") with a CIN number L24231UP2000PLC034918 is a domestic public limited company, listed in India with registered office situated at 9th K.M., Jansath Road, Muzaffarnagar - 251001. GPL is a multi-location, multi-product manufacturing company and has become a market leader in most of its products in India with global presence in 42 countries, across 3 continents and having its registered office in Muzaffarnagar, Uttar Pradesh, India. Its business portfolio covers Starch, Starch Sugars, Calcium Carbonate, Alcohol business, Agro based Animal Feed & On-site PCC plants with production facilities at Muzaffarnagar in Uttar Pradesh, Bharuch in Gujarat, Dhaula Kuan in Himachal Pradesh, Abu Road in Rajasthan, Patiala in Punjab, Tribeni in West Bengal and Amlai in Madhya Pradesh. It caters to wide range of industry & niche markets in core sector encompassing pharmaceuticals, personal care products, footwear, tyres, rubber & plastics, paints, alcohol, value added paper, agrochemicals, food and agro products. Since inception, GPL is a dividend paying company and listed on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange ("BSE").

(ii) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values or amortised cost depending upon classification. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

1.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note No.1.5. Accounting estimates could change from period to period. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

1.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.



Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

1.4 Foreign currencies

These financial statements are presented in INR, which is also the functional currency of the Company. All financial information presented in INR has been rounded to the nearest lakhs.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

1.5 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

- Estimation of Defined benefit obligation - refer Note No. 1.17
- Estimation of current tax expenses - refer Note No. 1.8
- Useful life of Property, plant and equipment - refer Note No. 1.10
- Valuation of Inventory - refer Note No. 1.14
- Provisions and Accruals - refer Note No. 1.16
- Contingencies - refer Note No. 1.16

1.6 Fair value measurement

The Company measures financial instruments at fair value as per Ind AS 113 at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognized in the financial statement on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.7 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, sales tax and applicable trade discounts and volume rebates. Revenue includes shipping and handling costs billed to the customer.

(ii) Interest income

Interest income primarily comprises of interest from term deposits. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(iii) Dividend

Dividend income from investment is accounted for when the right to receive is established, which is generally when shareholders approve the dividend.

(iv) Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

(v) Export Incentives

Export incentives are recognised when the incentives are be received from the government authorities.

Export entitlements from government authorities under the Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS), Duty Draw Back scheme are recognised in the statement of profit and loss based on receipt of the scrip from the government authorities.

1.8 Taxes

Tax expenses comprise of current and deferred tax:

Current income tax

- a. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

- a. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- c. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- e. The Company recognizes tax credits in the nature of MAT credit 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 tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit 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.
- f. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g. 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 taxes relate to the same taxable entity and the same taxation authority.

1.9 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.10 Property, Plant and Equipment Recognition and measurement

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment are initially recognized at cost after deducting refundable purchase taxes and including the cost directly attributable to bring the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management, borrowing cost in accordance with the established accounting policy, cost of restoring and dismantling, if any, initially estimated by the management.

After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost of Self-constructed asset is determined using the same principles as for acquired assets after eliminating the component of internal profits.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation has been provided on written down value method in terms of expected life span of assets specified in Schedule – II of the Companies Act, 2013 or as determined by management. The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual value and useful life are reviewed annually, and any deviation is accounted for as a change in estimate.

Cost of leasehold land are written off over the primary lease period of the land except of the leasehold land, held by the company on the date of transition, which is amortized over the remaining useful lives of the assets. Freehold land is not depreciated.



The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

1.11 Intangible Assets

Acquired intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software development costs for in-house developed software is recognised as assets are amortised on a written down value basis over their estimated useful life.

The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

1.12 Borrowing costs

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note XX)

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.14 Inventories

Inventories consist of raw materials, packing materials, stores and spares, work-in-progress and finished goods and stock of traded goods, which are measured at the lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables, which are used in operating machines or consumed as indirect materials in the manufacturing process. The basis of measurement of cost is as follows:

- (i) Raw Materials, Packing Materials and Stores & Spares:** FIFO basis
- (ii) Finished Goods:** Cost of input plus appropriate overhead.
- (iii) Work in Progress:** Cost of input plus overhead up-to the stage of completion.
- (iv) By- Products:** At net realizable value
- (v) Stock-In-Trade:** FIFO Basis

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.15 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than it is carrying amount.

Impairment losses, other than those recognized on goodwill, that have been recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.16 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money



and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Disputes, liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax Excise etc.) pending in appeal / court for which no reliable estimated can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

Contingent Assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.17 Employee benefits

a. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, short term compensated absences etc., and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

b. Post-Employment Benefits:

i) Defined Contribution Plans:

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

ii) Defined Benefit Plans:

The Company has Defined Benefit Plan for post-employment benefit in the form of Gratuity for eligible Employees, which is administered through a Gratuity Policy with Life Insurance Corporation of India (L.I.C). Gratuity Liability based on actuarial valuation as per Ind AS 19. Liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expense in the statement of profit and loss. Actuarial gain / loss arising from experience adjustments and changes in actuarial assumptions are credited / debited to "other comprehensive Income" forming part of other equity.

1.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets that measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss or recognized in other comprehensive income.



A financial asset that meets the following two conditions is measured at amortized cost:

- **Business Model Test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities:

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management



2.PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Free hold Land	ROU (Right of Use of Assets)	Building	Plant and Equipment	Office Furniture and Equipment	Vehicle	Total
Gross Block							
Balance as at 1st April 2019	258.72	634.07	4,009.60	32,601.11	187.94	437.57	38,129.01
Additions	-	334.80	114.52	1,295.46	21.93	111.89	1,878.60
Disposals	-	-	25.03	65.49	-	21.61	112.13
Balance as at 31st March 2020	258.72	968.87	4,099.09	33,831.09	209.87	527.86	39,895.49
Accumulated Depreciation							
Balance as at 1st April 2019	-	23.94	732.81	9,796.91	77.25	206.54	10,837.45
Additions	-	22.41	309.82	2,649.81	32.57	83.42	3,098.04
Disposals	-	-	-	0.43	-	18.36	18.79
Balance as at 31st March 2020	-	46.35	1,042.63	12,446.30	109.82	271.60	13,916.70
Net Block							
Balance as at 31st March 2019	258.72	610.13	3,276.79	22,804.20	110.69	231.03	27,291.57
Balance as at 31st March 2020	258.72	922.52	3,056.46	21,384.79	100.04	256.26	25,978.79

(₹ in Lakhs)

Particulars	Free hold Land	ROU (Right of Use of Assets)	Building	Plant and Equipment	Office Furniture and Equipment	Vehicle	Total
Gross Block (Deemed Cost)							
Balance as at 1st April 2018	258.74	634.07	3,757.03	31,050.46	133.41	381.08	36,214.79
Additions	-	-	252.57	1,576.52	54.53	105.94	1,989.56
Disposals	0.02	-	-	25.87	-	49.44	75.33
Balance as at 31st March 2019	258.72	634.07	4,009.60	32,601.11	187.94	437.57	38,129.01
Accumulated Depreciation							
Balance as at 1st April 2018	-	15.96	409.28	5,813.74	50.76	164.36	6,454.10
Additions	-	7.98	323.53	3,989.37	26.49	81.62	4,428.99
Disposals	-	-	-	6.20	-	39.44	45.64
Balance as at 31st March 2019	-	23.94	732.81	9,796.91	77.25	206.54	10,837.45
Net Block							
Balance as at 31st March 2018	258.74	618.11	3,347.75	25,236.72	82.65	216.72	29,760.69
Balance as at 31st March 2019	258.72	610.13	3,276.79	22,804.20	110.69	231.03	27,291.57

3. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Work in Progress consist of the following:		
Construction work in progress	321.56	456.54
Total	321.56	456.54

**4. INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Gross Block	
Balance as at 1st April 2019	21.98
Additions	1.01
Disposals	-
Balance as at 31st March 2020	23.00
Accumulated Depreciation	
Balance as at 1st April 2019	7.20
Additions	3.92
Disposals	-
Balance as at 31st March 2020	11.11
Net Block	
Balance as at 31st March 2019	14.79
Balance as at 31st March 2020	11.88

INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019
Gross Block	
Balance as at 1st April 2018	19.41
Additions	2.58
Disposals	-
Balance as at 31st March 2019	21.98
Accumulated Depreciation	
Balance as at 1st April 2018	2.51
Additions	4.69
Disposals	-
Balance as at 31st March 2019	7.20
Net Block	
Balance as at 31st March 2018	16.90
Balance as at 31st March 2019	14.79

5. INVESTMENTS

(₹ in Lakhs)

NON- CURRENT INVESTMENTS	As at 31st March, 2020	As at 31st March, 2019
(a) Investment at fair Value through OCI Equity Shares Unquoted (Fully paid up)		
(i) 10,500 equity shares of Rs. 10 each -BEIL Infrastructure Ltd.	1.05	1.05
(ii) 4,09,025 equity shares of Rs. 10 each - Narmada Clean Tech Ltd.(formerly named as Bharuch Eco-Aqua Infrastructure Ltd.)	40.90	40.90
(iii) 4,778 equity shares of Rs. 100 each - Gulshan Mercantile Urban Co-operative Bank Ltd.	-	4.78
Total	41.95	46.73

6. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
NON-CURRENT (Unsecured, Considered good)		
(i) Security Deposits	459.66	337.26
(ii) Term Deposits with bank as Margin Money	83.69	-
Total	543.35	337.26

**7. DEFERRED TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Depreciation and amortisation	-	(1,329.92)
Mat Receivables	-	1,494.12
Total	-	164.20

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	15.85	27.01
Prepaid Rent	-	35.43
Other Loans & Advances	127.80	20.20
Balance with Government Authorities	3.20	5.47
Balance with Gratuity fund	1.50	30.54
Total	148.35	118.64

9. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Raw Materials	3,617.19	1,878.91
(ii) Work in Progress	695.18	715.02
(iii) Finished Goods	2,557.71	1,812.45
(iv) Stock in Traded Goods	94.77	46.98
(v) Stores, Spares & Packing	435.91	419.88
(vi) Coal, Fuel & Chemicals	1,249.29	459.75
Total	8,650.06	5,332.99

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Un-secured and Considered Good	8,168.58	9,804.05
Considered Doubtful -(a)	68.32	199.88
Total	8,236.90	10,003.93

Note: (a) A provision of Rs. Nil (March 31, 2019 - 22.24 Lakhs) on doubtful trade receivable has been made during the year.

11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Cash in hand	6.38	17.01
b) Balance with Banks In Current accounts	236.13	1,702.61
c) Other Bank Balances (Term Deposits with original maturity of less than three months)	-	796.05
Total	242.51	2,515.67

12. BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
On unpaid dividend account	73.41	59.95
Total	73.41	59.95

**13. OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	
	31st March, 2020	31st March, 2019
Unsecured and Considered Good		
Advance to Employees	9.88	45.49
Balance with Govt. Authorities	276.21	257.90
Other Advances (a)	1,163.41	1,576.63
Total	1,449.50	1,880.03

(a) Other loans and advances mainly include prepaid expenses, advances to suppliers and service provider.

14. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at	
	31st March, 2020	31st March, 2019
(A) Authorised Equity Share Capital:		
22,50,00,000 Equity shares of Rs.1 each	2,250.00	2,250.00
(B) Authorised Preference Share Capital:		
I. 2,50,000 Preference Shares of Rs. 10 each	25.00	25.00
II. 14,50,000 Preference shares of Rs. 100 each	1,450.00	1,450.00
Total	3,725.00	3,725.00
Issued, Subscribed and Paid up:		
4,69,17,020 Equity shares of Rs.1 each (Previous year 4,69,17,020 Equity shares of Rs.1 each)	469.17	469.17
9,75,000 Preference Shares of Rs. 100 each (Previous year 10,25,000 Preference shares of Rs.100 each)	975.00	10,25.00
Total	14,44.17	14,94.17

(a) Reconciliation of Number of shares outstanding at the beginning and at the end of the reporting period
(₹ in Lakhs)

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year (Rs. 1/- each)	46,917,020	469.17	46,917,020	469.17
Add: Issued during the year	-	-	-	-
Closing balance	46,917,020	469.17	46,917,020	469.17

Terms/rights attached to the Equity Shares

The Company has one class of Equity shares having a par value of Rs.1 each. Each shareholder is eligible for one vote per share held. The Company had already Paid an interim dividend for the financial year 2019-2020 of Rs.0.70/- per equity share face value of Rs. 1/- each (70%) in their meeting held on 21st February, 2020. The Interim dividend is to be treated as Final Dividend.. The Company declares and pays dividend in Indian Rupees.

(b) Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at		As at	
	31st March, 2020		31st March, 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
(i) Gulshan Holdings Pvt. Ltd.	24,064,760	51.29%	18,881,035	40.24%
(ii) Dr.C. K. Jain	3,546,990	7.56%	4,846,990	10.33%
(iii) Antara India Evergreen Fund Ltd	-	-	4,634,600	9.88%


15. OTHER EQUITY

(₹ in Lakhs)

RESERVES AND SURPLUS						
Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	Total
Balance as at 1st April 2019	132.35	3,701.57	4,986.24	-	19,765.95	28,586.11
Profit for the year	-	-	-	-	2,058.40	2,058.40
Amount Transfer to Capital Redemption Reserve	-	-	-	50.00	(50.00)	-
Dividend on equity shares for the year	-	-	-	-	(469.17)	(469.17)
Dividend Distribution Tax	-	-	-	-	(96.44)	(96.44)
Other Comprehensive income for the the net of tax	-	-	-	-	(19.01)	(19.01)
Balance as at 31st March 2020	132.35	3701.57	4986.24	50.00	21189.74	30059.90

(₹ in Lakhs)

RESERVES AND SURPLUS						
Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earning	Total	
Balance as at 31st March, 2018	132.35	3,701.57	4,686.24	18,322.10	26,842.26	
Profit for the year	-	-	-	2,142.52	2,142.52	
Amount Transfer to General Reserve	-	-	300.00	-300.00	-	
Dividend on equity shares for the year	-	-	-	-328.42	-328.42	
Dividend Distribution Tax	-	-	-	-67.23	-67.23	
Other comprehensive income for the year, net of income tax	-	-	-	-3.02	-3.02	
Balance as at 31st March, 2019	132.35	3,701.57	4,986.24	19,765.95	28,586.11	

16. FINANCIAL LIABILITIES –NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Loans		
(i) Term Loan from bank measured at Amortised Cost	1,000.00	2,949.75
(ii) Long term maturities of Finance Lease obligations/ hire purchase finance	133.94	107.02
	1,133.94	3,056.77
Unsecured		
(i) 9,75,000, 8% Redeemable Preference shares of Rs. 100 each	975.00	1,025.00
(ii) Lease Liabilities	41.01	-
	1,016.01	1,025.00
Total	2,149.95	4,081.77
(a) Nature of security for secured borrowings are given below:		
(i) Term Loan from Banks		
The Immovable and Movable Assets of the Unit Located at Boregoan Industrial Area, Distt.Chhindawara (M.P.) and Abu Road, Sirohi, Rajasthan are charged to Citi Bank by way of First charge for External Commercial Borrowings (ECB) of USD 11.60 million.	2,949.75	5,901.41
The Immovable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and movable assets of Units located at Muzaffarnagar (UP) are charged to The Hongkong & Shanghai Banking Corporation Ltd. by way of First charge for Term Loan of Rs 40 crores.		



(ii) Long term maturities of Finance Lease obligations Above loans are secured against vehicles purchased through Banks under hire purchase agreements.	133.94	107.02
(b) The aggregate amount of loans under each head guaranteed by Directors or others are given below:		
(i) Term Loan from Banks Above term loans are secured by personal guarantee of the Promoter Director.	2,949.75	5,901.41

17. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Depreciation and amortisation	(1,469.85)	-
Mat Receivables	1,446.14	-
Total	23.71	-

18. SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured loan		
Working Capital Loan	5,960.93	7,459.27
Total	5,960.93	7,459.27

(a) The Working Capital Loan is secured by the Hypothecation of Present and Future stock of Raw Materials, Stores, Stock in Process, Chemicals and Consumables, Fuels, Packing, Material, Finished Goods etc. and Book Debts of the Company.

(b) The Loan is further secured by way of a Second Charge on Fixed Assets of the Company and personal guarantee of Promoter Director of the Company.

19. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables consist of the following:		
Other Creditors	2,887.70	2,096.45
Total	2,887.70	2,096.45

Note: The company identifies suppliers belonging to Micro and Small category under MSMED Act, 2006 on the basis of declaration to the effect made by such parties in their invoices/challans as mandated for them under statute. Considering absence of such declaration from any vendor, due towards such vendors have been deemed as Nil (Previous Year Nil).

20. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Interest accrued but not due on borrowings	7.00	30.00
(b) Current maturities of long term debt	2,004.27	2,951.66
(c) Unclaimed dividends	73.41	59.95
(d) Capital liabilities	43.96	92.72
(e) Expenses payable	525.93	602.69
(f) Interest Accrued on Preference Shares	-	98.86
Total	2,654.57	3,835.87

21. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Advance from Customers	221.50	412.02
(b) Other liabilities	598.52	525.55
Total	820.02	937.57

**22. PROVISIONS**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Employee Benefits	180.56	164.23
Total	180.56	164.23

23. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue		
(a) Sale of Product (including excise duty)	59,705.59	65,447.61
(b) Freight and Handling Charges recovered	403.05	433.24
(I)	60,108.64	65,880.85
Other Operating Revenues		
(i) Export and Other Incentives	429.63	363.83
(ii) Miscellaneous Receipts & claims	116.35	144.02
(iii) Sales- Scrap & Waste Material	139.78	63.70
(iv) Foreign Exchange Fluctuations	129.97	191.92
(v) Lease Rent, Operation & Maintenance Charges	1,155.39	744.29
(II)	1,971.12	1,507.75
REVENUE FROM OPERATIONS (I+II)	62,079.77	67,388.61

24. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Interest Income		
(i) On Bank Deposits & Others	93.55	70.51
(b) Dividend Income		
(i) On Investments	0.99	0.57
(c) Gain / (Loss) on sale of investments (Net)		
(i) On Investments	-	49.59
(d) Profit/ (Loss) on property, plant and equipment sold / discarded (Net)	0.18	22.94
(e) Other Non-Operating income	-	52.68
Total	94.72	196.30

25. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw Material	35,496.96	34,822.21
Total	35,496.96	34,822.21

26. PURCHASE OF GOODS TRADED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Purchase of Stock in Trade	704.73	1,320.16
Total	704.73	1,320.16

27. CHANGE IN INVENTORIES

(₹ in Lakhs)



Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Opening inventories		
(i) Traded Goods	46.64	71.46
(ii) Work in progress	640.19	624.56
(iii) Finished Goods	1,812.45	1,725.29
	2,499.27	2,421.31
(b) Less: Closing Inventories		
(i) Traded Goods	94.77	46.64
(ii) Work in progress	695.18	640.19
(iii) Finished Goods	2,557.71	1,812.45
	3,347.66	2,499.27
Total	(848.39)	(77.97)

28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Salaries and Wages	1,963.67	2,005.93
(b) Contribution to Provident and Other Funds	78.98	83.00
(c) Employee Welfare	125.78	143.84
Total	2,168.43	2,232.78

29. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Interest & Charges on Bank borrowing for working Capital	647.27	610.03
(b) Interest on Term and Other Loans	393.58	670.49
(c) Gain on foreign currency transactions and translation	-	46.50
(d) Interest Expenses recognised on Redeemable Preference Shares	97.24	98.86
Total	1,138.08	1,425.88

30. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Depreciation on Property, Plant and Equipment	3,098.04	4,428.99
(b) Amortisation on Intangible Assets	3.92	4.69
Total	3,101.96	4,433.67

31. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Manufacturing Expenses		
(i) Process Chemicals & Consumables	3,697.47	3,272.78
(ii) Stores, Spare Parts & Packing	2,127.64	2,581.12
(iii) Power and Fuel	6,627.94	8,826.73
(iv) Repair & Maintenance:		
-Building	4.50	15.87
-Plant & Machinery	647.05	1,022.73
Total (a)	13,104.60	15,719.24



(b) Administrative Expenses		
(i) Rates and Taxes	127.00	111.20
(ii) Rent	79.32	106.32
(iii) Printing and Stationary	24.26	25.61
(iv) Advertisement and Publicity	4.07	5.94
(v) Subscription and Membership fees	10.72	19.67
(vi) Travelling Expenses	177.18	163.29
(vii) Legal and Professional Expenses**	224.85	179.90
(viii) Communication Charges	56.01	60.40
(ix) Repair and Maintenance	47.31	71.40
(x) Insurance	82.33	71.10
(xi) Donation	1.67	2.20
(xii) Corporate Social Responsibility expenses***	37.46	34.66
(xiii) Miscellaneous Expenses	9.19	14.42
(xiv) Allowance for Doubtful trade receivables	-	22.24
Total (b)	881.37	888.36
(c) Selling and Distribution Expenses		
(i) Commission & Discount	133.92	244.38
(ii) Freight and Forwarding Expenses	3,489.27	3,795.98
(iii) Others	61.34	78.48
Total (c)	3,684.53	4,118.83
Total (a+b+c)	17,670.49	20,726.43
(**) Details of Auditors Remuneration are as follows:		
(i) Audit Fees	6.25	5.75
(ii) Taxation matters	2.75	1.25
(iii) Fee for certification	2.75	1.25
(iv) Reimbursement of expenses	0.78	1.27
	12.53	9.52

(*) Details of Corporate Social Responsibility expenditure in accordance with section 135 of the Companies Act, 2013:**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Gross amount required to be spent by the Company during the year	53.93	61.12
Amount Spent during the year	37.46	34.66
Amount Unspent during the year	16.47	26.46

32. Disclosure in respect of employee benefits under Indian Accounting Standard (Ind AS) – 19 “Employee Benefits” are given below:

i) Defined Contribution Plan

Employers’ contribution towards provident fund amounting to INR 39.13 Lakhs (Previous year INR 39.43 Lakhs) is recognized as an expense and included in Employee Benefit expenses Note No 28.

ii) Defined Benefit Plan

Gratuity

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The company makes contributions to LIC, through a trust which is funded defined benefit plan for qualifying employees.

Expected contributions to gratuity plans for the year 2020-21 are INR 37.52 Lakhs.

**Reconciliation of present value of defined benefit obligation**

(₹ in Lakhs)

A

Particulars	Gratuity (Funded)	
	31 st March 2020	31 st March 2019
Change in the Present value of obligation		
Balance at the beginning of the year	268.42	246.34
Benefits paid	(15.18)	(25.91)
Current service cost	33.70	31.09
Interest cost	20.71	19.69
Past Service cost	-	-
Actuarial (gains) losses recognised in profit and loss:		
-Changes in demographic assumptions	-	-
Actuarial (gains) losses recognised in OCI:		
-Changes in demographic assumptions	(0.02)	0.96
-Changes in financial assumptions	24.30	7.75
-Experience adjustments	(1.06)	(11.50)
Balance at the end of the year	330.85	268.42

B

Particulars	Gratuity (Funded)	
	31 st March 2020	31 st March 2019
Change in the fair value of plan asset		
Balance at the beginning of the year	298.95	273.72
Contributions paid into the plan	10.00	10.00
Benefits paid	-	-
Expected Return on Plan Asset	23.07	21.89
Actuarial Gain/(Loss) on Planned Assets	-	(6.66)
Balance at the end of the year	332.02	298.95
Net Defined Benefit Asset/(Liability)	1.17	30.53

C

Particulars	Gratuity (Funded)	
	31 st March 2020	31 st March 2019
Expense recognized in profit or loss		
Current service cost	33.70	31.09
Interest cost	(2.36)	(2.19)
Actuarial (Gain)/Loss	-	-
TOTAL	31.34	28.90

D

Particulars	Gratuity (Funded)	
	31 st March 2020	31 st March 2019
Expense recognized in OCI		
Actuarial (gains) / losses		
- change in demographic assumptions	(0.02)	0.96
- change in financial assumptions	24.30	7.75
- experience variance (i.e. Actual experience vs assumptions)	(1.06)	(11.50)
- return on plan assets, excluding amount recognised in net interest expense	-	6.66
TOTAL	23.21	3.87

**E Plan Assets**

Plan Assets comprise of the following:

(Rs in lakhs)

Particulars	31st March 2020	31st March 2019
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company*	100%	100%
Others	0%	0%
TOTAL	100%	100%

* The company's assets are managed by the Life Insurance Corporation of India, the total assets held as on 31st March 2020 is INR 332.02 Lakhs.

F

Actuarial Assumptions	Gratuity (Funded)	
	31st March 2020	31st March 2019
Economic assumptions:		
Discount Rate (Per annum)	6.85%	7.70%
Future Salary increase	6.50%	6.50%
Demographic assumptions:		
Retirement Age (Years)	58	58
Mortality rates inclusive of provision for disability**	IALM (2012-14)	IALM (2006-08)
Withdrawal Rate (%)	1.00%	1.00%

** The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (31st March 2019: 10 years).

G Sensitivity Analysis

Particulars	Gratuity (Funded)	
	31st March 2020	31st March 2019
Present Value of Obligation at the end of the period	330.85	268.42
a) Discount rate-100 basis points	363.74	295.95
b) Discount rate+100 basis points	302.61	244.71
c) Salary Growth Rate -100 basis points	302.27	244.25
d) Salary Growth Rate+100 basis points	363.52	296.01
e) Attrition Growth Rate-50% of attrition rates	330.68	267.46
f) Attrition Growth Rate+50% of attrition rates	331.00	269.31
g) Mortality Growth Rate-10% of mortality rates	330.82	268.33
h) Mortality Growth Rate+10% of mortality rates	330.88	268.51

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

H Risk Exposure

Investment Risk-The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.



Interest Risk-LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually- the fall in interest rate is not therefore offset by increased in value of bonds, hence may pose a risk.

Longevity Risk-Since the gratuity payment happens at the retirement age of 58, longevity impact is very low at this age, hence this is a non-risk.

Salary Risk-The liability is calculated taking into account the salary increases, basis our past experience of salary increases with the assumptions used, they are in line, hence this risk is low.

I Maturity profile of defined benefit obligation

(₹ in Lakhs)

Actuarial Assumptions	Gratuity (Funded)	
	31 st March 2020	31 st March 2019
Year 1	39.89	10.73
Years 2-5	90.07	96.75
Years 6-10	150.65	132.44
Beyond 10	441.29	431.06

33 INCOME TAX

A. Amounts recognised in profit or loss

(₹ in Lakhs)

Particulars	31 st March 2020		31 st March 2019	
Current tax expense				
Current year	495.94		592.68	
Add: MAT Credit Available	47.95		44.82	
		543.89		637.51
Deferred Tax Expense				
Property, plant and equipment		543.89		637.51
		139.93		(78.30)
Total Tax Expense		683.82		559.21

As per Indian tax laws, companies are liable for a Minimum Alternate Tax ("MAT" tax) when current tax, as computed under the provisions of the Income Tax Act, 1961 ("Tax Act"), is determined to be below the MAT tax computed under section 115JB of the Tax Act. The excess of MAT tax over current tax is eligible to be carried forward and set-off in the future against the current tax liabilities over a period of 15 years

B Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31 st March 2019	Recognized in P&L	Recognized in OCI	As at 31 st March 2020
Deferred Tax Assets				
MAT Receivable	1,494.12	(47.98)	-	1,446.14
Total Deferred Tax Assets	1,494.12	(47.98)	-	1,446.14
Deferred Tax Liabilities				
Property, plant and equipment	1,329.92	139.93	-	1,469.85
Total Deferred Tax Liabilities	1,329.92	139.93	-	1,469.85
Net Deferred Tax Assets (Liability)	164.21	-187.91		-23.71



34 Financial instruments and risk management

I. Financial instruments by category

(₹ in Lakhs)

	As at 31.03.2020				As at 31.03.2019			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets								
Investments								
- in equity instruments	-	41.95	-	41.95	-	46.73	-	46.73
Trade Receivable	-	-	8,236.90	8,236.90	-	-	10,003.93	10,003.93
Security deposits	-	-	459.66	459.66	-	-	337.26	337.26
Term deposit with banks	-	-	83.69	83.69	-	-	-	-
Cash and cash equivalents	-	-	242.51	242.51	-	-	2,515.67	2,515.67
Bank balances other than above	-	-	73.41	73.41	-	-	59.95	59.95
Total financial assets	-	41.95	9,096.17	9,138.12	-	46.73	12,916.81	12,963.54
Financial liabilities								
Term loans from bank	-	-	1,000.00	1,000.00	-	-	2,949.75	2,949.75
Obligations under finance leases and hire purchase contracts	-	-	133.94	133.94	-	-	107.02	107.02
Redeemable preference shares	-	-	975.00	975.00	-	-	1,025.00	1,025.00
Lease liability	-	-	41.01	41.01	-	-	-	-
Working capital loans	-	-	5,960.93	5,960.93	-	-	7,459.27	7,459.27
Trade payables	-	-	2,887.70	2,887.70	-	-	2,096.45	2,096.45
Interest accrued but not due on borrowings	-	-	7.00	7.00	-	-	30.00	30.00
Current maturities of long-term debt	-	-	2,004.27	2,004.27	-	-	2,951.66	2,951.66
Unclaimed dividends	-	-	73.41	73.41	-	-	59.95	59.95
Capital liabilities	-	-	43.96	43.96	-	-	92.72	92.72
Expenses payable	-	-	525.93	525.93	-	-	602.69	602.69
Interest accrued on preference shares	-	-	-	-	-	-	98.86	98.86
Total financial liabilities	-	-	13,653.15	13,653.15	-	-	17,473.37	17,473.37



II. Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31 March 2020	Note No	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	5	-	-	-	-
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	41.95	41.95
Total financial assets		-	-	41.95	41.95

As at 31 March 2019	Note No	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	5	-	-	-	-
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	46.73	46.73
Total financial assets		-	-	46.73	46.73

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of debt based open ended mutual funds.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The company does not have any investments which are categorized as Level 2.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. This is the case for investment in unlisted equity securities.

Note:

- There are no transfers between level 1 and level 2 during the year.
- The fair value of financial assets and liabilities approximate their carrying amount measured under Level III hierarchy.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Unquoted equity investments: Fair value is derived on the basis of income approach; in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

**Reconciliation of Level 3 fair value measurement**

(₹ in Lakhs)

	Unlisted equity instruments
As at 01 April 2018	46.73
Acquisition/(Dispose of)	-
Gains/(losses) recognised	-
- in other comprehensive income	-
As at 31 March 2019	46.73
Acquisition/(Dispose of)	(4.78)
Gains/(losses) recognized	-
- in other comprehensive income	-
As at 31 March 2020	41.95

III. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements: -

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits and credit limits
Liquidity risk	Business commitment and other liabilities	Credit rating	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee	Rolling cash flow forecasts Cash flow forecasting	Forward foreign exchange contracts
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

i. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables. The Company computes an allowance for impairment of trade receivables for unrelated parties based on a simplified approach, that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted with scalar factors to reflect differences between current and historical economic conditions and the management's view of economic conditions over the expected lives of the receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables and other loans and advances. None of the financial instruments of the Company results in material concentration of credit risks.

**Reconciliation of loss allowance provision – Trade and other receivables**

(₹ in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Opening balance	48.69	26.45
Provision made during the year	-	22.24
Trade receivables written off during the year	-48.69	-
Provision reversed during the year / collection	-	-
Closing balance	0.00	48.69

Other than financial assets mentioned above, none of the financial assets were impaired and there were no indications that defaults in payment obligations would occur.

Concentration of significant credit risk

There is no concentration of customer risk so far transactions with non-related parties are concerned.

ii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements. The company mitigates liquidity risk by way of formulation of cash budget and comparison of actual cash flows with budget on a continuous basis.

The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Company has access to the unutilized credit limits from banks of INR 5039.07 lacs (INR 3,540.73 lacs as at 31.03.2019) to honor any liquidity requirements arising for business needs.

(₹ in Lakhs)

Particulars	Contractual cash flows			
	31 st March 2020	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	2,149.95	-	2,149.95	-
Borrowings (Short Term)	5,960.93	5,960.93	-	-
Trade Payables	2,887.70	2,887.70	-	-
Other current financial liabilities	2,654.57	2,654.57	-	-
Total non-derivative liabilities	13,653.15	11,503.20	2,149.95	-

Particulars	Contractual cash flows			
	31 st March 2019	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	4,081.77	-	4,081.77	-
Borrowings (Short Term)	7,459.27	7,459.27	-	-
Trade Payables	2,096.45	2,096.45	-	-
Other current financial liabilities	3,835.87	3,835.87	-	-
Total non-derivative liabilities	17,473.36	13,391.59	4,081.77	-

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the



approved foreign currency risk management policy. The Company enters into forward foreign exchange contracts to mitigate the foreign currency risk. The carrying amounts of the company’s foreign exchange monetary items as at the end of reporting period are as follows:

Particulars	As at 31 st March 2020	Conversion rates	As at 31 st March 2019	Conversion rates
Transaction currency	USD		USD	
--> Financial assets				
Trade receivables	13.06	75.39	16.80	69.17
Financial liabilities				
Borrowings	14.50	65.50	43.50	65.50
Net statement of financial position Exposure	(1.44)		(26.70)	

Note: The above-mentioned secured borrowings are hedged to protect against foreign currency fluctuation risk through forward exchange forward contract. All other foreign currency assets and liabilities are not hedged as at the year end.

Sensitivity analysis

The Company’s currency exposures in respect of foreign currency monetary items at each period end presented that result in net currency gains and losses in the income statement and equity arise principally from movement in INR exchange rates. At each period end, if INR had weakened by 10% against the USD, with all other variables held constant, the changes in profit or loss will be as summarized in the following table. 10% is the sensitivity rate used when reporting to foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis has been carried out without considering the hedged items. A positive number below indicates an increase in profit or equity and vice-versa.

(₹ in Lakhs)

Particulars	Profit or loss	
	Strong	Weak
31st March 2020		
USD (10% movement)	0.16	(0.13)
31st March 2019		
USD (10% movement)	2.97	(2.43)

b. Interest rate risk

The Company’s main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Any rise in market rate of interest effective effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analysed for mitigation measure.

Exposure to interest rate risk

The interest rate profile of the company’s interest-bearing financial instruments as reported to the management is as follows.

Particulars	Nominal Amount	
	31 st March 2020	31 st March 2019
Financial Assets/Liabilities		
Variable-rate instruments		
Long term borrowings	1,133.94	3,056.77
Short Term Borrowings	5,960.93	7459.27
Fixed-rate instruments		
Long Term Borrowings	1,016.01	1025.00

**(Profit) or loss**

Particulars	50 bp increase	50 bp decrease
31st March 2020		
Variable-rate instruments	44.03	(44.03)
31st March 2019		
Variable-rate instruments	22.63	(22.63)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

c. Security price risk**Exposure in equity**

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended 31st March 2020 would increase / decrease by INR Nil (for the year ended 31st March 2019: increase / decrease by INR 2.33 lacs) as a result of the change in fair value of equity investment measured at FVTOCI.

d. Fiscal Risk

The company does not foresee any material fiscal risk pertaining to its overseas transactions with related parties in respect of which its application for advance pricing agreement is pending before fiscal authorities for years even though authorities make any upward revision of prices. Though overseas transactions with related parties for many years are conducted as per application made for advance pricing agreement, impact of any upward revision of prices of any of the items of out- put is unlikely to give rise to any additional financial liability considering huge carry forward loss and unabsorbed depreciation as per company's income tax return.

35 Capital Management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.



(₹ in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Interest-bearing loans and borrowings (Note No 16 & 18)	8,110.88	11,541.04
Trade and other payables (Note 19, 20 & 21)	6,362.30	6,869.89
Less: cash and short-term deposits (Note 11 & 12)	315.92	2,575.61
Net debt	14,157.26	15,835.32
Reserve & Surplus (Note 15)	30,059.90	28,586.11
Equity (Note 14)	469.17	469.17
Total Capital	30,529.07	29,055.28
Capital and net debt	44,686.33	44,890.60
Gearing ratio	31.68%	35.28%

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 2019.

36. DETAIL OF SALES, RAW MATERIAL CONSUMPTION, INVENTORIES, ETC. UNDER BROAD HEADS ARE GIVEN BELOW:

A. Raw Materials Consumed:

(₹ in Lakhs)

Products	2019-20	2018-19
Rice	4,670.12	4,975.16
Corn/Starch	27,083.61	26,627.01
Lime & Lime Stone	2,238.14	3,220.04
Capital Goods	1,505.10	0.00
TOTAL	35,496.97	34,822.21

B. Traded Goods

(₹ in Lakhs)

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Calcium Carbonate	704.73	1,320.16	1,112.89	1,992.77	46.64	71.46	94.77	46.64
TOTAL	704.73	1,320.16	1,112.89	1,992.77	46.64	71.46	94.77	46.64

C. Manufactured Goods

(₹ in Lakhs)

Products	Sales		Opening Stock		Closing Stock	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. Sorbitol & Sweetner	20,967.86	23,332.04	362.47	430.09	535.00	362.47
2. Fructose	7,551.74	4,822.00	240.05	286.66	310.65	240.05
3. Starch	10,710.13	13,666.54	277.57	-	810.01	277.57
4. Calcium Carbonate	7,976.40	9,266.11	449.71	219.12	275.14	449.71
5. By Products	8,685.87	10,247.12	136.96	234.05	388.47	136.96
6. Liquor-IMFL	451.71	2,554.28	345.69	555.37	238.44	345.69
7. Capital Goods	2,652.05	-	-	-	-	-
TOTAL	58,995.76	63,888.09	1,812.45	1,725.29	2,557.71	1,812.45

**37 A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Raw Materials, Stores and Components	2,193.22	193.51
Capital Goods	435.49	54.84

B. Expenditure in foreign currency during the year:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Interest	159.34	159.07
Commission	27.43	53.68
Travelling	31.02	26.27
Technical Service Expenses	77.09	20.78
Legal & Professional Fee	5.82	2.55

C. Earnings in Foreign Exchange:

(₹ in Lakhs)

Particulars	2018-19	2018-19
Export of Goods on F.O.B. basis	9,298.38	8,577.06

D. Value of Raw Materials, Coal and Fuel and Stores and Spares consumed during the year ended:

Particulars	Value (₹ in Lakhs)			
	2019-20	2018-19	2019-20	2018-19
Raw Materials:				
Imported	1,302.46	140.47	3.67%	0.40%
Indigenous	34,194.51	34,681.74	96.33%	99.60%
	35,496.97	34,822.21	100.00%	100.00%
Coal and Fuel:				
Imported	-	-	-	-
Indigenous	3,729.64	5,011.89	100.00%	100.00%
	3,729.64	5,011.89	100.00%	100.00%
Stores and Spares:				
Imported	112.88	53.04	56.17%	17.43%
Indigenous	88.08	251.32	43.83%	82.57%
	200.96	304.36	100.00%	100.00%

38. Contingent Liabilities in respect of:

- Corporate Guarantee (in the form of Counter Guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for Rs.7.39 Lakhs (Previous year Rs.7.39 Lakhs) on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units.
- Bank Guarantees for Rs.884.95 Lakhs (Previous Year 614.34 Lakhs) in favour of Government Departments and performance Bank Guarantee.
- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.71.04 Lakhs (Previous year Rs.114.10 Lakhs).

**39. Disclosure of Related Party transactions as per Ind AS 24 :**

(a) Name of related party and nature of related party relationship where control exist

(i) Holding Company : Gulshan Holding Pvt. Ltd.

(ii) Subsidiary Company : Nil

(b) Name of related party and nature of related party relationship other than those referred to in (a) above in transaction with the company:

(i) Joint Ventures etc. : Nil

(ii) Key Management Personnel : Dr. C.K. Jain, Managing Director

Mrs. Arushi Jain, Whole Time Director

Mrs. Aditi Pasari, Whole Time Director

Mr. A. K. Vats, Whole Time Director & CEO

Mr. S. K. Tewari, Whole Time Director

Mr. Rajiv Gupta, CFO

Mr. Vijay kumar Garg, CS

(iii) Relative of KMP : Mrs. Mridula Jain

(iv) Corporate entities over which key management personnel are able to exercise significant influence: Gulshan Lamee Pack Pvt. Ltd, Gulshan Specialty Minerals Private Limited, Gulshan Sugar & Chemicals Ltd., Reliance Expovision Pvt Ltd., East Delhi Importers & Exporters Pvt Ltd., ARP Developers Pvt Ltd., Oye Oye.com Online Services India LLP., Houzilla Interiors Pvt Ltd

(v) Transactions with related parties of the period 01.04.2019 to 31.03.2020 :

(₹ in Lakhs)

(a) Key Managerial Personnel	2019-20	2018-19
Remuneration to Key Personnel:		
- Salaries & Perks	387.70	334.25
- Commission on Profits	-	-
Rent Paid - Dr. C.K Jain	64.80	64.80
- Mrs. Mridula Jain, Relative	9.60	16.98
(b) Others		-
Gulshan Holding Private Ltd. - Interest paid	3.37	-
Gulshan Lamee Pack Pvt. Ltd.- Product Sales	50.64	33.81
(c) Gulshan Lamee Pack Pvt. Ltd- Outstanding balance as on 31.03.2020 (Dr.)	12.18	10.25

40. Earning Per Share

(₹ in Lakhs)

	Particulars	2019-20	2018-19
1	Net Profit After Tax	2,058.40	2,142.52
2	Weighted Average of number of Equity Share outstanding during the year	469.17	469.17
3	Basic Earning Per Share of Rs.1/- each	4.39	4.57
4	Diluted Earning Per Share of Rs.1/- each	4.39	4.57


41. Information on segment reporting pursuant to Ind AS 108 – Operating Segments Operating segments:

- Mineral Processing
- Grain Processing
- Distillery

Identification of Segments:

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities:

Assets used by the operating segment mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/ liabilities.

(₹ in Lakhs)

Particulars	Mineral Processing		Grain Processing		Distillery		Total	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Revenue								
External sales	13,144.68	12,048.18	48,430.59	52,149.04	504.49	3,191.38	62,079.77	67,388.61
Total Revenue	13,144.68	12,048.18	48,430.59	52,149.04	504.49	3,191.38	62,079.77	67,388.61
Results								
Segment results before interest and Finance cost	3,291.26	1,706.14	1,091.82	4,113.93	(473.20)	(1,750.48)	3,909.88	4,069.59
Un-allocable Income	-	-	-	-	-	-	(29.57)	58.02
Operating Profit	3,291.26	1,706.14	1,091.82	4,113.93	(473.20)	(1,750.48)	3,880.31	4,127.61
Interest Expenses							1,138.08	1,425.88
Current Tax (Net of MAT Credit/debit)							543.89	637.50
Deferred Tax Charge/ (Credit)							139.93	(78.30)
Net Profit							2,058.40	2,142.53

Other Information

	Mineral Processing		Grain Processing		Distillery		Others		Total	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Segment Assets	6,261.31	6,862.09	27,667.77	27,367.90	10,838.44	10,494.16	-	-	44,767.52	44,724.14
Unallocated Assets	-	-	-	-	-	-	930.74	3,498.14	930.74	3,498.14
TOTAL ASSETS	6,261.31	6,862.09	27,667.77	27,367.90	10,838.44	10,494.16	930.74	3,498.14	45,698.26	48,222.28
Segment Liabilities	941.93	2,407.02	13,417.96	11,241.89	1,264.22	4,607.61	-	-	15,624.11	18,256.51
Unallocated Liabilities & Provisions	-	-	-	-	-	-	(454.93)	910.49	(454.93)	910.49
TOTAL LIABILITIES	941.93	2,407.02	13,417.96	11,241.89	1,264.22	4,607.61	(454.93)	910.49	15,169.19	19,167.00

**42. Standards issued but not yet effective**

Since there were no standard issued but not yet effective at the time of preparing the financial statements, hence the disclosure is not applicable.

43. The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realizable to the extent shown in the financial results. The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor the development.

As per our report of even date**For RAJEEV SINGAL & CO.**

Chartered Accountants

(Registration No.008692C)**(RAJEEV KUMAR SINGHAL)**

Partner

Membership no: 077834

UDIN: 20077834AAAAAC2420

Date: 26-05-2020**Place : Delhi****For and on behalf of the Board of Directors****DR. C. K. JAIN**

Chairman & Managing Director

DIN: 00062221

VIJAY KUMAR GARG

Company Secretary

ASHWANI KUMAR VATS

Whole Time Director and CEO

DIN : 00062413

RAJIV GUPTA

Chief Financial Officer



GULSHAN POLYOLS LIMITED

Regd. Office: "9th K.M. Jansath Road, Muzaffarnagar – 251 001 (UP)"

CIN: L24231UP2000PLC034918

Form No. MGT-11

PROXY FORM

[Pursuant to 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 :
Email ID :
Folio No/Client ID :
DP ID :

I / We, being the member(s) ofshares 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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 20th Annual General Meeting of the Company, to be held on Saturday, 19th September, 2020 at 12:30 P.M. at Registered Office situated at 9th K.M Jansath Road Muzaffarnagar -251001 Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year 2019-2020 including Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Ms. Aditi Pasari (DIN: 00120753), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To ratify the appointment of M/s. Rajeev Singal & Co., Chartered Accountants (Firm Registration No. - 008692C), as Statutory Auditors of the Company.

Special Business:

4. Revision in the remuneration of Ms. Arushi Jain (DIN: 00764520), the Whole Time Director of the Company.
5. Revision in the remuneration of Ms. Aditi Pasari (DIN: 00120753), the Whole Time Director of the Company.
6. Ratification of Remuneration of Cost Auditors of the Company.
7. Re-appointment and revision in terms of remuneration of Dr. Chandra Kumar Jain (DIN: 00062221) Chairman and Managing Director of the Company.
8. Re-appointment of Mr. Ashwani Kumar Vats (DIN: 00062413) as a Whole Time Director designated as CEO of the Company.



- 9. Re-appointment of Ms. Arushi Jain (DIN: 00764520) as a Whole Time Director of the Company.
- 10. Re-appointment of Ms. Aditi Pasari (DIN: 00120753) as a Whole Time Director of the Company.
- 11. Waiver of excess Managerial Remuneration paid to Dr. Chandra Kumar Jain (DIN: 00062221) Chairman and Managing Director of the Company for the financial year 2019- 20.
- 12. Continuation of Directorship of Mr. Kailash Chandra Gupta (DIN: 01649210), Director in terms of regulation 17(1a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Affix
Revenue
Stamp**

Signed this day of 2020.

Signature of Shareholder: _____

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 Meeting.

GULSHAN POLYOLS LIMITED

Regd. Office: "9th K.M. Jansath Road, Muzaffarnagar – 251 001 (UP)"
CIN: L24231UP2000PLC034918

Attendance Slip for attending the Annual General Meeting

Full name of the member attending.....

Full name of the joint-holder
(To be filled in if first named Joint- holder does not attend meeting)

Name of Proxy
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 20th Annual General Meeting held at Registered Office situated at 9th K.M Jansath Road Muzaffarnagar -251001 Uttar Pradesh on Saturday, 19th September, 2020 at 12:30 P.M.

Folio No _____ DP ID No. * _____ Client ID No.* _____

*Applicable for members holding shares in electronic form.

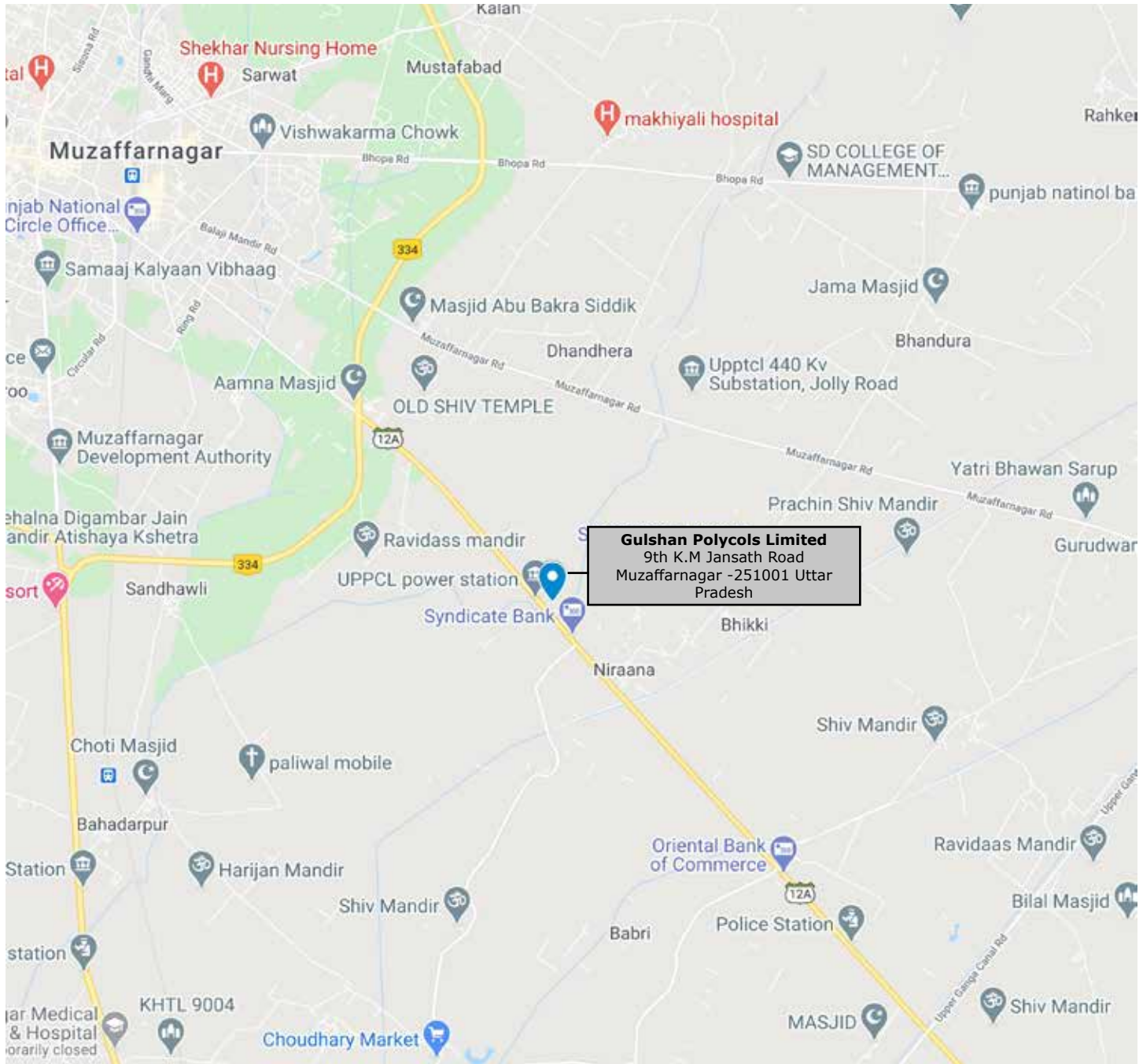
No. of Share(s) held _____

Member's / Proxy's Signature



ROUTE MAP TO THE VENUE OF THE 20TH AGM TO BE HELD ON SATURDAY, 19TH SEPTEMBER, 2020

Venue: Registered Office of Company at 9th K.M Jansath Road Muzaffarnagar -251001 Uttar Pradesh.



GULSHAN ALCOHOL BASED HAND RUB SOLUTION



Being the licensed manufacturer of key ingredient i.e. Ethyl Alcohol 80% v/v and its Manufacturing facility at Chhindwara M.P, located right in centre of the country, GPL has an opportunity to develop a new and sustainable business of Hand Sanitizer.

Alcohol rub sanitizers contain at least 70% alcohol (mainly ethyl alcohol) and kill 99.9% of the bacteria on hands 30 seconds after application and 99.99% to 99.999% in one minute.

The composition of Gulshan Hand Rub Solution is as follow:

- Ethyl Alcohol 80% v/v
- Glycerol 1.45% v/v
- Hydrogen Peroxide 0.125% v/v
- Essential oils

PACKAGING:

- 200 Litre HDPE Drum
- 5 Litre Can
- 1 Litre Bottle with Flip Top cap
- 500 ml Bottle with Flip Top cap
- 200 ml Bottle with Flip Top cap
- 100 ml Bottle with Flip Top cap
- 50 ml Bottle with Flip Top

YOUR CSR COMMITMENTS



Your Company has organized Nine Free Eye Checkup and Cataract Surgery Camp for Nearby Villagers of Muzaffarnagar in collaboration with Nirmal Eye Institute, Rishikesh, having undertaken 650 Operations and 3374 OPD, in the year 2019-20 and is continuing to do the same in the current year as well.



Total camps organized		9
MUZAFFARNAGAR		4
SHUKKARTAL		5
DATE	OPERATION	OPD
02 April 2019	60	393
08 May 2019	42	350
12 June 2019	36	244
04 September 2019	86	350
09 October 2019	111	541
20 November 2019	87	499
08 January 2020	72	257
05 February 2020	71	350
04 March 2020	85	390
Total	650	3374

OTHER CSR INITIATIVES

BLOOD DONATION CAMPS

Location: Bharuch Plant Gujarat

The Company organized One voluntary Blood Donation Camps, in association with Rotary Blood Bank at Bharuch Plant, Gujarat, collecting more than 100 units of blood respectively on locations. The employees, their family members and large number of volunteers participated with great enthusiasm.



- The Company has provided printers, stationary, furniture, RO water purifiers to various primary school around your factory locations.
- The Company has installed playground equipment at Primary School around Jhagadia, Gujarat and Muzaffarnagar, Uttar Pradesh.
- The Company has also installed RCC chair in the Local Park around Jhagadia.



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