



**Gulshan Polyols Limited**  
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\2021-22**  
**August 25, 2021**

**To,**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai  
Maharashtra- 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1,  
'G' block, Bandra Kurla Complex,  
Bandra (E), Mumbai  
Maharashtra-400 051

**Scrip Code: 532457**

**Symbol: GULPOLY**

**Subject: Notice of 21st Annual General Meeting with Annual Report for FY 2020-21, Book Closure and Dividend Payment Date**

Dear Sir/Ma'am,

Pursuant to the provisions of Regulation 30, 34, 42 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform the following:

1. The 21st Annual General Meeting ('AGM') of the Gulshan Polyols Limited is scheduled to be held on Saturday on 18<sup>th</sup> day of September, 2021 at 4.00 P.M (IST) at 'The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251002'.
2. A copy of Annual Report for the Financial Year 2020-21 containing, inter alia, the Notice of the 21st AGM including e-voting instructions, the Audited Financial Statements for the financial year ended March 31, 2021 and the Reports of Auditors and Directors thereon is enclosed, which are being sent to the shareholders of the Company through permitted mode and are also available on the Company's website: [www.gulshanindia.com](http://www.gulshanindia.com) and Central Depository Services Limited ("CDSL") website: [www.evotingindia.com](http://www.evotingindia.com).
3. The Company is providing facility of remote e-voting to its members in respect of the all business to be transacted at the 21st AGM and facility of voting through ballot paper at the venue during the 21st AGM for those Members participating and attending in the meeting physically CDSL will be providing the facility of remote e-voting. The procedure for remote e-voting and participating & attending meeting physically, is mentioned in notes of the Notice of 21<sup>st</sup> AGM.
4. Voting rights (for voting through remote e-voting as well as Polling Paper at AGM) shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on **Cut-off date i.e. Saturday, September 11, 2021.**
5. Remote e-Voting shall commence at **9:00 a.m. (IST) on Wednesday, September 15, 2021** and end at **5:00 p.m. (IST) on Friday, September 17, 2021.** Remote e-Voting module shall be disabled by CDSL, beyond the aforesaid date and time.
6. In terms of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 91 of the Companies Act, 2013 including rules made thereunder, the Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, September 11, 2021 to Saturday, September 18, 2021** (both days inclusive) for the purpose of the AGM and determining eligibility for payment of

dividend @ Rs. 0.40 per equity share of Re. 1 each of the Company, subject to approval of the members at the AGM.

7. The dividend on equity shares @ 40% per equity share of Re. 1 each for the year ended March 31, 2021, if declared at the AGM, will be subject to deduction of income tax at source ('TDS') and be paid on or before October 18, 2021 to those members or their mandates:
- whose names appear as Beneficial Owners as at the end of the day on **Friday, September 10, 2021** in the list of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - whose names appear as members in the Register of Members of the Company after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on **Friday, September 10, 2021**.
8. The dividend income is taxable in the hands of Members with effect from April 1, 2020 as per the provisions of the Income Tax Act, 1961 as amended and read with the provisions of the Finance Act, 2020. Accordingly, the Company will be required to deduct tax at source/withhold taxes (TDS) at the prescribed rates on the dividend to be paid to its shareholders.

Thanking you,  
Yours faithfully

**For GULSHAN POLYOLS LIMITED**



(Asha Mittal)  
Company Secretary  
M.No. ACS-32348



CC:

1. **National Securities Depository Limited**  
Trade World, 4th Floor Kamla Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400 013.

2. **Central Depository Services (India) Limited**  
Marathon Futurex, A-Wing, 25th floor,  
NM Joshi Marg, Lower Parel,  
Mumbai – 400 001.

3. **Alankit Assignment Limited**  
Alankit House, 4E/2, Jhandewalan Extension,  
New Delhi-110055.



**GULSHAN  
POLYOLS LIMITED**

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**EXPANDING POTENTIAL**

ANNUAL REPORT 2021

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# Chairman's Statement



**Dr. Chandra Kumar Jain**  
Chairman & Managing Director

## Dear and Esteemed Fellow Shareowners,

My sincere wishes and hopes that each one of you is safe and sound.

We are living through a difficult time as 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.

The Indian GDP, after a steep fall of 24.4% and 7.3% in Q1 and Q2 of FY 2020-21 respectively, has shown recovery with 0.4% growth in Q3. Based on this recovery trend, the GDP for 2021 is estimated to be contracting by 8% which is a clear outcome of the efforts undertaken in minimizing the impact of Covid-19 on the economy.

Going forward, for GPL, Employee wellbeing is of paramount importance and we have had multiple interventions in this regard including facilitating vaccination for them and their dependents.

We are grateful to the frontline healthcare workers and other support teams who are selflessly and fearlessly serving humanity during these challenging times. The silver lining is the success of large-scale vaccination in controlling the pandemic that is giving hope to humanity at large.

Due to lockdowns and restrictions imposed to prevent the spread of COVID-19, our performance was impacted upto June quarter. However, with the relaxations provided by the Government of India for essential services, our Company got the requisite permissions from respective State Governments to operate most of its production facilities during the lockdown period. However, the manufacturing operations during this period were operating at scaled-down levels. Encouragingly, despite the impact, your company has started witnessing a significant revival in demand. Consumption across markets continued to strengthen on a month-on-month basis during the course of the year. In sync with revival in demand, we increased production in a staggered manner across our production facilities. Your Company has marked impeccable growth, quarter on quarter and achieved many admirable wins and milestones through the last 3 quarters of FY 2021.

Our primary focus during the year was towards undertaking all necessary measures to maintain, excel and expand our business operations, by ensuring safety of our employees and stakeholders.

Being a Chairman on the Board of Gulshan Polyols Limited, let me assure you that despite myriad challenges, your company is focused on maintaining effervescent growth and delivering value to its stakeholders. GPL 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'ble Prime Minister.

Moving towards 'Make in India' strategy of **Government of India on 'Ethanol Blending Petroleum Program'** on petrol blending with Ethanol upto 20% by 2023 (previously it was upto 2025), the Management is very much enthusiastic about future outlook of Ethanol

Business, so it is exploring new locations and avenues alongwith expansion of existing sites.

Company is planning to expand the business and explore opportunities globally. In this regard, we have already initiated the process to incorporate a wholly owned subsidiary of the Company in International Free Zone Authority (IFZA), Dubai Silicon Oasis, Dubai, United Arab Emirates.

I am elated to announce that your company has become a Debt Free Company as on March 31, 2021. This was only possible due to sound financial controls and management.

### **Dividend**

We manage our business efficiently to give advantage to all our shareholders. A key component of delivering value to our shareholders and winning their confidence is the steady return on capital. GPL is a constant dividend payee company who always kept the trust of their shareholders reposed into the working of the Company by paying the dividend since inception of the company. The Company's Board of Directors in the tune of progressive Dividend Policy, had declared and paid an interim dividend @ 60% in November, 2020 and further recommended the Final Dividend @40% in the ensuing 21<sup>st</sup> Annual General Meeting of the Company on the paid up equity share capital of the company.

### **Company's Overall Performance:**

It gives me immense pleasure to share with you an update on the overall performance of your Company during 2020-21. Despite, it was yet another difficult year for the global economy, characterized by low growth and geopolitical uncertainties, we outshined and broken all previous records.

During the financial year ended March 31, 2021,

Revenue from operations increases to ₹ 766.03 crores from ₹ 620.79 crores in the previous year showing a remarkable growth of 23%. Similarly, Net Profit grow by 203% from 20.58 crore in FY 20 to 62.45 crore in FY 21.

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 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 goes hand-in-hand.

On behalf of the Board 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. I would like to express my sincere gratitude to all the members of our board for their continued insights and invaluable guidance as we explore new opportunities and move ahead with confidence. 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. Chandra Kumar Jain  
Chairman & Managing Director  
DIN: 00062221

# Board of Directors



**Dr. C. K. Jain**

*Chairman & Managing Director,  
Gulshan Polyols Limited*

Gulshan Polyols Limited is conceived and promoted by Dr C.K. Jain, who is a Sugar Technologist and has been awarded a Doctorate Degree in Chemistry. He has been leading the company with a highly experienced team of professionals for 38 years.



**Ms. Arushi Jain**

*Executive Director*

Ms. Jain is MS in marketing from City University of New York, USA and Diploma in Baking Technologist from AIB, USA. She oversees operations and technology.



**Ms. Aditi Pasari**

*Executive Director*

Ms. Pasari is MBA from Cardiff University, UK. She is actively involved in the day-to-day Financial planning, Sales and Administrations and managing Investor Relations for the company.



**Mr. Ashwani K. Vats**

*Executive Director &  
CEO*

Mr. Vats, Graduate with PG. Diploma in Marketing and Management, has vast experience in the calcium carbonate industry and has been associated with the Company for over 3 decades.



**Mr. A. K. Maheshwari**

*Independent Director*

Mr. Maheshwari is a qualified Chartered Accountant and Company Secretary, has more than three decades of experience in various industries like Banking, Electronics, Iron & Steel, Chemicals and Infrastructure.



**Mr. J. J. Bhagat**

*Independent Director*

Mr. Bhagat is Post Graduate in Sugar Technology and having over 35 years long experience in Sugar and Allied Industries including Ethanol, Bio-poner.



**Ms. Archana Jain**

*Independent Director*

Ms. Jain is a Chartered Accountant with 10+ years of cross-functional experience in Accounts, Finance and Indirect taxation. She represents many reputed corporate houses at Service Tax/Customs Department for appeals up to CESTAT.



**Mr. R. K. Gupta**

*Independent Director*

Mr. Gupta is a Chartered Accountant with extensive experience in Finance, Taxation and Management.

ETHANOL AND  
DISTILLERY



GRAIN PROCESSING  
DIVISION



MINERAL PROCESSING  
DIVISION



# CREATING INGREDIENTS FOR A GOOD LIFE

LEGACY RELATIONSHIP WITH ESTEEMED CLIENTELE

FMCG



FOOD



PAPER



PETROCHEMICALS



PHARMA



FOOTWEAR



I.P.B. PLASTICS WITH  
SCJ PLASTICS

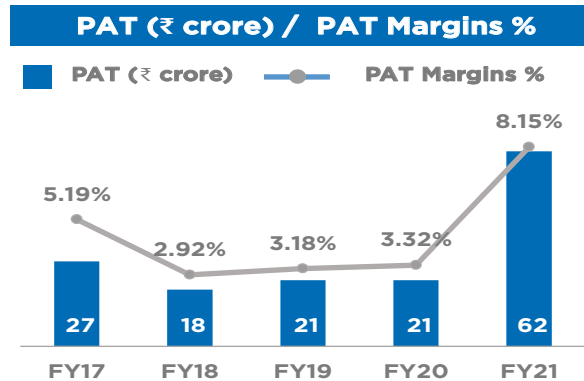
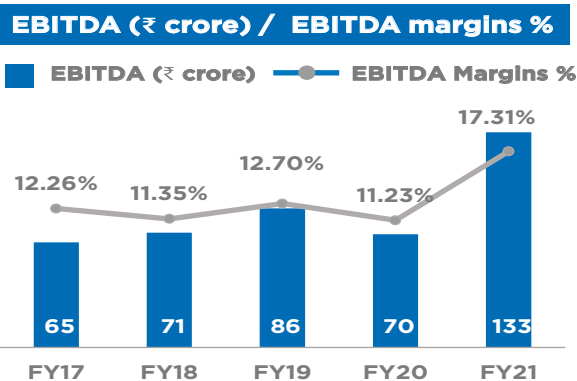
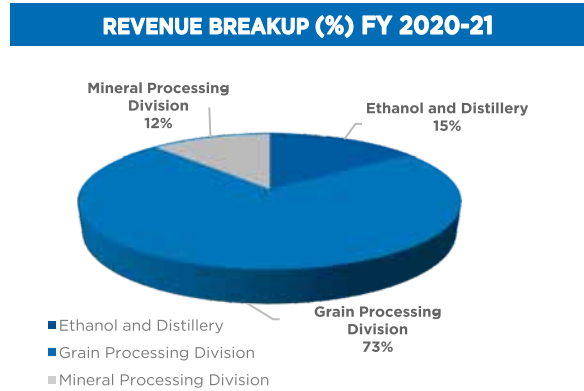
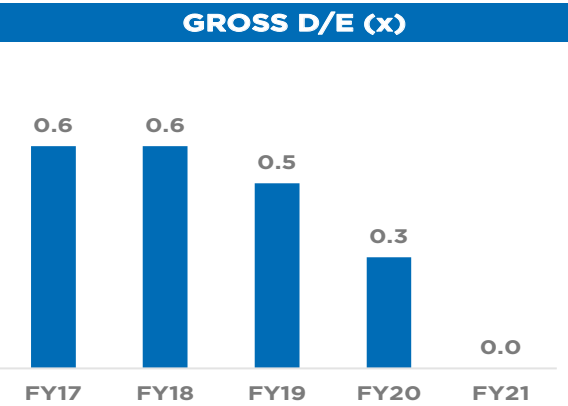
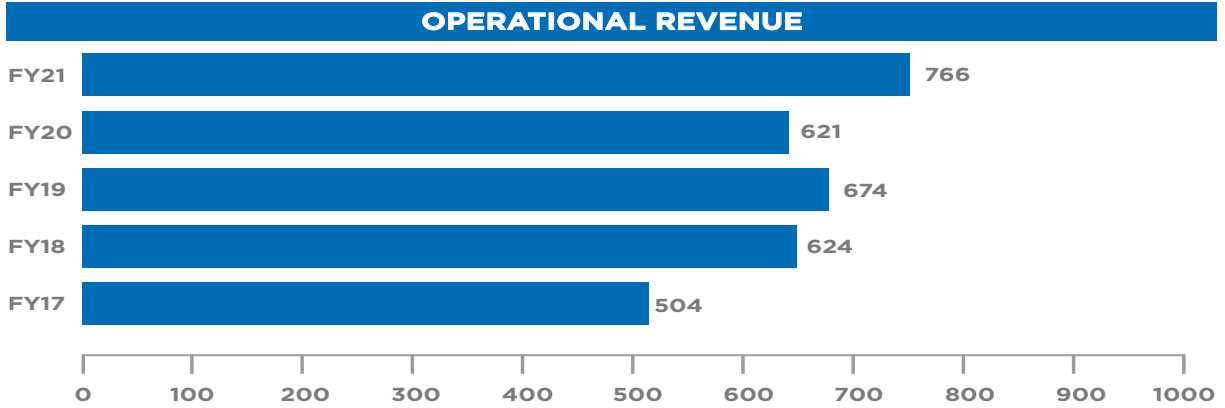


PRINTING



# FINANCIAL HIGHLIGHTS FY 2020-21

₹ in crores





# Corporate Overview

## Board's Committees

### Audit Committee

**Mr. Rakesh Kumar Gupta**, Chairman  
**Mr. Akhilesh Kumar Maheshwari**, Member  
**Dr. Chandra Kumar Jain**, Member

### Stakeholders Relationship Committee

**Mr. Akhilesh Kumar Maheshwari**, Chairman  
**Ms. Aditi Pasari**, Member  
**Mr. Jeewan Jyoti Bhagat**, Member

### Nomination, Remuneration & Compensation Committee

**Mr. Jeewan Jyoti Bhagat**, Chairman  
**Mr. Akhilesh Kumar Maheshwari**, Member  
**Mr. Rakesh Kumar Gupta**, Member

### Corporate Social Responsibility Committee

**Mr. Jeewan Jyoti Bhagat**, Chairman  
**Ms. Arushi Jain**, Member  
**Ms. Aditi Pasari**, Member

## Auditors

### Statutory Auditors

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

### Internal Auditors

**M/s. Pankaj K. Goyal & Co., Chartered Accountants, Muzaffarnagar**  
(For All units except Bharuch)

**M/s. Svaraj & Associates, Chartered Accountants, New Delhi**  
(For Bharuch Unit)

### Secretarial Auditors

**M/s. RMG & Associates Company Secretaries, Delhi**

### Cost Auditors

**M/s. MM & Associates, Cost Accountants, Delhi**

## Key Managerial Personnel

### Chief Financial Officer

**Mr. Rajiv Gupta**

### Company Secretary & Compliance Officer

**Ms. Asha Mittal**

## 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

4E/2, Alankit Heights, Jhandewalan Extension,  
New Delhi - 110055  
Ph. No: 011-42541234/ 955 Fax No: 011-42541201  
E-mail: rta@alankit.com

## Plant Locations

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

# Contents

- 1 — Notice of AGM
- 18 — Board's Report and its Annexures
- 40 — Corporate Governance Report
- 60 — Management Discussion and Analysis Report
- 66 — Independent Auditors' Report on Financial Statements
- 73 — Balance Sheet
- 74 — Statement of Profit and Loss
- 75 — Cash Flow Statement
- 77 — Notes to the Financial Statements
- 105 — Proxy Form-Form No. MGT-11
- 106 — Attendance Slip & Route Map

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIRST (21<sup>ST</sup>) ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF GULSHAN POLYOLS LIMITED (“the Company”) WILL BE HELD ON SATURDAY ON 18<sup>TH</sup> DAY OF SEPTEMBER, 2021 AT 4.00 P.M (IST) AT THE SOLITAIRE INN HOTEL, 6 MILE STONE, MEERUT ROAD, NATIONAL HIGHWAY 58, MUZAFFARNAGAR, UTTAR PRADESH-251002 TO TRANSACT THE FOLLOWING BUSINESSES:**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Ashwani Kumar Vats (DIN: 00062413), who retires by rotation, and being eligible, offers himself for re-appointment as a Director.
3. To declare Final Dividend on Equity Shares for the financial year ended March 31, 2021.

### **SPECIAL BUSINESS:**

#### **4. RATIFICATION OF REMUNERATION OF COST AUDITOR APPOINTED BY THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2021-2022**

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

**“RESOLVED THAT** pursuant to the provisions of Section 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 of M/s MM & Associates, Cost Accountants (Firm Registration No. 000454), 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 2021-2022 amounting to Rs. 60,000 (Rupees Sixty Thousand Only) plus applicable taxes as approved by the Board of Directors be and is hereby ratified.”

#### **5. APPOINTMENT OF MS. ARCHANA JAIN (DIN: 09171307) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act, Regulation 16(1)(b) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and the Nomination and Remuneration Policy of the Company, Ms. Archana Jain (DIN:09171307) who was appointed as an Additional Director in the category of Independent Director of the Company with effect from May 22, 2021 by the Board of Directors based on recommendation of Nomination, Remuneration and Compensation Committee and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and Articles of Association of the Company and who has submitted a declaration that she meets the criteria for independence as provided under the Act and Listing Regulations and who is eligible for appointment and whose period of office is not liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a **Non-Executive & Woman Independent Director** to hold office for a term upto March 31, 2023.”

#### **6. APPROVAL OF CHARGES FOR SERVICE OF DOCUMENTS ON THE SHAREHOLDERS**

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

**“RESOLVED THAT** pursuant to the provisions of section 20 of Companies Act, 2013 and all other applicable provisions, if any, made therein, the consent of the members be and is hereby accorded for service of document(s) to member(s) of the Company by post or by registered post or by speed post or by courier, or by such electronic or other mode as prescribed / may be prescribed under the Act, from time to time.

**RESOLVED FURTHER THAT** upon request of member(s) for delivery of any document(s) through a particular mode of delivery, the Company do serve / deliver document(s) to such member(s) through that particular mode and / or charge such fees in advance which is equivalent to the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode and that the fees so charged shall be paid by the member to the Company in ten days advance.

**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.”

#### **7. PAYMENT OF COMMISSION TO MR. ASHWANI KUMAR VATS (DIN: 00062413) WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER (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 197, 198 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 of the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and in furtherance of the special resolution passed in the 20th Annual General Meeting held on September 19, 2020 (“20th AGM”), and the Articles of Association of the Company, based on the recommendation of Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for payment of commission upto ₹ 25,00,000/- (Rupees Twenty Five Lakhs Only) to Mr. Ashwani Kumar Vats (DIN: 00062413), Whole Time Director and Chief Executive Officer (CEO) of the Company, for the Financial Year 2020-2021, 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.

**RESOLVED FURTHER THAT** save and except as aforesaid, all the existing terms and conditions of the appointment and remuneration of Mr. Ashwani Kumar Vats approved at the 20th AGM shall continue to remain in full force and effect.

**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.”

**8. REVISION IN TERMS OF REMUNERATION OF MR. ASHWANI KUMAR VATS (DIN: 00062413) WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER (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 197, 198 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, based on the recommendation of Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to revise the terms of remuneration of **Mr. Ashwani Kumar Vats (DIN: 00062413)**, Whole Time Director and Chief Executive Officer (CEO) of the Company who is liable to retire by rotation, effective from April 1, 2021 until his remaining tenure i.e. upto March 31, 2024, on the following terms and conditions:

**1. Basic Salary per month:**

Basic Salary: ₹ 3,50,000/- per month w.e.f. April 01, 2021 upto March 31, 2024 (with such annual increments as may be decided upto maximum 8% per annum)

**2. Perquisites and allowances:**

House Rent Allowance : 45% of Basic

Medical Allowance : 5% of Basic

Ex-Gratia : 8.33% of Basic

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

**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 and the Nomination, Remuneration and Compensation 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 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, 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 Mr. Ashwani Kumar Vats as Whole Time Director & CEO, 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. TO APPROVE RAISING OF FUNDS AND ISSUANCE OF SECURITIES BY 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 Section 23, Section 42, Section 62, Section 71, Section 179 and other applicable provisions of the Companies Act, 2013, read with rules and regulations made thereunder (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force) (“collectively, the **Companies Act**”), the provisions of the memorandum of association and articles of association of the Company, all other applicable laws, rules and regulations, including the provisions of the Foreign Exchange Management Act, 1999 as amended and rules and regulations framed thereunder (including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended) (collectively, **FEMA**), the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Government of India, as amended and replaced from time to time (**FDI Policy**), the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**SEBI ICDR Regulations**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**SEBI Listing Regulations**), the listing agreements entered into by the Company with the BSE Limited (**BSE**), National Stock Exchange of India Limited (**NSE**) and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India (**Government of India**), the Ministry of Corporate Affairs (**MCA**), the Securities and Exchange Board of India (**SEBI**), the Reserve Bank of India (**RBI**), BSE Limited (**BSE**), National Stock Exchange of India Limited (**NSE**), and together with BSE, (the **Stock Exchanges**) where the equity shares of the Company of face value of ₹ 1 (Rupee One only) each (**Equity Shares**) are listed, and any other appropriate authority under any other applicable laws and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI, MCA and the Stock Exchanges (hereinafter singly or collectively referred to as **Appropriate Authorities**), and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, permission and sanction, the approval of the members of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the **Board**, which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board) and the Board be and is hereby authorised on behalf of the Company to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash, in one or more tranches, whether denominated in Indian currency or in foreign currency, for an aggregate amount up to ₹ 250 Crores (Rupees Two Hundred and Fifty Crore Only), by way of one or more private offerings, and/or a qualified institutions placement (**QIP**) to **qualified institutional buyers** as defined in the SEBI ICDR Regulations, and/or any other permitted modes through issue of an offer document and/or a private placement offer letter and/or placement document including preliminary placement document and/or such other documents/writings/ circulars/memoranda in such a manner, in such tranche or tranches, by way of an issue of Equity Shares or by way of an issue of and/or any other **Eligible Securities** (hereinafter referred to as **Eligible Securities** within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations) (instruments listed under Regulation 171(a) of the SEBI ICDR Regulations collectively with the Equity Shares to be hereinafter referred to as the **Securities**) with or without premium as may be fixed on Securities, to be subscribed in Indian and/or any foreign currencies, by way of private placement through one or more qualified institutions placement (**QIP**) in accordance with Chapter VI of the SEBI ICDR Regulations or through any other permissible mode or any combination thereof mentioned above (the **Issue**), by eligible investors, including, residents or non-resident investors/whether institutions, foreign portfolio investors and/or incorporated bodies or otherwise/qualified institutional buyers mutual funds/pension funds/venture capital funds/banks/alternate investment funds/Indian and/or multilateral financial institutions, insurance companies and/or any other category of persons or entities who are authorised to invest in the Securities of the Company, being eligible **qualified institutional buyers** as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations (**QIBs**) in accordance with Chapter I of the SEBI ICDR Regulations, to all or any of them, jointly or severally, whether or not are existing members of the Company (collectively called **Investors**), through an offer/placement document and/or offer letter or circular, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary in one or more tranche or tranches, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations), with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, exercised by the Company, and where necessary in consultation with the global coordinator(s), book running lead manager(s) or lead manager(s) and/or other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be allotted on conversion/redemption/ extinguishment of debt(s), rights attached to the warrants, terms of issue, period of conversion, fixing of record

date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable laws and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) and/or book running lead manager or lead manager to be appointed by the Company' so as to enable the Company to list on any stock exchange in India or overseas jurisdictions.

**RESOLVED FURTHER THAT** in case of issue and allotment of Securities by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "**Eligible Securities**" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations):

1. the allotment of Securities shall only be made to qualified institutional buyers as defined in the SEBI ICDR Regulations ("**QIBs**");
2. the Eligible Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the memorandum of association and articles of association of the Company;
3. the allotment of the Eligible Securities, or any combination of the Eligible Securities as may be decided by the Board and subject to applicable laws, shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations;
4. the Equity Shares issued and allotted under the Issue or allotted upon conversion of the equity linked instruments issued in QIP shall rank *pari passu* in all respects including with respect to entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company in all respects;
5. the number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, right issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;
6. the Eligible Securities (excluding warrants) under the QIP shall be issued and allotted as fully paid up securities;
7. in the event Equity Shares are issued, the "**relevant date**" for the purpose of pricing of the Eligible Securities to be issued, shall be the date of the meeting in which the Board or the committee of directors authorised by the Board decides to open the proposed issue of such Equity Shares, subsequent to the receipt of members' approval in terms of provisions of Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares;
8. in the event that Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued, shall be, either the date of the meeting which the Board or a committee of directors authorised by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for Equity Shares, as decided by the Board;
9. the tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
10. issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with Regulation 176(1) under Chapter VI of the SEBI ICDR Regulations (the "**QIP Floor Price**"). The Board may, however, at its absolute discretion in consultation with the book running lead managers or lead manager, issue Eligible Securities at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the QIP Floor Price;
11. no single allottee shall be allotted more than fifty per cent of the issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;
12. no allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company; and
13. the Eligible Securities allotted in the QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognised stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** for the purpose, Board is authorised to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the offer document(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the proceeds as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as

per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed.

**RESOLVED FURTHER THAT** the Securities to be created, issued, allotted and offered in terms of this resolution shall be subject to the provisions of the memorandum of association and articles of association of the Company and the fully paid-up Equity Shares that may be issued by the Company (including issuance of Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) shall rank *pari passu* with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue, or allotment of Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for the issuance of Securities including the number of Securities that may be offered in domestic markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, opening and maintaining bank accounts, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to the placement document and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** in respect of the Issue, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its sole and absolute discretion consider necessary, desirable or appropriate, including submitting the relevant application to the Stock Exchange(s) for obtaining in-principle approvals, listing of the Securities, filing of requisite documents/making declarations with the MCA, ROC, RBI, SEBI and any other statutory/regulatory authority(ies), and any other deed(s), document(s), declaration(s) as may be required under the applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers conferred by this resolution herein, to any committee of directors formed, Directors or one or more executives/officers of the Company to give effect to the above resolutions, in accordance with applicable law and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchange(s) and statutory/ regulatory authorities and execution of any deeds and documents for and on behalf of the Company and to represent the Company before any governmental authorities, to give effect to this resolution."

**By the order of the Board of Directors**

Date: August 17, 2021  
Place: Delhi

**Asha Mittal**  
Company Secretary  
Membership No.:A32348

**NOTES:**

1. Information pursuant to the provisions of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as '**Listing Regulations**') and Secretarial Standard-2 on "General Meetings" issued by 'The Institute of Company Secretaries of India' as applicable for Item No. 2, 5, 7 & 8, is annexed as **Annexure A** to this notice.

The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("**the Act**") setting out material facts concerning the special business(es) to be transacted under Item Nos. 4 to 9 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on May 22, 2021, July 21, 2021 and August 17, 2021 considered special businesses mentioned under Item Nos. 4 to 9 and recommending to the shareholders to transact at the 21st 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 ON POLL INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER.**

**THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED IN ORIGINAL AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS / PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING**

Pursuant to provisions of Section 105 of the Act, 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 carrying voting rights. However, 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. Corporate members intending to send their authorized representative(s) to attend the Meeting in terms of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. Members /Proxies /Authorised Representatives are requested to bring the attendance slip duly filled in for attending the Meeting and shall handover at the entrance for attending the meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number on the attendance slip for attending the Meeting.
5. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
6. The Notice of AGM [along with Attendance Slip, Proxy Form and Route Map and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of Beneficial Owners received from the Depositories as on **Cut Off date i.e Friday, August 20, 2021**. These documents are being sent electronically to the members whose E-mail IDs are registered with the Company / Depository Participant(s) unless any member has requested for a physical copy of the same. For members who have requested physical copy or who have not registered their email address, physical copies of the Notice and Annual Report are being sent through permitted mode. In case you wish to get a physical copy of the Annual Report, you may send your request at [cs@gulshanindia.com](mailto:cs@gulshanindia.com) mentioning your Folio No./DP ID and Client ID.
7. **Members may note that the Notice of the 21st AGM and Annual Report for 2020-21 will also be available on Company's website at [www.gulshanindia.com](http://www.gulshanindia.com), websites of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Central Depository Services (India) Limited ('CDSL') at [www.evotingindia.com](http://www.evotingindia.com).**
8. Pursuant to Section 72 of the Act, read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, member(s) of the Company may nominate a person in whom the shares held by the members shall vest in the event of their unfortunate death. Accordingly, members holding shares in physical form, desirous of availing this facility may submit nomination in Form SH-13 to RTA of the Company. In respect of shares held in dematerialised form, the nomination form may be filed with the concerned Depository Participant.
9. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form effective from April 1, 2019. Members are requested to dematerialise their shareholding, if not already done, to avoid inconvenience in future.
10. All the documents referred in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. upto the date of the AGM and at the venue of the meeting for the duration of the meeting. Further, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013, and Certificate from the Auditors of the Company certifying that GPL Employees Stock Option Scheme 2018 have been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, will be available for inspection by the members at the AGM.
11. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the



meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 (three) days written notice is given to the Company.

12. 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.
13. The Company has a dedicated E-mail address [cs@gulshanindia.com](mailto:cs@gulshanindia.com) for members to mail their queries or lodge grievances, if any via email or at corporate office of the Company. We will endeavor to reply to your queries at the earliest. The Company's website [www.gulshanindia.com](http://www.gulshanindia.com) has a dedicated section on Investors. It also answers your Frequently Asked Questions (FAQs).
14. All share and dividend related correspondence may be sent to Registrar and Share Transfer Agent of the Company, Alankit Assignments Limited (hereinafter referred as 'RTA' or 'Alankit') at the following address:

Alankit Assignments Limited

(Unit: Gulshan Polyols Limited)

Alankit House, 4E/2, Jhandewalan Extension, New Delhi - 110 055, India

Phone: +91-11-42541234/ 42541955; Fax : +91-11-42541201 E-mail: [ra@alankit.com](mailto:ra@alankit.com), [ramap@alankit.com](mailto:ramap@alankit.com)

In all correspondence, please quote your DP ID & Client ID or Folio Number.

15. Members holding shares under multiple folios are requested to consolidate their holdings into one. Further, The Securities and Exchange Board of India 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 or RTA.
16. As responsible citizens of the world, we would like to do our bit to protect our environment and reduce our carbon footprint. We request our valued shareholders to join us in our endeavor to save the planet by registering their email ids to receive all communication electronically. This would also be in conformity with the legal provisions. It may be noted that the Company would communicate information, events and send the documents including notices, annual reports, financial statements etc. in electronic form, to the email address of the respective members. Further information in this respect is also posted on website of the Company [www.gulshanindia.com](http://www.gulshanindia.com).

**To support green initiative, members who have not registered their e-mail address so far, are requested to register the same in the following manner.**

- a. In respect of electronic/demat holdings, through concerned Depository Participant (DP).
- b. Members who hold shares in physical form are requested to send request to update their email address to the RTA by sending scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held with the Company along with self attested scanned copy of the PAN Card and of any one of the documents viz., Aadhaar Card, Driving Licence, Election Card, Passport, utility bill or any other document in support of the address proof of the Member as registered with the Company.

This initiative would enable the members to receive communication promptly besides paving way for reduction in paper consumption and wastage. You would surely appreciate your Company's desire to participate in the Green Initiative Movement. In case of any change in the email address, shareholders can update it in the same manner as mentioned above.

#### 17. Change of Address or Other Particulars

Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ('NECS') mandates, etc. under the signature of the registered holder(s) to:

- The Registrar and Transfer Agent ('RTA') of the Company in respect of shares held in physical form; and
- The Depository Participants in respect of shares held in electronic form.

18. The Board of Directors has recommended Final Dividend of ₹ 0.40/- per Equity Share on the basis of face value of ₹ 1/- each for financial year 2020-2021, that is proposed to be paid subject to the approval of the shareholders at the 21st AGM. During the year 2020, Interim Dividend of ₹ 0.60 per equity share was declared vide board meeting dated November 2, 2020.

#### 19. Book Closure and Dividend:

- i. **The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, September 11, 2021 to Saturday, September 18, 2021, both days inclusive.** The dividend of ₹ 0.40/- per share (40%) on the Equity Shares of the Company of ₹ 1 each, if declared by the Members at the AGM, will be paid subject to deduction of income tax at source ('TDS') on or after **Thursday, September 23, 2021** as under:

**For Shares held in electronic form:** To all the Beneficial Owners as at the end of the day on **Friday, September 10, 2021** in the list of beneficial owners to be furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'); and

**For Shares held in physical form:** To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on **Friday, September 10, 2021**.

**20.** Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company or RTA by sending documents through e-mail or by sending hard copies at dedicated addresses mentioned above by Monday, September 6, 2021. No communication relating to determination/ deduction received after that date shall be considered. For the detailed process, the information is available on the Company's website at [www.gulshanindia.com](http://www.gulshanindia.com)

**21. Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:**

**Shares held in physical form:**

In order to receive dividend/s in a timely manner, who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending copy of the following details/documents to Company or RTA by Monday, September 6, 2021:-

- a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i) Name and Branch of Bank and Bank Account type;
  - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
  - iii) 11-digit IFSC Code;
- b. Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self attested copy of the PAN Card; and
- d. self attested copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member, as registered with the Company.

**Shares held in electronic form:**

Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by the Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

- iv) The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall despatch the dividend warrant/ bankers' cheque/demand draft to such Members at the earliest as possible.

**22.** 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.

**23.** Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the MCA.. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Accordingly, the unclaimed dividend with respective shares in respect of financial year 2013-14 is due for transfer to the said fund.

The due date to transfer unpaid/unclaimed dividend amount and shares is on or before November 25, 2021. Members are requested to claim their unpaid/ unclaimed dividends and shares before such transfer. In case valid claim is not received, the Company will proceed to transfer the unclaimed/unpaid dividend alongwith respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

The details of unpaid/unclaimed dividend amount lying with Company and respective shares as at March 31, 2021 is available on the website [www.gulshanindia.com](http://www.gulshanindia.com) of the Company.

The Company has transferred the unpaid or unclaimed dividend declared for financial year upto 2012-13, to the designated Demat Account of Investor Education and Protection Fund (IEPF) established by the Central Government within a period of thirty days of such shares becoming due to be transferred to the IEPF Account and the same can be accessed through the link: [www.gulshanindia.com](http://www.gulshanindia.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in). In addition to above, pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has also transferred equity shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more on or before due date of transfer within stipulated time. Details of shares so far transferred to the IEPF Authority are available on the website of the Company on [www.gulshanindia.com](http://www.gulshanindia.com) and on the website of the IEPF Authority on [www.iepf.gov.in](http://www.iepf.gov.in).

Members/Claimants whose shares and unpaid/unclaimed dividends, sale proceeds of fractional shares, etc. have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in e-Form IEPF-5 (available at [www.iepf.gov.in](http://www.iepf.gov.in)) and sending duly signed physical copy of the same to the Company along with requisite documents as prescribed in the instruction kit of e-Form IEPF-5. Link to e-Form IEPF-5 is also available on the website of the Company at [www.gulshanindia.com](http://www.gulshanindia.com). For further details, the concerned shareholders are advised to visit the weblink of the IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html> or may contact Company's Registrar and Share Transfer Agent, i.e., Alankit Assignments Limited. No claims shall lie against the Company for the amounts transferred to IEPF.

## 1. GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 21<sup>ST</sup> AGM AND VOTING OPTIONS

I. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 21<sup>st</sup> AGM and facility for those Members participating in the 21<sup>st</sup> AGM to cast vote through ballot paper during the 21<sup>st</sup> 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/ Poll on the date of the AGM will be provided.

II. A person who has acquired the shares and has become a member of the Company and whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories after the despatch of the Notice of the AGM and prior to the **Cut-off date i.e. Saturday, September 11, 2021**, shall be entitled to avail the facility of remote e-voting before 21<sup>st</sup> Annual General Meeting ('AGM') as well as voting through ballot papers on the date of the AGM at the Venue. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice for information purpose only.

III. The remote e-voting will commence on **Wednesday, September 15, 2021 at 9.00 a.m.** and ends on **Friday, September 17, 2021 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. Saturday, September 11, 2021** 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. **Saturday, September 11, 2021**.

VI. The facility for voting through Poll 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.

## 2. Other Guidelines for Shareholders

I. The Board of Directors of the Company has been appointed CS Manish Gupta, Practicing Company Secretary (Membership No. F5123), Partner of M/s. RMG & Associates, Company Secretaries, New Delhi, as Scrutinizer to scrutinize the remote e-Voting process and voting through ballot/poll papers during the meeting, in a fair and transparent manner.

II. The Scrutinizer shall after the conclusion of voting at the 21<sup>st</sup> 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 the time prescribed under the Listing Regulations and / or the Act, who shall then countersign and declare the result of the voting forthwith.

- III. The Chairman shall, at the end of discussion on the resolutions placed at the AGM on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of Polling Paper for all those members/ proxies who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- IV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.gulshanindia.com](http://www.gulshanindia.com) and on the website of CDSL at [www.evotingindia.com](http://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 of India Limited. The results shall be displayed at the Registered Office at 9th K.M., Jansath Road, Muzaffarnagar, Uttar Pradesh - 251001 and the Corporate Office at G-81, Preet Vihar, Delhi- 110092.

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

- I. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- II. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- III. Pursuant to above said SEBI Circular, Login method for Remote e-Voting for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1) Shareholder who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for Shareholder to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit at <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the Shareholders will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the Shareholders can visit the e-Voting service providers' website directly.</li> <li>3) If the Shareholder is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the Shareholders can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, Shareholder will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1) If Shareholder are already registered for NSDL IDeAS facility, the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. Shareholder will have to enter their User ID and Password. After successful authentication, Shareholder will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and Shareholder will be able to see e-Voting page. Click on company name or e-Voting service provider name and Shareholder will be re-directed to e-Voting service provider website for casting their vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the Shareholder is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. Shareholder will have to enter their User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, Shareholder will be redirected to NSDL Depository site wherein Shareholder can see e-Voting page. Click on company name or e-Voting service provider name and Shareholder will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	Shareholder can also login using the login credentials of your demat account through their Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, Shareholder will be able to see e-Voting option. Once Shareholder click on e-Voting option, Shareholder will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and Shareholder will be redirected to e-Voting service provider website for casting their vote during the remote e-Voting period.

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

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

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

Step No.:	Instructions for Remote e-voting
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**Physical shareholders and shareholders other than individual holding in Demat form**

<b>Step no. 1</b>	The shareholders should log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a> .
<b>Step no. 2</b>	Click on "Shareholders" module
<b>Step no. 3</b>	Enter User ID <ol style="list-style-type: none"> <li>a. For CDSL: 16 digits beneficiary ID,</li> <li>b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</li> <li>c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.</li> </ol>
<b>Step no. 4</b>	Enter the Image Verification as displayed and Click on Login.

<b>Step no. 5</b>	<ul style="list-style-type: none"> <li>If shares are holding in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any Company, then existing password can be used.</li> <li><b>For first time users follow the steps given below:</b></li> <li><b>PAN</b> Enter the 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <i>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</i></li> <li><b>Dividend Bank Details OR Date of Birth (DOB)</b> 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, Shareholders will enter the member id / folio number in the Dividend Bank details field.</li> </ul>
<b>Step no. 6</b>	After entering these details appropriately, click on <b>'SUBMIT'</b> tab.
<b>Step no. 7</b>	For Shareholders holding shares in physical form will directly reach the Company selection screen.  For shareholders holding shares in demat form will now reach 'Password Creation' menu wherein shareholders are required to mandatorily enter their login password in the new password field.  <i>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.</i>  <b>The details can be used only for e-voting on the resolutions contained in this Notice.</b>
<b>Step no. 8</b>	Click on the EVSN for <b>GULSHAN POLYOLS LIMITED</b> on which you choose to vote.
<b>Step no. 9</b>	On the voting page, <b>"RESOLUTION DESCRIPTION"</b> will be seen and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that Shareholders assent to the Resolution and option NO implies that Shareholders dissent to the Resolution.
<b>Step no. 10</b>	Click on the <b>"RESOLUTIONS FILE LINK"</b> if Shareholders wish to view the entire Resolution details.
<b>Step no. 11</b>	After selecting the resolution, Shareholders have decided to vote on, click on <b>"SUBMIT"</b> . A confirmation box will be displayed. If Shareholders wish to confirm their vote, click on <b>"OK"</b> , else to change their vote, click on <b>"CANCEL"</b> and accordingly modify their votes.
<b>Step no. 12</b>	Once Shareholders <b>"CONFIRM"</b> their vote on the resolution, Shareholders will not be allowed to modify their vote.
<b>Step no. 13</b>	Shareholders can also take a print of the votes cast by clicking on <b>"Click here to print"</b> option on the Voting page.
<b>Step no. 14</b>	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.

**Additional Facility for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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](mailto:e-voting@rmgcs.com), if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1.	<p><b>For Physical shareholders:</b></p> <p>Following details to be provided by the Shareholders at Company's email id: <a href="mailto:cs@gulshanindia.com">cs@gulshanindia.com</a> /RTA email id <a href="mailto:rtalankit.com">rtalankit.com</a>, <a href="mailto:info@alankit.com">info@alankit.com</a>, <a href="mailto:ramap@alankit.com">ramap@alankit.com</a>:</p> <ul style="list-style-type: none"> <li>● Folio No.,</li> <li>● Name of shareholder,</li> <li>● scanned copy of the share certificate (front and back),</li> <li>● PAN (self-attested scanned copy of PAN card),</li> <li>● AADHAR (self-attested scanned copy of Aadhar Card)</li> </ul>
2.	<p><b>For Demat shareholders:</b></p> <p>Update of Shareholders email id &amp; mobile no. with their respective Depository Participant (DP)</p>
3.	<p><b>For Individual Demat shareholders:</b></p> <p>Update of Shareholders email id &amp; mobile no. with their respective Depository Participant (DP) which is mandatory while e-Voting &amp; joining virtual meetings through Depository.</p>

**Contact Details:**

If Shareholders have any queries or issues regarding attending AGM & Remote e-Voting from the CDSL e-Voting System, Shareholders can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

The Company is required to maintain cost records as specified by the Central Government as per Section 148(1) of the Companies Act, 2013 and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records.

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 2020-2021 by the Board of Directors. However, their term of a year has been expired and they have shown their inability to continue further.

Consequently, in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s MM & Associates, Cost Accountants (Firm Registration No. 000454), being eligible, to conduct Cost Audits for the products covered under section 148 of Companies Act, 2013 read with Companies (Cost records and Audit) Rules, 2014 for the year ending March 31, 2022.

The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

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, 2022.

None of the Director(s) or Key Managerial Personnel(s) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends ratification of payment of remuneration to the Cost Auditor for approval of the members through Ordinary Resolution set out at Item No. 4 of the Notice.

**ITEM NO. 5**

Ms. Archana Jain (DIN: 09171307) was appointed by the Board as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from May 22, 2021 in terms of provisions of the Companies Act, 2013, rules made thereunder. As per the provisions contained under Section 161 of the Companies Act, 2013, the "Additional Director" so appointed shall hold office upto the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Ms. Archana Jain, as an Additional Director, holds office upto the date of this Annual General Meeting i.e. September 18, 2021.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if she or some member intending to propose her as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his/her hand signifying her candidature as a Director, or the intention of such member to propose her as a candidate for that office, as they case may be, along with deposit of one lakh rupees. However, as per the amended proviso to Section 160, the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since, Ms. Archana Jain is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, the Company has received a notice from a member proposing candidature of Ms. Archana Jain, for the office of Director in terms of Section 160 of the Companies Act, 2013. Ms. Archana Jain has also given a declaration to the company that she meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. She does not hold any shares in the Company.

Ms. Jain is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given her consent to act as a Director of the Company.

The disclosures including brief resume and other details prescribed under Regulation 36(3) of the Listing Regulations read with the provisions of the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are provided in **Annexure A** of the Notice.

Except Ms. Jain being appointee, none of the Director(s) or Key Managerial Personnel(s) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the appointment of Ms. Archana Jain (DIN: 09171307) effective from May 22, 2021 upto March 31, 2023 for approval of the members through Ordinary Resolution set out at Item No. 5 of the Notice.



**ITEM NO. 6**

As per the provisions of section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him/her by Post or by Registered post or by Speed post or by Courier or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him/her through a particular mode for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

None of the Director(s) or Key Managerial Personnel(s) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, thereby the Board recommends this Ordinary Resolution set out at Item No. 6 of the accompanying notice, for the approval by the members of the Company.

**Item no. 7 & 8**

The Shareholders in their 20th Annual General Meeting held on **September 19, 2020** approved the re-appointment of Mr. Ashwani Kumar Vats, Whole Time Director designated as Chief Executive Officer (CEO) of the Company for period effective from April 01, 2020 to March 31, 2024 on the terms and conditions including remuneration, as set out in the said resolution and was approved by shareholders.

It is proposed to appraise in the remuneration of Mr. Vats based on his experience/ performance/contribution in Company's Growth, future business prospects, in the effective management of the affairs of the company, etc. Thereby, it is proposed to pay commission to him.

However, formerly, commission on profits was not a part of his remuneration, so to include the commission in his structure of compensation along with revision in his Basic Salary, it is proposed to revise his remuneration, subject to the approval of members.

The Nomination, Remuneration and Compensation Committee recommended to the Board of Directors in its meeting held on July 21, 2021 for revision in the existing Salary and to include the Commission with his basic Salary, allowances, and other Perquisites effective from April 1, 2021 until his remaining tenure i.e. upto March 31, 2024.

Further, in accordance with the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013, the board also recommends the payment of commission upto ₹ 25,00,000/- be paid to Mr. Vats in lieu of Net Profits for Financial Year 2020-21 for the approval of shareholders. Such commission will be exclusive of the remuneration given to Mr. Vats for FY 2020-21.

The disclosures including details prescribed under Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are provided in **Annexure A** of the Notice.

Except Mr. Vats, none of the Director(s) or Key Managerial Personnel(s) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Special Resolutions, as set out in item no. 7 & 8 of the notice, is therefore recommended for your approval. The Board considers that it would be in the interest of the Company to revise the remuneration and pay the commission based on the profits of the Company to Mr. Ashwani Kumar Vats, Whole Time Director & CEO of the Company.

**ITEM NO. 9**

The Company, with a view to capitalize on available growth opportunities, continues to evaluate avenues for organic and inorganic growth. The proceeds from the Issue will be utilized for augmenting long term cash resources, expansion of business, funding the organic or inorganic growth opportunities in the area of the Company's operations and adjacencies, growing existing businesses or entering into new businesses in line with the strategy of the Company, pre-payment and / or repayment of outstanding borrowings, or for any other general purposes as may be permissible under the applicable law and approved by the Board of directors of the Company.

For this purpose, the Company has been exploring various avenues for raising funds by way of issue of Equity Shares or by way of an issue of and/or any other "**Eligible Securities**" (hereinafter referred to as "**Eligible Securities**" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations) (instruments listed under Regulation 171(a) of the SEBI ICDR Regulations collectively with the Equity Shares to be hereinafter referred to as the "**Securities**") for an aggregate amount of up to ₹ 250 Crores (Rupees Two Hundred and Fifty Crore Only) through qualified institutions placement (the "**QIP**") to qualified institutional buyers (the "**QIBs**") as defined in SEBI ICDR Regulations or private placement or through any other permissible mode and/or combination thereof as may be considered appropriate under applicable law. The issue of Securities may be consummated in one or more tranches at such time or times at such price, at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers and such other authority or authorities as may be necessary and subject, as applicable, to the SEBI ICDR Regulations, the Depository Receipts Scheme, 2014 and other applicable guidelines, notifications, rules and regulations, each as amended.

Accordingly, the Board, at its meeting held on August 17, 2021, subject to the approval of the members of the Company, approved the issuance of Securities at such price and on such terms and conditions as may be deemed appropriate by the Board, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager or lead manager and/or other advisor(s) appointed in relation to the Issue, in accordance with applicable laws, and subject to regulatory approvals (as necessary). The Securities allotted will be listed and traded on stock exchange(s) where Equity Shares are currently listed, subject to obtaining necessary approvals. The offer, issue, allotment of the Securities shall be subject to obtaining of regulatory approvals, if any by the Company.

Pursuant to Sections 23, 42 and 62 of the Companies Act, 2013, as amended read with applicable rules notified thereunder, including Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the SEBI ICDR Regulations, a company offering or making an invitation to subscribe to Securities is required to obtain prior approval of the shareholders by way of a special resolution.

The proposed Special Resolution is an enabling resolution and therefore the proposal seeks to confer upon the Board (including a committee thereof), the absolute discretion to determine the terms of the aforementioned issuance of Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements and market conditions. The detailed terms and conditions of such issuance will be determined by the Board or a committee thereof, considering prevailing market conditions, practices and in accordance with the applicable provisions of law and other relevant factors. Accordingly, the Board (including a committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

In the event of issuance of Securities by way of a QIP, as per the provisions of the SEBI ICDR Regulations, an issue of Securities shall be made at a price not less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations. The Board or Committee of Directors duly authorised by the Board will be authorised to offer a discount of not more than 5% (five percent) on such price determined in accordance with the pricing formula provided under Regulation 176 of the SEBI ICDR Regulations or such other discount as may be permitted in accordance with applicable law.

Further, in the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the Members or such other time as may be permitted under the SEBI ICDR Regulations from time to time. The aforesaid issue of Securities will be subject to receipt of requisite approvals from appropriate authorities, as may be applicable. Further, no allotment shall be made, either directly or indirectly to any QIB who is a promoter, or any person related to promoters in terms of the SEBI ICDR Regulations.

Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottees, percentage of their post – Issue shareholding and the shareholding pattern of the Company are not provided. The proposal, therefore, seeks to confer upon the Board, the absolute discretion and adequate flexibility to determine the terms of the Issue, including but not limited to the identification of the proposed investors in the Issue and quantum of Equity Shares to be issued and allotted to each such investor, in accordance with the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Companies Act, 2013, the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry & Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended, and other applicable law.

The approval of the members is being sought to enable the Board to decide on the Issue, to the extent and in the manner stated in the special resolution, as set out in Item no. 9 of this notice, without the need for any fresh approval from the members of the Company in this regard.

Pursuant to the above, the Company may, in one or more tranches, issue and allot Equity Shares on such date as may be determined by the Board but not later than 365 days from the date of passing of the resolution or such other period as may be permitted under applicable law. The aforesaid issue of Securities will be subject to receipt of requisite approvals from appropriate authorities, as may be applicable.

Equity Shares, proposed to be issued, shall in all respects, rank pari passu with the existing Equity Shares of the Company.

The Securities allotted as above would be listed on BSE Limited and/or National Stock Exchange of India Limited or other stock exchanges outside India. The offer/issue/allotment would be subject to the regulatory approvals, if any. The conversion of Securities, if any, held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap, if any, and the applicable foreign exchange regulations. As and when the Board or a committee thereof takes a decision on matters pertaining to the proposed fund raise, on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the SEBI Listing Regulations.

If the Issue is made through a QIP, the Promoters including Promoter Group will not participate in the Issue.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, except their shareholding, if any, in the Company, in the proposed resolution set out at Item No. 9 of the Notice.

The proposed Issue is in the interest of the Company and the Board recommends the resolution set out at Item no. 9 of the notice for the approval of the members as a special resolution.

**By the order of the Board of Directors**

Date: August 17, 2021  
Place: Delhi

**Asha Mittal**  
Company Secretary  
Membership No.:A32348

## Annexure A to this Notice

## ADDITIONAL INFORMATION OF DIRECTOR(S) SEEKING APPOINTMENT/REAPPOINTMENT/VARIATION IN TERMS OF REMUNERATION AT THE ANNUAL GENERAL MEETING

(Information as per Regulation 36(3) of Listing Regulations and Secretarial Standard-2 on "General Meetings")

<b>Resolution No.</b>	5	2, 7 & 8
<b>Name of Director</b>	<b>Ms. Archana Jain</b>	<b>Mr. Ashwani Kumar Vats</b>
<b>Director Identification Number(DIN)</b>	09171307	00062413
<b>Designation</b>	Non-Executive and Independent Director	Whole-time Director & CEO
<b>Age</b>	47 years	59 years
<b>Nationality</b>	Indian	Indian
<b>Date of First Appointment on the Board (DD/ MM/YYYY)</b>	22/05/2021	30/10/2008
<b>Qualification</b>	She is a fellow member of the 'Institute of Chartered Accountant of India (ICAI)'	Mr. Ashwani Kumar Vats is a graduate in Commerce and having Diploma in Marketing and Management.
<b>Brief resume including experience, expertise in specific functional areas</b>	Ms. Archana Jain is a Qualified Chartered Accountant, with cross-functional experience in Accounts, Finance and Indirect taxation. She has an immense experience of more than 10 years in handling Internal Audit, Forensic Audit etc. and having continuous experience in Indirect taxation. She represents many reputed corporate houses at Service Tax/Customs Department for appeals up to CESTAT. Currently, Ms. Archana Jain is a faculty member at 'The Institute of Chartered Accountant of India'. 'The Federation of Indian Chambers of Commerce & Industry (FICCI), VAT faculty at Institute of Chartered Accountant of India (FIP), UAE., GST Visiting Speaker at PHD Chambers and so on. Having Immense experience of more than 10 years in handling Internal Audit, Forensic Audit etc. and having continuous experience in Indirect taxation. She represents many reputed corporate houses at Service Tax/Customs Department for appeals up to CESTAT.	Mr. Ashwani Kumar Vats is having over 35 years of core experience in matter related to Marketing and Production. Further, he is having dedicated experience in the sector and industry, the GPL works in. He has been associated with the Company over three decades and responsible for operating, business development, marketing etc.
<b>Number of Equity Shares held (including shareholding as a beneficial owner by Non-Executive Director(s))</b>	NIL	NIL
<b>Terms and Conditions of Appointment</b>	As an Independent Director of the Company to hold office for a period starting from May 22, 2021 to March 31, 2023 and shall not be liable to retire by rotation.	Tenure of Mr. Vats as a Whole-time Director designated as Chief Executive Officer of the Company is till March 31, 2024 and shall be liable to retire by rotation.
<b>Number of Board Meetings attended during the F.Y 2020-21</b>	Not Applicable	Mr. Vats attended all six meetings of Board of Directors of the Company.
<b>Directorships held in other Companies</b>	None	None
<b>Chairmanships of Committees</b>	None	None
<b>Memberships of Committees</b>	None	None
<b>Relationships with other Directors and KMPs</b>	None	None
<b>Remuneration last drawn</b>	Not Applicable	467074

By the order of the Board of Directors

Date: August 17, 2021  
Place: Delhi

**Asha Mittal**  
Company Secretary  
Membership No.:A32348

## BOARD'S REPORT

### To the Members of GULSHAN POLYOLS LIMITED

Your Board of Directors takes pleasure in presenting the 21st (Twenty First) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2021.

### I. FINANCIAL AND OPERATIONAL PERFORMANCE

#### 1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>REVENUE</b>		
Revenue from Operations	76,603.44	62,079.77
Other Income	187.42	94.72
<b>TOTAL INCOME (I)</b>	<b>76,790.86</b>	<b>62,174.49</b>
<b>TOTAL EXPENSES (II)</b>	<b>63,530.99</b>	<b>55,192.22</b>
Earnings before Interest, Tax, and Depreciation (EBITDA) (I – II)	13,259.87	6,982.27
Less: Finance Cost (Interest)	654.67	1,138.08
Depreciation	3,255.37	3,101.96
<b>PROFIT BEFORE TAX (PBT) (III)</b>	<b>9,349.83</b>	<b>2,742.22</b>
Less - Current Tax	1,813.17	495.94
- MAT Credit utilized	1,285.05	47.95
- Deferred Tax	6.06	139.93
<b>PROFIT AFTER TAX (PAT) (IV)</b>	<b>6,245.55</b>	<b>2,058.40</b>
<b>OTHER COMPREHENSIVE (INCOME)/LOSS (V)</b>	<b>(62.12)</b>	<b>19.01</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VI) (IV + V)</b>	<b>6,307.67</b>	<b>2,039.39</b>
<b>RETAINED EARNINGS-OPENING BALANCE</b>	<b>21,189.73</b>	<b>19,765.95</b>
Add: profit for the year	6,245.55	2,058.40
Less: Dividend (including Dividend Distribution Tax) (Interim and Final)	281.50	565.61
Transfer to Capital Redemption Reserve	-	50.00
Transfer to General Reserve	-	-
Other Comprehensive (income) /loss for the year, net of income tax	(62.12)	19.01
<b>RETAINED EARNINGS-CLOSING BALANCE</b>	<b>27,215.91</b>	<b>21,189.73</b>
Earnings per Share – Basic (₹ )	13.31	4.39
- Diluted (₹ )	13.31	4.39

#### 2. STATE OF COMPANY'S AFFAIRS & OPERATIONAL PERFORMANCE HIGHLIGHTS

Gulshan Polyols Limited ('GPL' or 'the Company') is a diversified Company engaged in manufacturing of Ethanol(Bio-fuel)/ Distillery; Calcium Carbonate; Starch & Derivatives; and Onsite PCC Plants. GPL is a 40-year-old industrial house operating with nine manufacturing facilities spread over 8 states in India. GPL engaged in manufacturing of chemicals from grain and minerals. From toothpaste to alcohol, from sweeteners to paints, from paper to medicines, from plastics to personal care items. GPL is touching and an integral part of everyday life, across the world. 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 2020-21 was a robust year for the Company on multiple fronts, your Company has delivered a resilient performance.

The earnings in the FY21 vs F20 reflects a robust performance despite of negative impact of the global pandemic. The demand in Company's products surpassed all previous records and resulted into registering a growth in Revenue by 23 % and in Net Profit by 203%.

During the financial year ended March 31, 2021, Company achieved Revenue from Operations of ₹ 76,603.44 Lakhs (Previous Year: ₹ 62,079.77 Lakhs). The EBITDA for the year stood at ₹ 13,259.87 Lakhs against ₹ 6,982.27 Lakhs reported in the previous year. The Net Profit for the year stood at ₹ 6,245.55 Lakhs (Previous year ₹ 2,058.40 Lakhs).

The company has three manufacturing segments viz Mineral Processing, Grain Processing and Ethanol(Bio-fuel)/ Distillery. The products processed under these segments, are having end use in multiple industries.

**Business Operations-Segment wise for the year ended March 31, 2021**

(₹ in Lakhs)

Segments	Revenue for the year ended 31st March		Profits before Interest and Tax for the year ended 31st March	
	2021	2020	2021	2020
<b>Mineral Processing</b>	9,237.46	13144.68	1729.13	3291.26
<b>Grain Processing</b>	54,080.63	48430.59	6631.03	1091.82
<b>Distillery</b>	13,269.60	504.49	1579.25	-473.20
<b>Unallocated</b>	15.75	-	65.09	-29.57
<b>Total</b>	<b>76603.44</b>	<b>62079.77</b>	<b>10004.50</b>	<b>3880.31</b>

During the year under review, our earnings per share is ₹ 13.31 as compared to ₹ 4.39 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. TRANSFER TO RESERVES**

During the year under review, there was no amount transferred to the general reserve.

**4. DIVIDEND**

During the year under review, the Board of Directors of your Company had declared and paid an interim dividend of 60%, on 46,917,020 equity shares of face value ₹ 1/- each amounting to ₹ 0.60 per share. Further, the Board of Directors has recommended the Final Dividend of ₹ 0.40/- per equity share in their meeting dated May 22, 2021 subject to the approval of the shareholders in this 21<sup>st</sup> Annual General Meeting (AGM) of the Company as stipulated in the Notice of AGM, annexed to this Report.

The Final Dividend after including interim dividend of ₹ 0.60/- per equity share, will make a total dividend of ₹ 1/- per equity share of face value of ₹ 1/- each, for FY 2020-21.

Further, the Company would declare the Preference Dividend in the Meeting of the Board of Directors.

**5. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND**

During the Financial Year 2020-21, 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 2012-13 amounting to ₹ 575,532/- (Rupees Five Lakhs Seventy Five Thousand Five Hundred Thirty Two only) 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 40,030 (Forty Thousand and Thirty only) equity shares to the IEPF account during the financial year 2020-21. The details of equity shares transferred are also available on the Company's website at web link [http://www.gulshanindia.com/pdf/IEPF-4\\_2013-14.xlsx](http://www.gulshanindia.com/pdf/IEPF-4_2013-14.xlsx).

The Nodal officer appointed by the Company is Ms. Asha Mittal. The details of the nodal officer are also available on the Company website [www.gulshanindia.com](http://www.gulshanindia.com).

**6. CAPITAL STRUCTURE & STOCK OPTIONS****Authorised Share Capital**

The authorized equity share capital of the Company as at March 31, 2021 was ₹ 22,50,00,000 (Rupees Twenty Two Crore Fifty Lakh only) consisting of 22,50,00,000 (Twenty Two Crores Fifty Lakhs) equity shares of ₹ 1 (Rupee One) each.

Further, the authorized preference share capital of the Company as at March 31, 2021 constituting ₹ 25,00,000 (Rupees Twenty Five Lakh only) consisting of 2,50,000 (Two Lakh Fifty Thousand) preference shares of ₹ 10 (Rupees Ten) each and constituting ₹ 14,50,00,000 (Rupees Fourteen Crore Fifty Lakh only) consisting of 14,50,000 (Fourteen Lakh Fifty Thousand) preference shares of ₹ 100 (Rupees Hundred) each.

**Paid-up Share Capital**

As at March 31, 2021, the paid-up equity share capital stands at ₹ 4,69,17,020 (Rupees Four Crore Sixty Nine Lakhs Seventeen Thousand and Twenty only) consisting of 4,69,17,020 (Four Crore Sixty Nine Lakhs Seventeen Thousand and Twenty) equity shares of ₹ 1 (Rupee One) each.

Additionally, as at March 31, 2021, the paid-up preference share capital stands at ₹ 9,75,00,000 (Rupees Nine Crore Seventy Five Lakh only) consisting of 975,000 (Nine Lakh Seventy Five Thousand) preference shares of ₹ 100 (Rupees Hundred) each.

Further, the Company has not issued any shares during the financial year 2020-21.

### EMPLOYEES STOCK OPTION PLAN

The members of the Company had approved Gulshan Polyols Limited Employees Stock Option Scheme, 2018 (“ESOP 2018”) for grant of stock options exercisable into not more than 23,45,851 equity shares of face value of ₹ 1/- each to eligible employees of the Company as defined in the Scheme.

During the year, the Company has granted 24,040 stock options to eligible employees. The granted stock options can be exercised between April 01, 2023 to May 31, 2023 at ₹ 59/- only. The details pursuant to the SEBI SBEB Regulations, has been placed on the website of the Company and weblink of the same are <http://www.gulshanindia.com/announcment.html>.

GPL ESOP Schemes 2018 is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) and other applicable laws and implemented through Employees Welfare Trust (“Trust”). For the purpose of ESOP 2018, the Trustee of the Trust holds 2,89,040 equity shares of the Company as on March 31, 2021, being 0.62% 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 2020-21.

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:	2,65,500
Number of options granted during the year:	24,040
Number of options forfeited / lapsed during the year:	500
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:	2,89,040

Further, the Board, on April 12, 2019, based on the recommendation of the Nomination, Remuneration and Compensation Committee, had granted 2,45,100 Options under GPL Employees Stock Option Schemes 2018 to eligible employees, which due for vesting during the period from 1st April 2021 to 31st May 2021 at the exercise rate of ₹ 47.00 per share (based on the Average Buying cost of the Company from the BSE/NSE market) and among them 10,502 options are forfeited/lapsed and balance 2,34,598 has been exercised.

The disclosures required to be made under ESOP Regulations for FY 2020-21 given on the website <http://www.gulshanindia.com/pdf/21annualmeeting/Disclosurepursuant.pdf> of the Company. The Company has received the certificate from the Statutory Auditor of the Company certifying that the GPL ESOP Scheme 2018 has been implemented in accordance with the SEBI SBEB Regulations. The certificate will be placed at the Annual General Meeting for inspection by members. A copy of the same will also be available for inspection at the Company’s registered office.

## 7. 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.

## 8. HOLDING, SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

The Company is a subsidiary company of Gulshan Holdings Private Limited with the shareholding of 26375047 (56.22%) equity shares. Further, there are no Subsidiaries, Associates and Joint Ventures of the Company.

## 9. CREDIT RATINGS

There were no changes in the credit ratings and the same are reaffirmed. During the year under review, CARE Ratings Limited has reaffirmed and granted CARE A+; Stable rating to Long-Term Bank Facilities and CARE A1+ rating to Short Term Bank Facilities, to your Company.

## 10. DISCLOSURE ON SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention of Sexual Harassment at workplace. The Company has an Internal Complaints Committee (“IC”) under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”) and Rules made there under for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. All employees - permanent, contractual, temporary and trainees are covered under this Policy. To build awareness, the Company has been conducting online training programmes on a periodic basis. During the year under review, no complaint was received under the POSH Act and no complaint was pending at the beginning and at the end of Financial Year 2021.

## II. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company has spent entire eligible and budgeted amount for FY 2020-21 including unspent amount carry forwarded from previous years towards Corporate Social Responsibility (“CSR”) activities in accordance with Schedule VII of the Companies Act, 2013.

During FY 2020-21, due to the outbreak of the pandemic, the Company also carried out various CSR activities towards Covid-19 relief work, over and above its usual CSR commitments.

During the year, the Company has revised the CSR Policy pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The revised CSR Policy is available on the website of the Company at [www.gulshanindia.com](http://www.gulshanindia.com).

Annual Report on CSR activities for the Financial Year 2020-21 as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, approved by the CSR Committee on July 21, 2021, is attached as **Annexure ‘A’ to the Board’s Report**.

### COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY (‘CSR’) COMMITTEE

As on date, the CSR Committee comprises of Mr. Jeewan Jyoti Bhagat (Chairman), Ms. Arushi Jain and Ms. Aditi Pasari. During the year, Mr. Ajay Jain, ceased to be Chairman of the Committee effective from August 21, 2020, Mr. Kailash Chandra Gupta, inducted and ceased as a chairman of the Committee effective from September 10, 2020 and April 2, 2021, respectively and thereafter Mr. Jeewan Jyoti Bhagat inducted as a Chairman effective from May 7, 2021. Other details of the Committee including meetings held and attendance are provided in the Corporate Governance Report, forms part of this Report.

## III. OTHER STATUTORY DISCLOSURES

- 1. Deposits:** The Company did not invite/accept any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.
- 2. Loans, Guarantees and Investments:** Details of loans, guarantees/ securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder along with the purpose for which the loan, guarantee or security, if any, is proposed to be utilised by the recipient have been disclosed in Note nos. 5 & 6 to the Financial Statements.
- 3. Particulars of Contracts or Arrangements with the Related Parties:** The Company had formulated a policy on Related Party Transactions (‘RPTs’), dealing with the review and approval of RPTs. Prior omnibus approval is obtained for RPTs on an annual basis for the transactions which are planned/repetitive in nature. Related party transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions which are of repetitive nature. All RPTs are placed before the Audit Committee for review and approval.

All RPTs entered into during FY 2020-21 were in the ordinary course of business and on arm’s length basis. No material RPTs were entered into during FY 2020-21 by the Company as defined in the Policy on dealing with Related Party Transactions. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable to the Company and hence the same is not provided. 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](http://www.gulshanindia.com).

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. In accordance with IND AS-24, your Directors draw attention of the members to Note no. 42 to the Financial Statements which sets out the Related Party disclosures.

- 4. Material Changes in Financial Position:** No material change or commitment has occurred after the close of the Financial Year 2020-21 till the date of this Report, which affects the financial position of your Company.
- 5. Significant or Material orders:**

The Securities and Exchange Board of India (SEBI) vide its Order no. WTM/SKM/CFD/37/2021-22 dated June 22, 2021 (received on June 23,

2021) under Regulation 11 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, has issued the Order to grant exemption to the Proposed Acquirers, viz. Gulshan Family Benefit Trust, Mridula Family Trust, Chandra Holding Trust and Lotus Holding Trust, from complying with the requirements of Regulation 3(1) & regulation 4 of the 'Takeover Regulations, 2011' with respect to the proposed acquisitions of shareholding in the Target Company viz. Gulshan Polyols Limited by way of proposed transactions as mentioned in the application dated February 02, 2021, filed by the Proposed Acquirers. It is also stated in the order that the exemption is subject to the approval of Scheme of Amalgamation of Gulshan Holdings Private Limited ("**GHPL**") and East Delhi Importers & Exporters Private Limited ("**EDIEPL**") (the "**Transferor Companies**") with the Gulshan Polyols Limited ("**GPL**") (the "**Target Company**").

Further, an order dated July 14, 2021 (received on July 15, 2021) issued by Hon'ble National Company Law Tribunal, Allahabad Bench ("**NCLT**") in respect of Scheme of Amalgamation of Gulshan Holdings Private Limited and East Delhi Importers & Exporters Private Limited with Gulshan Polyols Limited ("**Scheme**") ordering meetings of shareholders and creditors of Gulshan Polyols Limited.

However, no significant or material orders passed by the Regulators or Courts or Tribunal impacting the going concern status of the Company and its future operations.

- 6. Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo:** The Information on 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 in **Annexure 'B'**, annexed to this Report.
- 7. Particular of 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. Particulars as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 'C'**, forms part of this Report.
- 8. Composition of Audit Committee:** As on date, the Audit Committee comprises of Mr. Rakesh Kumar Gupta (Chairman), Mr. Akhilesh Kumar Maheshwari and Dr. Chandra Kumar Jain. During the year, Mr. Ajay Jain, ceased to be Chairman of the Committee effective from August 21, 2020 and Mr. Rakesh Kumar Gupta inducted as a Chairman effective from September 10, 2020. Other details of the Committee including meetings held and attendance are provided in the Corporate Governance Report, forms part of this Report.

All the recommendations made by Audit Committee were accepted by the Board of Directors.

- 9. Compliance with Secretarial Standards of ICSI:** The Company has complied with the Secretarial Standard-1 on 'Meetings of the Board of Directors' and Secretarial Standard-2 on 'General Meetings' prescribed under the Section 118(10) of the Companies Act, 2013 and issued by 'The Institute of Company Secretaries of India'.

#### IV. DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### 1. APPOINTMENT /RE-APPOINTMENT/RESIGNATION/ OTHER CHANGES

###### DIRECTORS

Mr. Ashwani Kumar Vats (DIN: 00062413) will retire at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment to the members in the ensuing AGM.

During the year under review, the Board of Directors, on the recommendation of Nomination, Remuneration and Compensation Committee, accorded its approval and Ms. Archana Jain (DIN: 09171307) was appointed as an Additional Director in the category of Non-Executive & Woman Independent Director with effect from May 22, 2021 to hold office till the conclusion of the ensuing Annual General Meeting and has proposed and recommended for the approval of Members of the Company in the ensuing AGM for the appointment of Ms. Jain as a Non-Executive & Woman Independent Director to hold office for a term upto March 31, 2023. Moreover, Ms. Archana Jain has affirmed that she is not debarred from holding the office of Independent Director by virtue of any SEBI order or any other such Authority.

Brief resume and other details of the Director(s) being appointed/re-appointed at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the Listing Regulations is separately disclosed in the Notice of the ensuing AGM as annexed. Further, in the opinion of the Board, Ms. Archana Jain has relevant integrity, expertise and experience including the proficiency as ascertained from the online proficiency self-assessment test conducted by the institute notified under sub-section (1) of section 150, which she has successfully cleared.

During the year, the Shareholders had, at the 20<sup>th</sup> AGM of the Company held on September 19, 2020, approved re-appointment of;

- Ms. Aditi Pasari (DIN: 00120753) who liable to retire by rotation and had offered herself for re-appointment;
- Dr. Chandra Kumar Jain (DIN: 00062221) as Chairman and Managing Director of the Company, who had 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;



- 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;
- 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; and
- 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.

During the period under review, Mr. Suresh Kumar Tewari (DIN:00062373), has been resigned from the directorship, as a Whole-Time Director of the Company with effect from May 26, 2020 and Mr. Ajay Jain (DIN:00062146), ceased to be Non-Executive & Independent Director of the Company with effect from August 21, 2020, upon resignation.

Post financial year under review, Mr. Kailash Chandra Gupta (DIN: 01649210), ceased to be Non-Executive & Independent Director of the Company with effect from April 2, 2021 upon resignation.

### MEETINGS OF THE BOARD

During the year, six (6) meetings of the Board of Directors were convened and held during the financial year 2020-21. The maximum intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Act and Listing Regulations. For further details of Board/Committee Meetings including composition and attendance, please refer to the Corporate Governance Report, forms part of this Report.

### ANNUAL PERFORMANCE EVALUATION OF THE BOARD

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, Remuneration and Compensation 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 and Compensation Committee of the Company. A statement on annual evaluation by the Board of its performance and performance of its Committees as well as Individual Directors is detailed in the Corporate Governance Report attached to this report.

### 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. Chandra Kumar 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. Rajiv Gupta, Chief Financial Officer and Ms. Asha Mittal, Company Secretary are the Key Managerial Personnel of your Company as on date.

During the period under review, Mr. Vijay Kumar Garg has resigned w.e.f close of business hours of January 31, 2021 and simultaneously Ms. Asha Mittal has been appointed as a Company Secretary and Compliance Officer w.e.f February 1, 2021.

*Note: Changes pertaining to KMPs falls in director's category given above.*

## 2. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declaration that they meet the criteria of independence with relevant integrity, expertise, experience and proficiency as provided under Section 149(6) read with Schedule IV of the Act and Regulation 16 (1)(b) of the Listing Regulations including given declaration for inclusion of name in the data bank, being maintained with 'The Indian Institute of Corporate Affairs' in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended and have also complied with the code of conduct of Directors and Senior Management.

Further, Independent Directors confirmed that none of among them have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

## 3. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, your Directors, based on representation received from management, confirms that:

- in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit

and loss of the Company for the year ended March 31, 2021;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

Based on the framework of internal financial controls (including the Control checks) for financial reporting and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditor and the reviews performed by the management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2020-21; and

- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively."

## V. AUDITORS

### 1. STATUTORY AUDITORS

M/s Rajeev Singal & Co., Chartered Accountant (Firm Registration No. 008692C), had been appointed as Statutory Auditors of the Company by shareholders of the Company for a period of five years to hold office till conclusion of the AGM to be held in the year 2022. 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.

M/s. Rajeev Singal & Co., Chartered Accountants have submitted a certificate, confirming their eligibility and qualification to continue as Statutory Auditors of the Company in accordance with Section 141 read with Section 144 of the Companies Act, 2013.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The Statutory Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013. Hence, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

### 2. INTERNAL AUDITORS

i) M/s Pankaj K. Goyal & Co, Chartered Accountants have been appointed as Internal Auditors for the financial year 2021-22 for all the Units of the Company except Bharuch Unit.

ii) M/s Svaraj & Associates., Chartered Accountants have been appointed as Internal Auditors for audit of Bharuch Unit for the financial year 2021-22.

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

The Company is required to maintain cost records as specified by the Central Government as per Section 148(1) of the Companies Act, 2013 ("**the Act**") and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records.

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. However, their term of a year has been expired and they have shown their inability to continue further.

Consequently, In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s MM & Associates, Cost Accountants (Firm Registration No. 000454), being eligible, to conduct Cost Audits for the products covered under section 148 of Companies Act, 2013 read with Companies (Cost records and Audit) Rules, 2014 for the year ending March 31, 2022. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The remuneration payable to Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Act and Rules therein. The Members are therefore requested to ratify the remuneration payable to M/s MM & Associates as set out in the Notice of the 21st AGM of the Company, annexed to this Annual Report.

There has been no qualification, reservations, adverse remark or disclaimer in the Cost Audit's Report submitted for FY 2020-21. Further, the Cost Audit Report for FY 2020-21 will be filed with the Central Government in due course.

#### 4. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. RMG & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for FY 2021. Further, the Board has re-appointed M/s. RMG & Associates, Company Secretaries, (Firm Registration Number: P2001DE16100), as Secretarial Auditor of the Company for FY 2021-22.

The Secretarial Audit Report issued by the aforesaid Secretarial Auditor is attached as **Annexure 'D'** to this Report and contains the following qualification, reservation, observation, disclaimer or adverse remark as follows:

- a. There was an inadvertent delay in uploading information at the portal of depositories as per the SEBI Circular no. SEBI/HO/ISD/ISD/CIR/P/2020/ 168 dated September 09, 2020 due to technical issues.
- b. There was a delay in submitting the outcome of the Meeting of Board of Directors held on May 26, 2020, with the Stock Exchanges.
- c. The Cash flow statement for half year ended on March 31, 2020 was not submitted as a part of standalone financial results for the said half year. The Financial results was submitted on May 26, 2020, however, the Company has filed Cash Flow Statement separately on June 17, 2020, under Regulation 33(3)(g) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d. The Company has inadvertently missed the stock exchange intimations with respect to issue of duplicate share certificates. However, Company has intimated to the stock exchange about the loss of share certificate(s).

##### **Management's Reply**

- This happened due to technical glitches. The company has uploaded the information in prescribed format with in stipulated time but somehow, later, it was got failed to upload on the portal. Thereby, unknowingly, it was got delayed. However, the requirements are well in compiled as on date of this Report.
- The management submits that we have initiated the uploading of the outcome of the referred Board meeting immediately to upload it within 30 minutes from the closure of the Meeting. However, due to the technical issues and internet connectivity, it got delayed at last moment. The meeting was held at the time of lockdown. The same will be taken care in future.
- The Cash flow statement was inadvertently missed to enclose with the financial results for submission. But, it was prepared and approved with in stipulated time and filed in compliance with the provisions.
- It was missed inadvertently and unknowingly.

The management of the Company assures you to comply with all the provisions of the applicable laws in true spirit in future and already made all the defaults good.

## VI. GOVERNANCE/SECRETARIAL

### 1. CORPORATE GOVERNANCE AND CODE OF CONDUCT

As a responsible corporate citizen, the Company is committed to maintain the highest standards of Corporate Governance and believes in adhering to the best corporate practices prevalent globally.

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 forming part of the Corporate Governance Report.

A detailed Report on Corporate Governance pursuant to the requirements of Regulation 34 read with Schedule V of the Listing Regulations is attached as **Annexure-'E' to the Board's Report** and forms part of this Report. A certificate from the Statutory Auditor confirming compliance with the conditions of Corporate Governance, as stipulated in Clause E of Schedule V to the Listing Regulations, 2015 is attached to the Corporate Governance Report.

### 2. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return (MGT-7) of the Company as on March 31, 2021 is available on Company's website and can be accessed at <http://www.gulshanindia.com/pdf/21annualmeeting/extractofannualreturn.pdf>.

### 3. WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of Listing Regulations, the Company has adopted a Vigil Mechanism / Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company. The details of Vigil Mechanism / Whistle Blower Policy adopted by the Company have been explained in the Corporate Governance Report, forming integral part of this report.

**4. COMMITTEE RECOMMENDATIONS**

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

**5. NOMINATION AND REMUNERATION POLICY**

The Company has adopted a Nomination and Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of Section 178 of the Act and Regulation 19 read with Schedule II, Part D of the Listing Regulations. The detailed policy is available on website of the Company at [www.gulshanindia.com](http://www.gulshanindia.com) and the salient features of policy has been elaborated in the Corporate Governance Report.

**6. RISK MANAGEMENT**

Your Company has a well-defined risk management framework in place to ensure appropriate identification, measurement, mitigation and monitoring of business risks and challenges across the Company, GPL has a robust organizational structure for managing and reporting risks. The Company's success as an organisation largely depends on its ability to identify opportunities and leverage them while mitigating the risks that arise while conducting its business.

**7. BOARD AND COMMITTEES**

As on March 31, 2021, the Board is having six committees: the Audit Committee, the Corporate Social Responsibility Committee, the Nomination, Remuneration and Compensation Committee, the Stakeholders Relationship Committee, the Allotment of Share Committee and the Finance Committee.

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

**VII. MANAGEMENT DISCUSSION & ANALYSIS**

Management Discussion and Analysis Report, as stipulated under Regulation 34(2)(e) of the Listing Regulations, is presented in a separate Section and forming part of this Annual Report.

**VIII. 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 'F'** to this Report.

An independent internal audit function is an important element of the Company's internal control systems. This is executed through an internal audit programme and periodic review by the management and the Audit Committee.

During the year under review, two external firms viz. M/s. Shahid & Associates & M/s Anil Ram Kumar & Co, Chartered Accountants, are engaged as Internal Auditors of the Company with the audit processes and procedures.

The Audit Committee has satisfied itself on the adequacy and effectiveness of the internal financial control systems laid down by the management. The Statutory Auditors have confirmed the adequacy of the internal financial control systems over financial reporting.

**IX. BUSINESS RESPONSIBILITY REPORT**

Your Company is committed to grow the business responsibly with a long term perspective as well as to the nine principles enshrined in the National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business, as notified by the Ministry of Corporate Affairs, Government of India, in July, 2011.

The Business Responsibility Report ("BRR") of the Company as per the requirements of Regulation 34(2)(f) of the SEBI LODR describing the initiatives taken by the Company from an environmental, social and governance perspective, along with all the related policies can be viewed on the Company's website at <http://www.gulshanindia.com/pdf/21annualmeeting/Business%20Responsibility%20Report.pdf>.

**X. CAUTIONARY STATEMENT**

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or future outlook may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

**XI. ACKNOWLEDGEMENTS**

Your Company's organizational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilization of the Company's resources for sustainable and profitable growth.

Your Directors hereby acknowledge the dedication, loyalty, hard work, solidarity and commitment rendered by the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, government authorities, business partners, shareholders, vendors, customers and other

stakeholders without whom the overall satisfactory performance would not have been possible and for the confidence reposed in the Company and its management and look forward to their continued support.

The Directors deeply regret the losses suffered due to the Covid-19 pandemic and place on record their sincere appreciation to all the front-line workers and those who have gone beyond their duties in this pandemic situation.

For and on behalf of the Board of Directors

Place: Delhi  
Date: July 21, 2021

**Dr. Chandra Kumar Jain**  
Chairman and Managing Director  
DIN: 00062221

**ANNEXURE-A TO BOARD'S REPORT**

# Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

Over the past decade, the '**Gulshan**' has focused on several corporate social responsibility programs. The Company continues its endeavor to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Preventive Healthcare, Promoting Education, Social and Rural development projects etc.

The year 2020 threw up the biggest challenge, humanity has faced for a long time, the Covid-19 pandemic. From the very beginning, it was clear to us that our response had to be commensurate with the severity and scale of the crisis. We recognize that the pandemic and its after-effects are going to be with us for some time. Keeping this in mind, we have ensured that a significant part of our support is towards strengthening and augmenting the capacity of the public health system in India, especially in some of the most underserved areas. We would like to highlight the fact that our Covid-19 response and investments were in addition to the regular CSR work, which we continued to support to the fullest extent.

## 1. A brief outline on the CSR policy of the Company:

We have always considered sustainable development is 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.

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 in undertaking similar activities.

## 2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	*Mr. Ajay Jain	Ex-Chairman	2	1
	**Mr. Kailash Chandra Gupta	Ex-Chairman	2	1
	***Mr. Jeewan Jyoti Bhagat	Chairman	Not entitled to attend the Meetings during the FY 2020-2021	
2.	Ms. Arushi Jain	Member	2	2
3.	Ms. Aditi Pasari	Member	2	2

\*Mr. Ajay Jain resigned w.e.f August 21, 2020.

\*\* Mr. Kailash Chandra Gupta chaired the CSR Committee w.e.f September 10, 2020 and resigned w.e.f April 2, 2021.

\*\*\*Mr. Jeewan Jyoti Bhagat inducted in the Committee w.e.f May 7, 2021.

## 3. Weblink of Composition of CSR committee, CSR Policy and CSR projects as approved by the board and disclosed on the website of the company:

<http://www.gulshanindia.com/pdf/21annualmeeting/Corporate%20Social%20responsibility%20Policy,%20Composition%20&%20Projects.pdf>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:**

In terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the requirement of conducting an impact assessment of its CSR Projects is not applicable to the Company.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
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Not Applicable

**6. Average net profit of the company as per section 135(5): ₹ 2599.35 Lakhs.**

**7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 51.99 Lakhs.**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL.**

**(c) Amount required to be set off for the financial year, if any: NIL.**

**(d) Total CSR obligation for the financial year 2020-21 (7a+7b-7c): ₹ 51.99 Lakhs.**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year 2020-21 (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
218.09*	Not Applicable				

\* ₹ 218.09 includes accumulated unspent amount of ₹ 148.15 Lakhs from previous financial years, for which details are given below.

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	9	10	11
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation- Direct (Yes /No)	Mode of Implementation – Through Implementing Agency
				State District						Name CSR Registration number
NIL										

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5	6	7	8
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Amount spent in FY 2020-21 (₹ In Lakhs)	Mode of Implementation- Direct (Yes / No)	Mode of Implementation -Through Implementing Agency
				State District			Name CSR Registration number (Became applicable from April 1, 2021)
1.	Organized Free Eye Checkup and Contract eye surgery Camp	Schedule VII (i)- Promoting Health Care including	Yes	Uttar Pradesh Muzaffarnagar	1.19	Yes	-
2.	Organized Health Check Up Camp	Preventive Health Care	Yes	Uttar Pradesh Muzaffarnagar	1.03	Yes	-

3.	Primary and secondary School development	Schedule VII (ii)- Promoting Education	Yes	Uttar Pradesh	Muzaffarnagar	0.84	Yes	-	
4.	Other Social/Rural Development As per Schedule VII of the Companies Act 2013	Schedule VII (x) & others- Rural Development Projects and others as prescribed in Schedule VII	No	Uttar Pradesh, Gujarat, Madhya Pradesh, Himachal Pradesh, New Delhi	Muzaffarnagar, Bharuch, Panta, Boregaon, Delhi	50.03	Yes	-	
5.	Construction of School for Vocational Studies for under privileged children	Schedule VII (ii)- Promoting Education	No	Delhi	Delhi	165.00	No	Mridul Literacy Society	CSR00012733
<b>Total</b>						<b>218.09</b>			

(d) **Amount spent in Administrative Overheads:** Not Applicable

(e) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 218.09 Lakhs

(g) **Excess amount for set off, if any:**

S. No.	Particular	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	51.99
(ii)	Total amount spent for the Financial Year	218.09
(iii)	*Excess amount spent for the financial year [(ii)-(i)]	166.10
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)-₹ 148.15 Lakhs]	17.95

\* ₹ 166.10 Lakhs includes accumulated unspent amount of ₹ 148.15 Lakhs from previous financial years, for which details are given below.

9. (a) **Details of Unspent CSR amount for the preceding financial years:**

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2016-17	NA	52.65	NA			NA
2.	2017-18		52.57				
3.	2018-19		26.46				
4.	2019-20		16.47				
<b>TOTAL</b>			<b>148.15</b>				

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1) S. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project -Completed / Ongoing
Not Applicable								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**

(a) **Date of creation or acquisition of the capital asset(s):** Not Applicable



- (b) **Amount of CSR spent for creation or acquisition of capital asset:** NIL
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:**  
Not Applicable
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

Place: Delhi  
Date: July 21, 2021

**Dr. Chandra Kumar Jain**  
Chairman & Managing Director  
00062221

**Jeewan Jyoti Bhagat**  
Chairman of CSR Committee  
00007743

## ANNEXURE-B TO BOARD'S REPORT

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY:****(i) The steps taken or impact on conservation of energy:**

Energy efficiency is a cornerstone for positive impact on environment and sustainable growth. The Company continued to improve across all facets of energy management which include generation, distribution and consumption. All manufacturing units of the Company have taken various initiatives for saving energy consumption. Teams of all the units continuously monitor energy consumption and plan and execute various energy conservation schemes.

The Company is continuously undertaking various initiatives towards green energy thereby contributing towards clean environment. Continuous efforts and initiatives are being planned in the coming year in this direction.

Further, best practices and bench marking parameters are implemented in all units by the Company to realigned the existing power consuming sections and to remove bottleneck and to ensure the uninterrupted and quality power supply at the minimum cost. Some of the energy conservation measures adopted across the manufacturing units were:

- Conventional light replacement with LED light for Godown lighting, street lighting and plant lighting across all manufacturing units.
- Energy bill reduction initiative by maintaining unity power factor and low distribution losses by installation of capacitor panels in the high rated Kilo Watt ('kW') motors and machineries.
- Energy bill reduced by effective usage of power in night hours to avail benefit of night hours' rebate.
- Use of frequency drive in ammonia and air compressor which saves electric energy.
- Use of frequency drive in boiler for ID and FD fan which saves electric energy.
- Improving efficiency on critical resources like water and energy by doing water recoveries and optimizing energy consumption
- Optimizing the resource consumptions and minimizing wastages by automations and controls.
- Constant monitoring of energy consumption and further requisite follow-up.
- In off –hours, lights in work premises is kept off.
- Installed VFDs for motor for reduction of power consumption & smooth operations.
- Installation of energy efficient ceiling fans.
- Phase wise change of plant lighting system to LED to reduce power consumption.
- Installed Oxygen Analyzer in boilers for combustion control.

These measures have also led to power saving, reduced maintenance time and cost, improved hygienic conditions and consistency in quality and improved productivity. The Company is making all efforts to put stress on energy conservation by taking measure to ensure that plant be kept continuous running and idle time is reduced to bare minimum.

**(ii) The steps taken by the Company for utilising alternate sources of energy:**

The Company has initiated steps towards utilising environment friendly alternate sources/renewable sources of energy by way of installation of Solar Panels.

**(iii) The capital investment on energy conservation equipment: NIL****B. TECHNOLOGY ABSORPTION:**

Research and technology development of the Company helps create superior value by harnessing internal Research and Development skills and competencies and creates innovations in emerging technology domains related to the Company's various businesses.

**Research and technology development of the Company focuses on:**

- a. Processes and catalyst development to support existing business and create breakthrough technologies for new businesses;
- b. Advanced troubleshooting; and
- c. Support to projects, profit and reliability improvements in manufacturing plants.

**(i) The efforts made towards technology absorption:**

Owing to the nature of operations of the Company, the information pertaining to Technology Absorption is not applicable to the Company. However, the Company endeavors to avail the latest technology trends and practices in its operations.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: None****(iii) Technology imported during the last three years reckoned from the beginning of the financial year: None****(iv) Expenditure incurred on research and development: NIL****C. FOREIGN EXCHANGE EARNINGS & OUTGO:**

The unprecedented outbreak of COVID 19, impacted Country's export drastically, however, the Company has made its best efforts on various fronts in promoting exports.

**(Amount in ₹)**

S.No.	PARTICULARS	2020-21	2019-20
(i)	Earnings by way of Export of Goods calculated on FOB basis	56,80,61,115	92,98,38,006
(ii)	Payment of interest on loan taken	19,66,951	1,59,33,955
(iii)	Payment of Commission on Export of Goods	36,86,952	27,43,386
(iv)	Expenditure on Foreign Travelling	19,96,650	31,01,598
(v)	Expenditure on Testing/Analysis Service	66,58,813	77,09,112
(vi)	Expenditure on Legal & Professional fee	5,38,574	5,82,499

For and on behalf of the Board of Directors

Place: Delhi  
Date: July 21, 2021

**Dr. Chandra Kumar Jain**

Chairman and Managing Director  
DIN: 00062221

**ANNEXURE-C TO BOARD'S REPORT**
**Disclosure of Managerial Remuneration**

[Pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**PART-I: Statement of particulars under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2021:**
**A. The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21 as well as the percentage (%) increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during financial year 2020-21:**

S. No.	Name	Designation	Remuneration FY 2020-21 (Amount in lakhs)	(+/-) Remuneration (%)	Ratio of remuneration of each Director to median remuneration of employees
<b>Executive Director</b>					
1	Dr. Chandra Kumar Jain	Chairman and Managing Director	314.97	86.38	1499.86
2	Ms. Arushi Jain	Whole Time Director	173.94	278.21	828.29
3	Ms. Aditi Pasari	Whole Time Director	148.42	245.23	706.76
4	Mr. Ashwani Kumar Vats	Whole Time Director and CEO	77.70	52.47	370.00
5	*Mr. Suresh Kumar Tewari	Ex-Whole Time Director	4.11	NA <sup>@</sup>	-
<b>Non-Executive Directors</b>					
6	Mr. Akhilesh Kumar Maheshwari	Independent Director	5.42	46.88	25.81
7	**Mr. Kailash Chandra Gupta	Ex-Independent Director	5.42	51.82	25.81
8	***Mr. Ajay Jain	Ex-Independent Director	0.17	-	-
9	Mr. Rakesh Kumar Gupta	Independent Director	5.42	51.82	25.81
10	Mr. Jeewan Jyoti Bhagat	Independent Director	5.42	56.65	25.81
<b>Key Managerial Personnel</b>					
11	Mr. Rajiv Kumar Gupta	Chief Financial Officer	24.01	7.19	-
12	****Mr. Vijay Kumar Garg	Ex-Company Secretary	4.63	NA <sup>@</sup>	-
13	*****Ms. Asha Mittal	Company Secretary	1.46	NA <sup>@</sup>	-

\*Resigned with effect from May 26, 2020.

\*\* Resigned with effect from April 2, 2021.

\*\*\* Resigned with effect from August 21, 2020.

\*\*\*\* Resigned with effect from January 31, 2021.

\*\*\*\*\*Appointed with effect from February 1, 2021.

@ Not associated with the company for full year, being resigned or appointed in between the year.

Note:

- Above remuneration is on due basis. However, the commission payable to Mr. Vats for FY 20-21 is subject to shareholders' approval placed in the Notice of ensuing Annual General Meeting annexed to the Annual Report. The Commission was not paid in FY 2019-20.
- The Remuneration of Non-Executive & Independent Directors covers sitting fees for attending Board/ Committee Meetings, fixed conveyance allowance and commission.

**B.** The median remuneration is ₹ 0.21 Lakhs annually for FY 2020-21.

**C. Percentage increase in the median remuneration of employees in FY 2020-21:** 2.19%

**D. Number of permanent employees on the rolls of the Company as on March 31, 2021:** 427

**E.** The average percentile increase already made in the salaries of employees other than Managerial Personnel was 10.89% and the average percentile increase in the remuneration of Managerial Personnel was 122% during the last Financial Year. The higher percentage in the increase of Managerial Personnel was based on growth plans of the Company and individual performance of the Managerial Personnel.

**F. Affirmation:**

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

**PART-II: Statement of particulars under Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2021:**

- A.** Top Ten Employees in terms of remuneration drawn, including name of every employee(s) employed throughout the financial year 2020-21, who were in receipt of remuneration not less than ₹ 10,200,000/- per annum:

(₹ In Lakhs)

S.No.	Name	Designation of the employee	Qualifications	Age (Years)	Experience (Years)	Date of commencement of Employment	Nature of Employment	Remuneration*	% of Equity share held	Last Employment	
										Employer's Name	Post Held
1	Dr. Chandra Kumar Jain	Chairman and Managing Director	Doctorate Degree in Chemistry	73	51	20.10.2000	Contractual	314.97	7.56	NA	NA
2	Ms. Arushi Jain	Whole-time Director	MS in Marketing	44	11	01.01.2010	Contractual	173.94	0.81	NA	NA
3	Ms. Aditi Pasari	Whole-time Director	MBA	42	11	01.01.2010	Contractual	148.42	0.15	NA	NA

\*Above remuneration is on due basis.

- B.** Employed for part of the year and in receipt of remuneration for any part of that year which in aggregate was not less than ₹ 8,50,000 per month: **NONE**
- C.** Employed throughout the financial year or part thereof, was in receipt of remuneration in excess of the remuneration drawn by the Managing Director or Whole-Time Director of the Company and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **NONE**.
- D.** Except Dr. Chandra Kumar Jain, who is father of Ms. Aditi Pasari and Ms. Arushi Jain, none of anyone is relative of any Director of the Company.

For and on behalf of the Board of Directors

Place: Delhi  
Date: July 21, 2021

**Dr. Chandra Kumar Jain**  
Chairman and Managing Director  
DIN: 00062221

ANNEXURE-D TO BOARD'S REPORT  
**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[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 the applicable statutory provisions and the adherence to good corporate practices by **Gulshan Polyols Limited** (hereinafter referred to as 'the Company'), having its Registered Office at 9th KM Jansath Road Muzaffarnagar, Uttar Pradesh – 251001. 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 Covid-19 Pandemic*, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021**, complied with the statutory provisions listed hereunder and also that the Company has 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 as maintained by the Company for the financial year ended on **March 31, 2021** 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 by the Depositories with regard to dematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company;
- IV. The 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. However, there was no such transaction which was required to be reviewed, during the period under audit. Further, during the period under review, the Foreign Portfolio Investors has transferred their entire shareholding in the month of June 2020 and all the related compliances, are supposed to be made by the transferee/transferor, of which the Company has no access.
- 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) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations");
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [**Not Applicable as the Company has not issued any further share capital during the period 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 period 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/proposed to delist its equity shares from any Stock Exchange during the period under review**];

- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 **[Not Applicable as the Company has not bought back/proposed to buy-back any of its securities during the period under review].**

As confirmed by the Management, the compliances of Environmental Laws, Labour Laws & other Specific Laws to the extent applicable, which are identified and confirmed according to the industry which Company belong, are complied with. The related compliances are not reviewed in this audit since the same have been subject to review by the Management or independent professionals, to monitor and ensure compliance with such Laws.

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 Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, stricter applicability of Secretarial Standards is to be observed by the Company.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, it is recommended that for better governance and compliance of the applicable laws to the Company, provisions stated under various applicable laws must be adhered in true letter and spirit.
3. General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India to hold Extra-Ordinary General Meetings/ Annual General Meetings through Video Conferencing (VC) or other audio-visual means (OAVM).

The Company has convened its Annual General Meeting with the physical presence of its members and we have been apprised that the approval of statutory authorities for convening physical meeting has been sought.

4. Notification No. G.S.R 186 (E) dated March 19, 2020 read with Notification No. G.S.R 395 (E) dated June 23, 2020 issued by the Ministry of Corporate Affairs, to conduct the Meetings of the Board or its Committees through Video Conferencing (VC) or other audio-visual means (OAVM).
5. General Circular No. 16/2020 and 35/2020 dated April 13, 2020 and September 29, 2020, respectively, as issued by the Ministry of Corporate Affairs, to provide relaxations in filing of IEPF forms, without any additional fees and to take other concomitant actions accordingly. In assistance of such circulars, the Company has transferred the shares to the Investor Education and Protection Fund (IEPF) after the due date (i.e. beyond a period of thirty days of such shares becoming due to be transferred) and accordingly the Newspaper Advertisement for transfer of shares was also published with slight delay, as stipulated in Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

1. *There was an inadvertent delay in uploading information at the portal of depositories as per the SEBI Circular no. SEBI/HO/ISD/ISD/CIR/P/2020/168, dated September 09, 2020 due to technical issues.*
2. *There was a delay in submitting the outcome of the Meeting of Board of Directors held on May 26, 2020, with the Stock Exchanges.*
3. *The Cash flow statement for half year ended on March 31, 2020 was not submitted as a part of standalone financial results for the said half year. The Financial results was submitted on May 26, 2020, however, the Company has filed Cash Flow Statement separately on June 17, 2020, under Regulation 33(3)(g) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
4. *The Company has inadvertently missed the stock exchange intimations with respect to issue of duplicate share certificates. However, Company has intimated to the stock exchange about the loss of share certificate(s).*

**We further report that**

- the Board of Directors of the Company is duly 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.
- Notice(s) were given to all directors to schedule the Board/committee Meetings, agenda and detailed notes on agenda were sent as per the applicable provision 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 member's views, if any, are generally captured and recorded as part of the minutes.
- As per the records, the Company has predominantly 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 in compliance with the Act.
- The Company has identified certain violations of the code of conduct ("Code"), inadvertently done by the designated persons under SEBI PIT

Regulations, and the matter is placed before the Audit Committee and the Board for taking disciplinary actions against such designated persons. In this regard, necessary reporting shall be made to the stock exchanges, pursuant to SEBI circular no. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020.

- The Securities and Exchange Board of India (SEBI) vide its Order no. WTM/SKM/CFD/37/2021-22 dated June 22, 2021 (received on June 23, 2021) under Regulation 11 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, has issued the Order to grant exemption to the Proposed Acquirers, viz. Gulshan Family Benefit Trust, Mridula Family Trust, Chandra Holding Trust and Lotus Holding Trust, from complying with the requirements of Regulation 3(1) & regulation 4 of the 'Takeover Regulations, 2011' with respect to the proposed acquisitions of shareholding in the Target Company viz. Gulshan Polyols Limited by way of proposed transactions as mentioned in the application dated February 02, 2021, filed by the Proposed Acquirers. It is also stated in the order that the exemption is subject to the approval of Scheme of Amalgamation of Gulshan Holdings Private Limited ("GHPL") and East Delhi Importers & Exporters Private Limited ("EDIEPL") (the "Transferor Companies") with the Gulshan Polyols Limited ("GPL") (the "**Target Company**").
- During the period under review, as certified by the Management of the Company, the Company has spent the Corporate Social Responsibility (CSR) expenditure in accordance with the requirements given in Section 135 of the Companies Act, 2013 and rules made thereunder.
- The Company is in the process of improvisation of structured digital database under Regulation 3(5) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- The website of the Company viz. www.gulshanindia.com is under maintenance, as informed by the management of the Company.

**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 in stricter sense for better 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. Mr. Suresh Kumar Tiwari (DIN: 00062373), Whole Time Director of the Company has tendered his resignation from the Board of Directors of the Company w.e.f. May 26, 2020;
2. The Board of Directors, on the recommendation of Audit Committee, in their meeting held on August 06, 2020, considered and approved a Scheme of Amalgamation of the Company of Gulshan Holdings Private Limited ("GHPL") and East Delhi Importers & Exporters Private Limited ("EDIEPL") (the "Transferor Companies") with Gulshan Polyols Limited ("GPL") (the "Transferee Company") and their respective shareholders pursuant to Section 230 to 232 and any other applicable provisions of the Act and the in-principle approval from both the Stock Exchanges has been obtained. Further, Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench has issued an order dated July 14, 2021 which is received by the Company on July 15, 2021 ordering to convene the meeting of Shareholders and Creditors of the Company.
3. Mr. Ajay Jain (DIN: 00062146), Independent Director of the Company has tendered his resignation from the Board of Directors of the Company w.e.f. August 21, 2020;
4. The members in the Annual General Meeting held on September 19, 2020 approved the following Special Business items:
  - Revision in the remuneration of Ms. Arushi Jain (DIN: 00764520), the Whole Time Director of the Company;
  - Revision in the remuneration of Ms. Aditi Pasari (DIN: 00120753), the Whole Time Director of the Company;
  - Ratification of remuneration of Cost Auditors of the Company;
  - Re-appointment and Revision in terms of remuneration of Dr. Chandra Kumar Jain (DIN:00062221) Chairman and Managing Director of the Company to hold office for a period from April 01, 2020 to March 31, 2023;
  - Re-appointment of Mr. Ashwani Kumar Vats (DIN:00062413), as Whole Time Director designated as CEO of the Company for a period from April 01, 2020 to March 31, 2024;
  - Re-appointment of Ms. Arushi Jain (DIN:00764520), as Whole Time Director of the company to hold office for a period from January 01, 2021 to March 31, 2024;
  - Re-appointment of Ms. Aditi Pasari (DIN:00120753), as Whole Time Director of the Company to hold office for a period from January 01, 2021 to March 31, 2024;
  - Waiver of recovery of the excess managerial remuneration aggregating to ₹ 1,351,436/- for the financial year ending on March 31, 2020, paid to Dr. Chandra Kumar Jain (DIN:00062221) Chairman and Managing Director, in excess of limits of 5% of Net Profits of the Company, by passing a special resolution thereat; and
  - Continuation of Directorship of Mr. Kailash Chandra Gupta (DIN:01649210), on attaining the age of 75 years on January 01, 2021 upto May 28, 2023;



5. The Board of Directors of the Company in its Meeting held on November 02, 2020, declared an interim dividend of ₹ 0.60 (i.e. 60%) per equity share of Re. 1/- each for the Financial Year 2020-2021;
6. The Board of Directors in its Meeting held on January 29, 2021 has appointed Ms. Asha Mittal (Membership No.: A32348) as Company Secretary and Compliance Officer of the Company w.e.f February 01, 2021. The vacancy was created on January 31, 2021, due to cessation of Mr. Vijay Kumar Garg (Membership No.: A37151) ex- Company Secretary and Compliance Officer of the Company.

**For RMG & Associates**  
**Company Secretaries**  
**Firm Registration No. P2001DE16100**  
**Peer Review No. : 734 / 2020**  
**CS Manish Gupta**  
**Partner**  
**FCS: 5123; C.P. No.: 4095**

**Place: New Delhi**  
**Date: July 21, 2021**  
**UDIN: F005123C000666278**

**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, 2021 is to be read along with this letter:

1. It is the responsibility of 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 affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. Due to restricted movement amid COVID-19 pandemic and subsequent lockdown situation for the purpose of issuing this Report, we have conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true & correct and there is no material negligence other than reported herein. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report pertaining to Financial Year 2020-21.

**For RMG & Associates**  
**Company Secretaries**  
**Firm Registration No. P2001DE16100**  
**Peer Review No. : 734 / 2020**  
**CS Manish Gupta**  
**Partner**  
**FCS: 5123; C.P. No.: 4095**

**Place: New Delhi**  
**Date: July 21, 2021**  
**UDIN: F005123C000666278**

**ANNEXURE-E TO BOARD'S REPORT**  
**CORPORATE GOVERNANCE REPORT**

**I. CORPORATE GOVERNANCE PHILOSOPHY**

At Gulshan Polyols Limited (“the Company” or “GPL”), Corporate Governance is both a tradition and a way of life. We believe in “*Sabka saath, Sabka Vikas*” (*Hand in hand, grow together*) and always committed towards achieving the same. The Company is fully committed to incorporate a 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.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic principles of corporate governance. The Company always stressed in achieving optimum performance at all levels by adopting and adhering to best corporate governance practices. The Company has focused on corporate governance as a means to maximize long-term stakeholders' value through disciplined and sustained growth and value creation. The Company has professionals on its Board of the Directors who are actively involved in the deliberations of the Board on all important policy matters. Your Directors view good Corporate Governance as the foundation for honesty and integrity and recognize these matters to maintain your trust. The Company strives hard to achieve establishment of internal controls and risk management; internal and external communications; and high standards of safety, health and environment management, accounting fidelity, product and service quality. The Company also believes that for a Company to succeed, it must consistently maintain commendable standards of corporate conduct towards its employees, customers, society and other stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as applicable, with regard to corporate governance.

**II. BOARD OF DIRECTORS**

As on March 31, 2021, the Board of Directors of the Company comprised of Eight (8) 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 Listing Regulations. The Board has four (4) Executive Directors and four (4) 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 Regulation 16(1)(b) of Listing Regulations read with Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder.

The skills, expertise and competencies of the Directors as identified by the Board in the context of business(es) of the Company, are provided and forming part of this Report. These skills, expertise and competencies are available in the present mix of the Directors of the Company.

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 March 31, 2021**

Name of the Director (s) & DIN	Category	Directorships in Other Listed Entities and Category of Directorships	No. of other Directorships and <sup>4</sup> Committees Memberships and Chairmanships		
			<sup>3</sup> Directorship	Chairman	Member
Dr. Chandra Kumar Jain DIN: 00062221	<i>Executive, Chairman and Managing Director and, Promoter</i>	-	2	-	1

Ms. Arushi Jain DIN: 00764520	Executive, Whole Time Director and Promoter	-	3	-	-
Ms. Aditi Pasari DIN: 00120753	Executive, Whole Time Director and Promoter	-	5	-	1
Mr. Ashwani Kumar Vats DIN: 00062413	Executive, Whole Time Director and CEO	-	-	-	-
Mr. Akhilesh Kumar Maheshwari DIN: 00062645	Non-Executive & Independent Director	• Genus Paper & Boards Limited- Executive Director	1	1	1
Mr. Jeewan Jyoti Bhagat DIN: 00007743	Non-Executive & Independent Director	-	1	-	1
Mr. Rakesh Kumar Gupta DIN: 06909233	Non-Executive & Independent Director	-	1	1	-
*Mr. Kailash Chandra Gupta DIN: 01649210	Non-Executive & Independent Director	-	-	-	-

CEO- Chief Executive Officer.

- During the year, Mr. Suresh Kumar Tewari, ceased to be Whole-Time Director of the Company with effect from May 26, 2020 upon resignation and Mr. Ajay Jain, ceased to be Non-Executive & Independent Director of the Company with effect from August 21, 2020 upon resignation.

Post financial year under review, Mr. Kailash Chandra Gupta, ceased to be Non-Executive & Independent Director of the Company with effect from April 2, 2021 upon resignation and Ms. Archana Jain, has been appointed as an Additional Director in the category of Non-Executive & Independent Director of the Company with effect from May 22, 2021.

- Dr. Chandra Kumar Jain, Ms. Arushi Jain & Ms. Aditi Pasari are the promoters of the Company. Further, Ms. Arushi Jain and Ms. Aditi Pasari are daughters of Dr. Chandra Kumar Jain. Therefore, Ms. Arushi Jain and Ms. Aditi Pasari being daughters of Dr. Chandra Kumar Jain and being sisters are related to each other. Except these, there are no other inter-se relationships among the Directors.
- The directorships, held by Directors, as mentioned above, do not include the directorships held in Section 8 Companies, Limited Liability Partnership, Companies under process of strike off and Gulshan Polyols Limited.
- Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies including Gulshan Polyols Limited. Details of Committee memberships provided does not includes chairmanship of committees, it is provided separately. None of the Directors was/is 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.
- The maximum tenure of Independent Directors is upto five consecutive years from the date of their appointment. However, they can be re-appointed for another term of five consecutive years. The date of appointment/ re-appointment and tenure of the existing Independent Directors as on date of report are given below:

S. No.	Name of Independent Director	Date of Appointment / Re-Appointment	Date of Completion of Tenure
1	Mr. Akhilesh Kumar Maheshwari DIN: 00062645	April 1, 2019	March 31, 2024
2	Mr. Jeewan Jyoti Bhagat DIN: 00007743	April 1, 2019	March 31, 2024
3	Mr. Rakesh Kumar Gupta DIN: 06909233	April 1, 2019	March 31, 2024
4	Ms. Archana Jain* DIN: 09171307	May 22, 2021	March 31, 2023

\*The appointment of Ms. Archana Jain as an Independent Director for abovesaid period shall be subject to approval of members of the Company in this 21<sup>st</sup> Annual General Meeting ('AGM') of Company as placed in Notice of AGM, annexed to this Annual Report.

The terms and conditions of appointment of Independent Directors are posted on the Company's website. The Board of Directors along with its Committees provides effective leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures.

## B. Board Meetings

Meetings of the Board are generally held at the Corporate Office of the Company at G-81, Preet Vihar, New Delhi-110092, India. During the year, the Board met six times on May 26, 2020, August 6, 2020, September 10, 2020, November 2, 2020, January 20, 2021 and January

29, 2021. 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. Directors are expected to attend Board and Committee Meetings, spend the necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

Agenda papers are sent electronically to the Directors, well in advance, before the meetings. Draft Minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments and thereafter, noted by the Board/ Committee in its next Meeting.

**The Board Meetings held including details of attendance of the Board of Directors during the year 2020-21 and at the last Annual General Meeting duly held on September 19, 2020:**

S. No.	Name	Number of Board Meetings attended out of Total meetings Held during tenure	Whether Last AGM Attended
1	Dr. Chandra Kumar Jain	6/6	Yes
2	Ms. Arushi Jain	6/6	Yes
3	Ms. Aditi Pasari	6/6	Yes
4	Mr. Ashwani Kumar Vats	6/6	Yes
5	Mr. Suresh Kumar Tewari*	1/6	-
6	Mr. Ajay Jain**	2/6	-
7	Mr. Akhilesh Kumar Maheshwari	6/6	Yes
8	Mr. Jeewan Jyoti Bhagat	6/6	Yes
9	Mr. Rakesh Kumar Gupta	6/6	Yes
10	Mr. Kailash Chandra Gupta***	6/6	Yes

\* Ceased to be Whole-Time Director of the Company with effect from May 26, 2020 upon resignation.

\*\* Ceased to be Non-Executive & Independent Director of the Company with effect from August 21, 2020 upon resignation.

\*\*\* Ceased to be Non-Executive & Independent Director of the Company with effect from April 2, 2021 upon resignation.

**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:

<b>Business Leadership</b>	<b>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.</b>
<b>Visioning and Strategic Planning</b>	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.
<b>Financial Literacy</b>	Expertise in understanding and management of complex financial functions and processes of a large organisations, and knowledge of accounting, finance and taxation.
<b>Technology &amp; Innovation</b>	Experience and knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.
<b>Risk Management</b>	Ability to understand and asses the key risks to the organisation, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
<b>Legal &amp; Governance</b>	Knowledge and experience in regulatory and governance requirements and ability to identify & manage key risks affecting the governance of the Company.
<b>Global Experience</b>	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.
<b>SEBI &amp; Corporate Laws</b>	Knowledge of the Companies Act, 2013, applicable SEBI and Stock Exchange Regulations (SEBI & Corporate Laws)
<b>HR &amp; ESOPS</b>	Knowledge on Employee Benefit Schemes and matters related to employee hiring / skill development, gender diversity etc. (HR & ESOPS)

In the table below, the specific areas of focus or expertise of individual board members as on March 31, 2021 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	SEBI & Corporate Laws	HR & ESOPS
Dr. Chandra Kumar Jain	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Arushi Jain	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Aditi Pasari	✓	✓	✓	-	✓	-	✓	✓	✓
Mr. Ashwani Kumar Vats	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Akhilesh Kumar Maheshwari	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jeewan Jyoti Bhagat	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rakesh Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Kailash Chandra Gupta	Not Applicable as ceased with effect from April 2, 2021 upon resignation.								

#### D. Meetings of Independent Directors

During the year, a separate meeting of the Independent Directors was held on January 20, 2021 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations without the attendance of Non-Independent Directors and members of the management. All Four Independent Directors had attended the said meeting.

The Independent Directors, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Independent Directors and with the Chairman, and rest of the Board.

#### E. Familiarization Programmes imparted to Independent Directors

The Company has an orientation programme upon induction of new Directors, as well as other initiatives to update Directors on a continuous basis. The Company also has an ongoing familiarization programme for its Independent Directors. The Company familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, 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>

#### F. Resignation of Independent Director(s)

Mr. Ajay Jain has been resigned from the board of the Company as a Non-Executive & Independent Director of the Company with effect from August 21, 2020 to reduce his commitments so as to devote more time towards betterment of his health. The disclosure including confirmation by Mr. Jain that there are no other material reasons other than those provided, is available at <http://www.gulshanindia.com/announcment.html>

Mr. Kailash Chandra Gupta has been resigned from the board of the Company as a Non-Executive & Independent Director of the Company with effect from April 2, 2021 due to personal reasons. The disclosure alongwith confirmation by Mr. Gupta that there are no other material reasons other than those provided, is available at <http://www.gulshanindia.com/announcment.html>

#### G. Shareholding of Executive Directors as on March 31, 2021

Name of Directors	Number of Equity Shares held
Dr. Chandra Kumar Jain	35,46,990
Ms. Arushi Jain	3,80,545
Ms. Aditi Pasari	72,599
Mr. Ashwani Kumar Vats	0

The Company has not issued any convertible instruments.

### 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 operates as empowered agents 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, Remuneration and Compensation Committee; (iv) Stakeholders Relationship Committee; (v) Allotment of Share Committee; and (vi) Finance Committee. These Committee meetings are often held as and when required and the minutes of Committees of the Board are circulated to the Board for noting.

Recommendations made by these Committees have been accepted by the Board. The Company Secretary officiates as the Secretary of the Committees. Detailed terms of reference, composition, meetings, attendance and other relevant details of these committees are as under:

The brief description of terms of reference and composition including other details of these Committees are as follows:

#### **1. AUDIT COMMITTEE**

The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. The Committee through regular interaction with external and internal auditors and review of financial statements ensures that the interests of stakeholders are properly protected.

All members of the Audit Committee are financially literate and a majority has accounting or financial management expertise.

##### **a) Terms of Reference:**

The terms of reference of the Audit Committee are in accordance with the provisions of Companies Act, 2013 (hereinafter referred as 'the Act') and Regulation 18 read with Part C of Schedule II to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015.

The role of the Committee includes;

1. 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;
2. Recommending the appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment for any other service(s) rendered by the statutory auditors;
4. 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;
5. Reviewing with the management the quarterly financial statements before submission to the Board of Directors for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter, if required;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions with related parties including omnibus approval for related party transactions;
9. Scrutiny of inter- corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. 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;
16. 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;
17. Look into the reasons for substantial defaults in the payment to shareholders, creditors etc.;
18. Reviewing the functioning of whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (amended time to time), atleast once in a financial year and verify that the systems for internal controls are adequate and are operating effectively;
21. 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, internal audit reports relating to internal control weaknesses, the appointment, removal and terms of remuneration of the chief internal auditor; and

22. Discharge any other duties or responsibilities as may be prescribed by the applicable laws and any other function as is mentioned in the terms of reference of the Audit Committee or as may be delegated by the Board from time to time.

Further, pursuant to Regulation 18(2)(c) of the Listing Regulations, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other Independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

#### b) Composition

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. During the year under review, the committee met four times on May 26, 2020, August 6, 2020, November 2, 2020 and January 20, 2021. All the members of the audit Committee are financially literate.

Mr. Rakesh Kumar Gupta, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholders' queries.

The composition of the Committee as on date of report and the details of Meetings attended by the Members during the year under review are given below:

S. No	Name	Category	Designation	No. of Meetings attended in 2020-2021
1	Rakesh Kumar Gupta**	Independent Director	Chairman	2/4
2	Mr. Ajay Jain*	Independent Director	Ex-Chairman	2/4
3	Mr. Akhilesh Kumar Maheshwari	Independent Director	Member	4/4
4	Dr. Chandra Kumar Jain	Executive Director	Member	4/4

\* Ceased to be Chairman of the Committee effective from August 21, 2020.

\*\* Inducted as a Chairman of the Committee effective from September 10, 2020.

The gap between two Audit Committee Meetings did not exceed 120 days. Necessary quorum was present at the above Meetings.

#### Invitees:

- Chief Financial Officer is a permanent invitee to the Audit Committee's meetings.
- The representatives of Statutory Auditors and Internal Auditors, and other executives, as desired by the Committee, attend the meetings as invitees.

## 2. **NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE**

The Nomination, Remuneration and Compensation Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, and appointment procedures for both internal and external appointments.

#### a) Terms of reference

The terms of reference of the Nomination, Remuneration and Compensation Committee (NRC) are in accordance with the provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II to the Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The role of the Committee includes;

1. 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;
2. Formulation of criteria for evaluation of performance of Directors including Independent Directors and the Board of Directors;
3. 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, Remuneration and Compensation Committee or by an independent external agency and review its implementation and compliance;
4. Devising a policy on diversity of Board of Directors;
5. 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;

6. Recommending to the Board of Directors all remuneration, in whatever form, payable to senior management of the Company;
7. 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;
8. To discharge the role envisaged under the SEBI (Share Based Employee Benefits) Regulations, 2014 and authorized to superintend and administer the Employees Stock Option Scheme 2018; and
9. Discharge any other duties or responsibilities as may be prescribed by the applicable laws and any other function as is mentioned in the terms of reference of the Audit Committee or as may be delegated by the Board from time to time.

**b) Composition**

The NRC is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations and the provisions of Section 178(1) of the Act. During the year under review, the committee met four times on May 26, 2020, August 6, 2020, November 2, 2020 and January 29, 2021. Mr. Jeewan Jyoti Bhagat, Chairman, attended the last Annual General Meeting.

The composition of the Committee as on date of report and the details of Meetings attended by the Chairman and Members during the year under review are given below:

S. No	Name	Category	Designation	No. of Meetings attended in 2020-2021
1	Jeewan Jyoti Bhagat**	Independent Director	Chairman	2/4
2	Mr. Ajay Jain*	Independent Director	Ex-Chairman	2/4
3	Mr. Akhilesh Kumar Maheshwari	Independent Director	Member	4/4
4	Mr. Rakesh Kumar Gupta	Independent Director	Member	4/4

\* Ceased to be Chairman of the Committee effective from August 21, 2020.

\*\* Inducted as a Chairman of the Committee effective from September 10, 2020.

Necessary quorum was present at the above Meetings.

**c) 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 commonly & majorly 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, policies and others.

Performance of the Chairperson was evaluated by the Independent Directors after taking into account the views of Executive and Non-executive Directors, on the parameters such as demonstration of Effectiveness of leadership and ability to steer the Meetings, Impartiality, Commitment, Ability to keep shareholders' interests in mind quality of discussions at the Board meetings, use of time and overall efficiency of Board meetings, etc.

Directors were evaluated individually by the Board of Directors (excepting the Director himself) on the parameters such as his/ her preparedness at the Board meetings, attendance at the Board meetings, attendance at the Board meetings, Competency, Fulfilment of Functions, Ability to function as a team, Initiative, Integrity, Participation in Committee and General, ability to act Objectively and Constructively Meetings, Abuse of position, quality of contributions at the Board meetings, application of knowledge and experience while considering the strategy, etc.

Independent Directors were additionally evaluated for their performance and fulfillment of criteria of independence and their independence from the Management. 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.

Outcome of the evaluation was submitted to the Chairman of the Company. The Chairman briefed the outcome of the performance evaluation to the Board.

**d) Remuneration to Directors**
**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 paid for the financial year ended March 31, 2021.

(In ₹)

Name	Salaries	Value of Perquisites	Commission	Total
Dr. Chandra Kumar Jain	16457000	39600	15,000,000	31496600
Ms. Arushi Jain	4854500	39600	12,500,000	17394100
Ms. Aditi Pasari	4802000	39600	10,000,000	14841600
Mr. Ashwani Kumar Vats	5230038	39600	25,00,000*	7769638
Mr. Suresh Kumar Tewari*	410781	-	-	410781
<b>Total</b>	<b>31754319</b>	<b>158400</b>	<b>40000000</b>	<b>71912719</b>

# The commission payable to Mr. Vats for FY 20-21 is subject to shareholders' approval placed in the Notice of ensuing Annual General Meeting annexed to the Annual Report.

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

Name of Directors	Designation	Number of Stock Options**
Ashwani Kumar Vats	Whole Time Director & CEO	56604 + 2400 + 3730
Suresh Kumar Tewari*	Ex-Whole-Time Director	31768 + 1670

\* Ceased to be Whole-Time Director of the Company with effect from May 26, 2020 upon resignation.

\*\* The aforesaid figures are bifurcated yearly.

The above said stock options has been granted every year since 2018 pursuant to GPL Employees Stock Option Schemes, 2018, the options remains in lock in for a period of three (3) years and post lock in period shall be eligible to be vested and be exercisable within 60 days of end of third financial year from the year of grant at a price based on the Average Buying cost of the Company from the BSE/NSE market at the time of grant of shares.

**Criteria for making payment to Non-Executive Directors:**

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/Committee meetings.

They are remunerated by way of 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. The criteria have been defined in the Nomination and Remuneration Policy of the Company. The same is displayed on Company's website at <http://www.gulshanindia.com/policy.html>.

Below table gives details of the sitting fee/commission paid for the financial year ended March 31, 2021.

Name	Sitting fees	Commission	Re-imburement expenses
Mr. Akhilesh Kumar Maheshwari	37,000	5,00,000	4500
Mr. Ajay Jain*	17,000	N.A	-
Mr. Jeewan Jyoti Bhagat	37,000	5,00,000	4500
Mr. Rakesh Kumar Gupta	37,000	5,00,000	4500
Mr. Kailash Chandra Gupta**	37,000	5,00,000	4500
<b>Total</b>	<b>1,65,000</b>	<b>20,00,000</b>	<b>18000</b>

During FY 2020-21, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company except their holdings along with their immediate relatives in shares of the Company, as applicable, as on March 31, 2021:

Name of Non-Executive Directors	Number of Share held
Mr. Ajay Jain*	435+165
Mr. Akhilesh Kumar Maheshwari	2,350+100
Mr. Jeewan Jyoti Bhagat	25,000
Mr. Rakesh Kumar Gupta	-
Mr. Kailash Chandra Gupta**	465+665

\* Ceased with effect from August 21, 2020 upon resignation.

\*\* Ceased with effect from April 2, 2021 upon resignation.

### 3. STAKEHOLDERS RELATIONSHIPS COMMITTEE

The Stakeholders Relationship Committee oversees various activities that lead to improve and effective shareholder services like review of adherence to the service standards adopted for shareholder services, measures taken for reducing the timelines for redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate share certificates, dematerialisation/rematerialisation of shares and related matters. The Committee meets as often as required.

#### a) Terms of reference

The terms of reference of the Stakeholders Relationship Committee are in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations.

The role of the Committee includes;

1. Resolving the grievances of the stakeholders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, deciding the dates of book closure/ record date in respect of shares and other securities issued by the Company, etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. 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;
4. 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; and
5. Discharge any other duties or responsibilities as may be prescribed by the applicable laws and any other function as is mentioned in the terms of reference of the Audit Committee or as may be delegated by the Board from time to time.

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

The Stakeholders Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the Listing Regulations and the provisions of Section 178(5) of the Act. During the year under review, the committee met four times on May 26, 2020, August 6, 2020, November 2, 2020 and January 20, 2021. Mr. Akhilesh Kumar Maheshwari, Chairman, attended the last Annual General Meeting to address shareholders queries.

The composition of the Committee as on date of report and the details of Meetings attended by the Chairman and Members during the year under review are given below:

S. No	Name	Category	Designation	No. of Meetings attended in 2020-2021
1	Mr. Akhilesh Kumar Maheshwari	Independent Director	Chairman	4/4
2	Mr. Ajay Jain*	Independent Director	Ex-Member	2/4
3	Ms. Aditi Pasari	Executive Director	Member	4/4
4	Mr. Jeewan Jyoti Bhagat**	Independent Director	Member	2/4

\* Ceased to be member of the Committee effective from August 21, 2020.

\*\* Inducted as a member of the Committee effective from September 10, 2020.

#### c) Name, designation and address of Compliance Officer

Ms. Asha Mittal, Company Secretary of the Gulshan Polyols Limited is the Compliance Officer in terms of Regulation 6 of Listing Regulations. She can be contacted at below:

G- 81, Preet Vihar, Delhi- 110092

Tel: 011-49999200 Ext. 270

Mob: +91- 9599216336 (Call/Whatsapp)

Email: [cs@gulshanindia.com](mailto:cs@gulshanindia.com)

#### d) Investor Grievances / Complaints

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

Opening Balance	No. of Investor Complaints		
	Received	Solved	Pending
0	2	2	0

**e) Transfers, Transmissions, Dematerialization, etc.**

During the year, the Company has received 43 cases (involving 30,000 equity shares) of Dematerialization out of which 32 cases (involving 22,595 equity shares) were dematerialized and 11 cases (involving 7405 equity shares) were rejected for technical reasons. No request for transfer/transmission has been received. The Company had 16,151 shareholders as on March 31, 2021.

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee has been constituted to review and oversee the Corporate Social Responsibility ('CSR') initiatives of the Company in the target locations, in and around Company's offices and plants.

**a) Terms of reference**

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as prescribed under the Companies Act, 2013 and the Rules framed thereunder.

The role of the Committee includes;

1. Formulating and recommending to the Board of Directors a Corporate Social Responsibility ("CSR") Policy containing guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company in areas or subject, specified in Schedule VII and Section 135 of the Companies Act, 2013;
2. 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 monitor and review periodically the progress of CSR projects / programs / activities undertaken by the Company;
3. Review the impact assessment carried out for the projects of the Company, if applicable, as per the requirements of the law;
4. Formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of its CSR policy as per the Companies Act, 2013; and
5. Discharge any other duties or responsibilities as may be prescribed by the applicable laws and any other function as is mentioned in the terms of reference of the CSR Committee or as may be delegated by the Board from time to time.

**b) Composition**

The CSR Committee is constituted in accordance with the provisions of Section 135 of the Act. During the year under review, the committee met two times on May 26, 2020 and January 20, 2021.

The composition of the Committee as on date of report and the details of Meetings attended by the Chairman and Members during the year under review are given below:

S. No	Name	Category	Designation	No. of Meetings attended in 2020-2021
1	Mr. Jeewan Jyoti Bhagat***	Independent Director	Chairman	N.A
2	Mr. Kailash Chandra Gupta **	Independent Director	Ex-Chairman	1/2
3	Mr. Ajay Jain*	Independent Director	Ex-Chairman	1/2
4	Ms. Arushi Jain	Executive Director	Member	2/2
5	Ms. Aditi Pasari	Executive Director	Member	2/2

\* Ceased to be Chairman of the Committee effective from August 21, 2020.

\*\* Inducted and ceased as a chairman of the Committee effective from September 10, 2020 and April 2, 2021, respectively.

\*\*\*Inducted as a chairman of the Committee effective from May 7, 2021.

**5. ALLOTMENT OF SHARE COMMITTEE**

The Board constituted the Allotment of Share Committee.

**a) Composition**

As on date, the Allotment of Share Committee comprises of the following:

S. No	Name	Category	Designation
1	Ms. Aditi Pasari	Executive Director	Chairman
2	Ms. Arushi Jain	Executive Director	Member
3	Mr. Ashwani Kumar Vats	Executive Director	Member

**b) Meetings**

During the period under review, no meeting was held.

**6. FINANCE COMMITTEE**

The Board constituted the Finance Committee.

**a) Composition**

As on date, the Finance Committee comprises of the following:

S. No	Name	Category	Designation
1	Dr. Chandra Kumar Jain	Executive Director	Chairman
2	Ms. Aditi Pasari	Executive Director	Member
3	Mr. Ashwani Kumar Vats	Executive Director	Member

**b) Meetings**

During the period under review, no meeting was held.

**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
2019-20	19.09.2020 at 12:30 P.M	9th K.M, Jansath Road, Muzaffarnagar -251001, Uttar Pradesh.	-Re-appointment and revision in terms of remuneration of Dr. Chandra Kumar Jain (DIN: 00062221) Chairman and Managing Director of the Company. -Re-appointment of Mr. Ashwani Kumar Vats (DIN: 00062413) as a Whole-time Director Designated as CEO of the Company. -Re-appointment of Ms. Arushi Jain (DIN: 00764520) as a Whole-time Director of the Company. -Re-appointment of Ms. Aditi Pasari (DIN: 00120753) as a Whole-time Director of the Company. -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. -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.
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. Jeewan 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	29.09.2018 at 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.

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. All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges including Shareholding Pattern, Corporate Governance Report, Intimation /Outcome of Board Meetings etc. are made through the respective electronic filing systems. Material events or information as detailed in Regulation 30 of the Listing Regulations are disseminated on the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') through NEAPS and with BSE Limited ('BSE') through BSE Online Portal.
- They are also displayed on the Company's website at [www.gulshanindia.com](http://www.gulshanindia.com) under 'Investor Relations'.
- B. Information like Quarterly / Half Yearly / Annual Financial Results and press releases on significant developments in the Company made available and uploaded from time to time on NEAPS and BSE Online Portal of NSE and BSE respectively. Further, the Financial Results are published within the timeline stipulated under Listing Regulations in the leading news papers viz. The Pioneer (English & Hindi), The Financial Express, All India Edition (English) and Jansatta (Hindi). They are also hosted on the website of the Company at [www.gulshanindia.com](http://www.gulshanindia.com) under 'Investor Relations'.
- C. Various sections of the Company's website [www.gulshanindia.com](http://www.gulshanindia.com), keep the investors updated on material developments of the Company by providing key and timely information like details of directors, financial results, annual reports, various policies of the Company, details pertaining to 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 etc.
- D. Annual Report and other Shareholder Communications are emailed to such members whose email ids are registered with the Company/ Depositories.
- E. The Company works towards and put efforts in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.
- F. 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 21<sup>st</sup> Annual General Meeting is scheduled to be held on Saturday, 18<sup>th</sup> day of September, 2021 at 4:00 P.M. (IST) at The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar -251001 Uttar Pradesh.
- b. **Financial Year:** April 01 to March 31
- c. **Tentative Financial Calendar for 2021-22 is as follows:**
- |   |   |
|---|---|
| • First Quarter   | On or before 14 <sup>th</sup> day of August, 2021   |
| • Second Quarter and half year ending on September 30, 2021 | On or before 14 <sup>th</sup> day of November, 2021 |
| • Third Quarter   | On or before 14 <sup>th</sup> day of February, 2022 |
| • Fourth Quarter and year ending March 31, 2022             | On or before 30 <sup>th</sup> day of May, 2022      |
- d. **Dates of Book Closures:** 11<sup>th</sup> day of September, 2021 to 18<sup>th</sup> day of September, 2021 (both days inclusive for the purpose of AGM and dividend).
- e. **Dividend payment date:** On or after Thursday, 23<sup>rd</sup> day of September, 2021.
- f. **Listing:**

S.No.	Name of the Stock Exchange	Security Listed	Stock Code
1.	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai -400051	Equity Shares	GULPOLY
2.	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	Equity Shares	532457

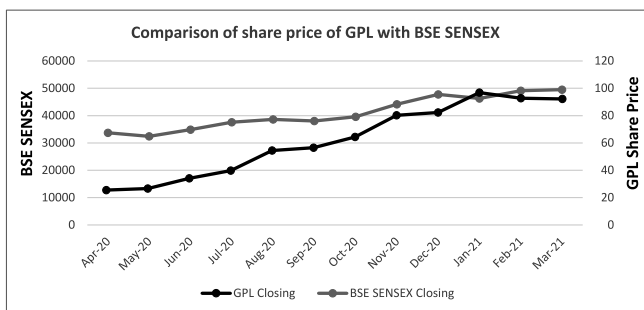
The annual listing fees for equity shares have been paid to the aforesaid Stock Exchanges for FY 2021-22.

- g. **Demat ISIN Number for Equity Shares:** INE255D01024
- h. **Stock Code and Stock Market price data for the year 2020-21**

MONTH	BSE		NSE	
	Month's High	Month's Low	Month's High	Month's Low
April, 2020	25.55	21.05	30.85	21.00
May, 2020	29.40	25.15	29.85	24.70
June, 2020	37.80	26.85	38.05	26.50
July, 2020	41.00	33.85	41.10	34.25
August, 2020	60.00	39.00	60.00	39.00
September, 2020	69.75	50.25	69.80	50.35
October, 2020	69.50	54.00	68.00	53.55
November, 2020	88.95	63.70	90.20	63.20
December, 2020	87.00	63.45	87.60	64.00
January, 2021	108.40	80.10	110.00	81.15
February, 2021	101.70	86.75	101.95	87.55
March, 2021	103.25	87.10	103.30	89.00

- i. **Performance of the Company's equity shares in comparison to BSE SENSEX**

The below chart is based on the monthly closing price of the equity shares of the Company on BSE and monthly closing BSE SENSEX.



- j. **Registrar and Share Transfer Agent:** M/s Alankit Assignments Limited is your Company's share transfer agent. For share related matters, members are requested to correspond with the Company's Registrar and Share Transfer Agent - Alankit Assignments Limited quoting their Folio No. / DP ID & Client ID at the following address:

Alankit Assignments Limited  
 Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055;  
 Phone No: 011-42541234/ 42541955,  
 Fax No: 011-42541201,  
 E-mail: [rta@alankit.com](mailto:rta@alankit.com), [info@alankit.com](mailto:info@alankit.com), [ramap@alankit.com](mailto:ramap@alankit.com)

- k. **Share Transfer System:** Shareholders' requests for 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.

Effective from April 1, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialized form with a Depository. Further, Trading in equity shares of the Company is permitted only in dematerialised form. The Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. But, in order to address the issue of transfer requests filed prior to April 1, 2019 but rejected due to deficiency in documents, etc., the Company accepted transfer requests up to March 31, 2021 in accordance with SEBI Circular dated September 7, 2020. After March 31, 2021, the Company has stopped accepting any transfer requests. Further, Dematerialisation of holdings will, inter alia, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

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 Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations, 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. **Dematerialisation of shares and liquidity:** 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. The dematerialised shares are transferred directly to the beneficiaries by the depositories with no involvement of the Company.

Shares held in	As on March 31, 2021	
	Shares	Percentage (%)
Physical form	9,58,950	2.04
Electronic form with NSDL	30,393,210	64.78
Electronic form with CDSL	15,564,860	33.18

As on March 31, 2021, 97.96% of the Company's total shares representing 45,958,070 shares were held in dematerialized.

- m. **Distribution of shareholding as on March 31, 2021:**

• **Value Wise:**

No. of shares	Number of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	12605	78.04	2151521	4.59
501-1000	1733	10.73	1342451	2.86
1001-2000	829	5.13	1251558	2.67
2001-3000	306	1.89	791188	1.69
3001-4000	137	0.85	489113	1.04
4001-5000	136	0.84	640419	1.37
5001-10000	206	1.28	1469935	3.13
10001 above	199	1.23	38780835	82.66
<b>Total</b>	<b>16151</b>	<b>100.00</b>	<b>46917020</b>	<b>100.00</b>

• **Category wise:**

S. No.	Category	No. of shares	Shareholding as a percentage of total number of shares
A	Promoters & Promoter Group	31998438	68.20
B	Public Shareholding		
1	Non Resident Indians	708973	1.51
2	IEPF	555975	1.19
3	Indian Public / HUF / Bodies Corporate/Others	13364594	28.48
C	Non Promoter & Non Public- Employees Benefit Trust	289040	0.62
	<b>Grand Total</b>	<b>46917020</b>	<b>100.00</b>

- n. **Outstanding GDR ADR 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, Dhaura Kuan, Distt Sirmour -173001 Himachal Pradesh
5	E-21/22, RIICO Growth Centre, Phase - II, Abu Road, Distt. 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. You may Email to grievance department of Company at cs@gulshanindia.

com or may email to Alankit Assignments Limited, Registrar and Share Transfer Agent at [rta@alankit.com](mailto:rta@alankit.com) or [info@alankit.co.in](mailto:info@alankit.co.in) or [ramapal@alankit.com](mailto:ramapal@alankit.com).

q. **Credit Ratings**

The details of the Credit Ratings assigned to the Company as on March 31, 2021 are as under:

Facilities	Amount (₹ Crore)	Ratings	Rating Action
Long term bank facilities	102.50	CARE A+; Stable (Single A Plus; Outlook: Stable)	Reaffirmed
Short term bank facilities	10.00	CARE A1+ (A One Plus)	Reaffirmed
Total facilities	112.50		

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 March 31, 2021 are disclosed in the Notes to the Standalone financial statements.

## VII. CODES AND POLICIES

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The Company has established the following salient codes and policies:

i) **Code of Conduct for the Directors and Senior Management**

The Company has formulated and implemented a Code of Conduct for all Board members and Senior Management. Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration signed to this effect by Mr. Ashwani Kumar Vats, Whole-time Director & CEO, forms part of this report. The Code incorporated the duties of Independent Directors is available on the website of the Company (web link <http://www.gulshanindia.com/pdf/policy/Code%20of%20conduct%20of%20board%20of%20directors%20and%20senior%20management%20personnel.pdf>).

ii) **Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. The Code of Conduct is applicable to all KMP's, designated/ identified employees, Promoters and members of the Promoter Group, other designated persons, connected persons and their immediate relatives including who all are expected to have access to unpublished price sensitive information related to the Company. The Code has been recently revised to incorporate changes, effective from May 22, 2021. Salient changes in the revised Code includes revised disclosure formats under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015 and made stringent and specific provisions for Connected Person.

The Company has implemented Policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information, pursuant to the Insider Trading Regulations. Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company, if any, by the Designated Persons is placed before the Chairman of the Audit Committee and the Board.

iii) **Code of Fair Disclosure and Conduct**

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information. Pursuant to the Insider Trading Regulations the Code also includes the Policy for Determination of Legitimate Purposes. The Code is posted on the Company's website at [www.gulshanindia.com](http://www.gulshanindia.com).

iv) **Policy for Determination of Materiality of Events or Information**

The Company has adopted a Policy for Determining Materiality of Events and Information for the purpose of making disclosure to the Stock Exchanges. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website at [www.gulshanindia.com](http://www.gulshanindia.com).

v) **Policy for Preservation of Documents**

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws



applicable to various functions and departments of the Company. The Policy is displayed on the Company's website at [www.gulshanindia.com](http://www.gulshanindia.com).

**vi) Archival Policy on disclosures**

The Company has adopted an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website at [www.gulshanindia.com](http://www.gulshanindia.com).

**vii) Nomination and Remuneration Policy**

The Company has a Policy on appointment and remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel and other employees of the Company. Their appointment is based on the outcome of strategic planning.

The Nomination and Remuneration Policy is in line with the amended Listing Regulations. The Policy aims to ensure that the persons appointed as Directors, KMPs and Senior Management Employees possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is as per market salary survey and is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully. The Policy contains, inter alia, provisions pertaining to qualification, attributes and process of their appointment and removal as well as components of remuneration. The Policy is displayed on the Company's website [www.gulshanindia.com](http://www.gulshanindia.com) and the web-link for the same is: [http://www.gulshanindia.com/pdf/policy/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.gulshanindia.com/pdf/policy/Nomination_and_Remuneration_Policy.pdf).

**viii) Policy on Related Party Transactions**

The Board of Directors has adopted a policy to determine Materiality of Related Party Transaction and also dealing with Related Party Transactions is displayed on the Company's website. The web-link for the same is: <http://www.gulshanindia.com/pdf/policy/Policy%20on%20dealing%20with%20Related%20Party%20Transactions.pdf>.

**x) Whistle Blower Policy and Vigil Mechanism**

GPL has a Whistle Blower Policy as per the provisions of Section 177 of the Act and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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. The Audit Committee periodically reviews the functioning of the Policy. 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 <http://www.gulshanindia.com/pdf/policy/Vigil%20mechanism%20Whistle%20Blower%20policy.pdf>.

**xi) Corporate Social Responsibility (CSR) Policy** is displayed on the website of the Company at [www.gulshanindia.com](http://www.gulshanindia.com).

**xii) Policy for Prevention of Sexual Harassment**

**xiii) Performance Evaluation Policy**

**VIII. OTHER DISCLOSURES**

**i) Related party transactions**

During the year under review, the Company has not entered into any materially significant related party transactions which have potential conflict with the interests of the Company at large.

All related party transactions entered into during the year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and Listing Regulations.

Further, the transactions with related parties have been shown in "Note No. 42 to the Notes to the Accounts of the Company".

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.

**ii) 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. Further, detailed notes on risk management are included in the Management Discussion Analysis's section.

During the period under year, your Company was not mandatorily required to constitute the Risk Management Committee.

**iii) Compliance with mandatory and discretionary requirements**

The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in Regulation 17 to 27 and

Clause (b) to (i) of sub-regulation 2 of Regulation 46 of Listing Regulations. The compliance with the discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations is as follows:

- **Modified opinion(s) in Audit Report:** During the year under review, there was no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- **Reporting of Internal Auditor:** Internal Auditor may report to the Audit Committee.

However, the Board has taken cognizance of the other non-mandatory requirements of Regulation 27 (1) read with schedule II Part E of Listing Regulations and consider adopting the same at an appropriate time.

- iv)** The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations during the year.

**v) Certificate from Practicing Company Secretary:**

The Company has obtained a certificate pursuant to the provisions of Schedule V(C) of the Listing Regulations from M/s. RMG & Associates, Practicing Company Secretaries confirming 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. The Certificate is forming part of this Corporate Governance Report.

**vi) Fees paid to Auditors and firms**

The total fees paid/payable by the Company for the financial year 2020-2021 to M/s. Rajeev Singal & Co., Chartered Accountants (Firm Registration No. - 008692C), Statutory Auditors aggregate ₹ 8 Lakhs.

The Statutory Auditors does not have any network firm/ network entity. Further, Company has no subsidiary company.

**vii) Disclosure of Accounting Treatment**

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

**viii) 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, 2021. Further, no complaint was pending with the Company as at the beginning and end of the Financial Year 2020-2021 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ix) Subsidiary Companies**

The Company does not have any subsidiary Company in terms of the Listing Regulations.

**x) Disclosure of Pending Cases/Instances of Non-Compliance**

The Company is in compliance with the requirements of the Stock Exchanges, SEBI and any other Statutory Authorities on all matters related to the capital markets. No penalty or strictures were imposed on the Company by these authorities during the last three years.

The Company has been impleaded in certain legal cases during the course of business. However, none of any case is material in nature, which may lead to material loss or expenditure to the Company.

***During the year under review, there was no such non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Listing Regulations as mentioned above.***

**IX. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

As on March 31, 2021, there are no outstanding shares lying in the demat account suspense account/unclaimed suspense account.

**X. 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 March 31, 2021. The certificate forms part of this report.

**XI. COMPLIANCE CERTIFICATE OF THE STATUTORY AUDITORS**

The Company has obtained a Certificate from the Statutory Auditors confirming compliance of conditions of Corporate Governance as stipulated in Schedule V (E) of the Listing Regulations. The Certificate is attached with the this report.

For and on behalf of the Board of Directors

Date: July 21, 2021

**Dr. Chandra Kumar Jain**

Place: Delhi

Chairman and Managing Director

DIN: 00062221

## DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

**[Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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**, hereby declares that;

- the Company has laid down a Code of Conduct for all Directors and Senior Management Personnel of the Company and the same is available at the website of the Company viz. [www.gulshanindia.com](http://www.gulshanindia.com); and
- all the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the 'Code of Conduct for the Directors and Senior Management' as applicable to them, for the financial year ended March 31, 2021.

**Place: Delhi**

**Ashwani Kumar Vats**

**Date: July 21, 2021**

**CEO**

## CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

**[Pursuant to Regulation 17(8) read with Schedule V Of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

**To,**

**The Board of Directors  
Gulshan Polyols Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Gulshan Polyols Limited (**'the Company'**), to the best of our knowledge and belief certify that for the Financial Year 2020-2021:

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year under review, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - significant changes, if any, in the internal control over financial reporting during the year;
  - significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.
- e. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

**For and on behalf of the Board of Directors**

**Date: July 21, 2021**

**Place: Delhi**

**Ashwani Kumar Vats  
Chief Executive Officer**

**Rajiv Gupta  
Chief Financial Officer**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*[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]*

**To,  
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 **9<sup>th</sup> 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 pursuance of **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) Regulations, 2015**.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2021 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. Chandra Kumar Jain	00062221	01/04/2012
3.	Mr. Ashwani Kumar Vats	00062413	30/10/2008
4.	Mr. Akhilesh Kumar Maheshwari	00062645	29/10/2007
5.	Ms. Aditi Pasari	00120753	01/01/2010
6.	Ms. Arushi Jain	00764520	01/01/2010
7.	Mr. Kailash Chandra Gupta*	01649210	28/05/2016
8.	Mr. Rakesh Kumar Gupta	06909233	02/08/2014

*\*Mr. Kailash Chandra Gupta ceased to be a Director of the Company with effect from April 02, 2021.*

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

**Place: New Delhi  
Date: July 21, 2021  
UDIN: F005123C000666300**

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

To

The Members of,

**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, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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 under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI Listing Regulations for the year ended on March 31, 2021.

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.

**Place: Delhi**  
**Date: July 21, 2021**  
**UDIN: 21077834AAAADN6717**

**For and on behalf of M/s. Rajeev Singal & Co**  
**Firm Registration Number: 008692C**  
**Chartered Accountants**  
**Rajeev Kumar Singhal**  
**Partner**  
**Membership No. 077834**

**ANNEXURE-F TO BOARD'S REPORT**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**

**1. INDUSTRY STRUCTURE & DEVELOPMENT****1.1 Economic Overview & Business Overview:****Global Economy**

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.

In 2020, the world experienced a crisis like no other and it is expected to continue in 2021. Governments took bold steps to save lives and the economy with nearly USD 12 trillion in fiscal and about USD 7.5 trillion monetary actions. The World Bank estimated 4.3% contraction of the global economy in 2020. The pandemic has caused heavy toll on life and livelihood and pushed millions into poverty. This may impact economic activities and the income level for some time. Assuming success of the vaccine rollout, the World Bank indicated that the global economy will expand by 4% in 2021. However, the latest surge of Covid-19 infection in the leading economies may dent the expansion to some extent.

**Indian Economy**

The pandemic hit the economy when the growth was declining. The Government action on managing the pandemic as well as the economy helped to arrest the de-growth to 9.6% for the financial year ('FY') 2020-21. However, this is a significant improvement considering 23.9% shrinkage recorded in GDP for April-June quarter. Considering positive sentiments of the last two quarters of FY 2020-21, the World Bank estimates that the Indian economy will recover by 5.4% in FY 2021-22. However, the surge in Covid-19 positive cases and the death toll starting April 2021 may slow down the economy to some extent and may adversely impact the forecast growth.

**The Economic Survey 2021 states the following:**

V-shaped recovery, seen in 7.5% decline in GDP in Q2 and recovery across all key economic indicators vis-à-vis the 23.9% GDP contraction in Q1. As per the advance estimates by NSO, India's GDP is estimated to grow by (-) 7.7% in FY21 - a robust sequential growth of 23.9% in H2: FY21 over H1: FY21. Further, India's real GDP to record 11.0% growth in FY2021-22 and nominal GDP to grow by 15.4% – the highest since independence.

**Industry Overview**

The segments company works into are majorly depends on agri produce of Broken Rice and Maize. A World Bank research study estimated the impact of Covid-19 on Agriculture as (3.04)% and (1.5)% on Crop Protection [deviation from benchmark output measured in USD in %]. The report also estimates a modest growth of the crop protection market compared to previous year led by Asia and North America. The report also reflects the strong fiscal support to farmers by Governments led by the USA and followed by the European Union, China and India.

On one hand there is high expectation from agriculture and its various stakeholders which includes regulators, consumers, food processors, retailers, etc. and on the other hand the farmer is facing increasing challenges such as climate change, soil health, evolving pest and disease incidences and ever increasing pressure on resources such as land, water, labour, capital, etc. Volatility induced by geopolitical challenges and other environmental factors is further increasing the complexity of agriculture activities globally.

The staggered unlocking measures from May/June 2020 onwards brought initial signs of normalcy in the domestic markets. In addition, a combination of improving high-frequency macro & micro indicators coupled with healthy crop-cycles, widespread monsoon and rural demand are pointing towards recovery in the Indian economy. The Indian economy is further expected to pick up momentum in the year 2021. As per the IMF, India is likely to bounce back with an 11.5% growth rate in fiscal year 2021, thus re-establishing the position of the fastest growing emerging economy.

However, Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals).

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

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.

Chemical industry is one which is worker-dense, and the implementation of measures to reduce human contact such as staggered shifts and safe distancing would prove to be a challenge to keep the manufacturing process as efficient as before.

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

An investment of ₹ 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

**Government** has a 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

## 1.2 Company overview and recent developments:

Gulshan Polyols Limited ("GPL" or "the Company") 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. GPL is a 40-year-old industrial house, engaged in manufacturing specialty chemicals from grain and minerals, from multiple facilities set up across India. From toothpaste to alcohol, from sweeteners to paints, from paper to medicines, from plastics to personal care items, GPL is touching and an integral part of everyday life, across the world.

Its business portfolio covers Starch Sugars, Calcium Carbonate, Ethanol, Ethyl Neutral 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.

The Company was incorporated in year 1981 as Gulshan Sugars & Chemicals Limited ("GSCL") with primary business of manufacturing Calcium Carbonate at Muzaffarnagar, with an initial capacity of 2100 MTPA. Over the years, in 2000, GSCL was demerged into three companies and GPL is one of them, incorporated as a public limited company and registered in October 2000. Since inception, GPL is a dividend paying company and listed on Bombay Stock Exchange ("BSE"). In January, 2015, it has been listed on National Stock Exchange of India Ltd. (NSE).

Gulshan provides the know-how to set up an On-site PCC plant and maintains the supply of the raw material for the same. After success of its first partnership in this field, it is tying knot with other paper mills for On-site PCC technology.

Gulshan Polyols Ltd (GPL) is one of the largest players in the mineral processing & grain processing segments in India. It is a market leader with a substantial market share in the respective segments. Three decades of experience, large capacity, strong clientele and consistent performance place GPL in the pole position.

The Company 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:

The company has three manufacturing segments viz Mineral Processing, Grain Processing & Ethanol (Bio-Fuel)/Distillery. The products processed under these segments, are having end use in multiple industries.

### 2.1 GRAIN PROCESSING:

**Starch Sugars Business:** It includes Sorbitol-70% solution, Liquid Glucose, Native Starch, Fructose Syrup, and Rice Syrup Solids.

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.

**Fructose Syrup** 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.

**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.

**Agro based Animal Feed business** is 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.

## 2.2 MINERAL PROCESSING

**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.

**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.

## 2.3 ETHANOL (BIO-FUEL)/DISTILLERY

**Ethanol (Bio-Fuel):** Company has successfully introduced the commercial production of Ethanol and started supplies to BPCL and HPCL and it has been awarded a tender of 72 lakh KL for the year 2020.

**Country Liquor:** The company has awarded a tender for manufacturing and selling of Country Liquor in the state of Madhya Pradesh in the year 2020.

### **Segment wise Revenue & Profits for the year ended March 31, 2021**

(Amount in Lakhs)

Segments	Revenue for the year ended 31 <sup>st</sup> March		Profits before interest and tax for the year ended 31 <sup>st</sup> March	
	2021	2020	2021	2020
<b>Mineral Processing</b>	9,237.46	13144.68	1729.13	3291.26
<b>Grain Processing</b>	54,080.63	48430.59	6631.03	1091.82
<b>Distillery</b>	13,269.60	504.49	1579.25	-473.20
<b>Unallocated</b>	15.75	-	65.09	-29.57
<b>Total</b>	<b>76603.44</b>	62079.77	<b>10004.50</b>	3880.31

## 3. OPPORTUNITIES & THREATS

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Further, the Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. Under the Union Budget 2021-22, the government allocated ₹ 233.14 crore (US\$ 32.2 million) to the Department of Chemicals and Petrochemicals.

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.

#### 4. FUTURE OUTLOOK

The outlook for the Company for the coming years continues to be positive. Most of the customers have indicated robust growth plans which augurs well for the growth of the Company. 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. Indeed, your Company has marked effervescent growth and achieved many milestones through the last 9 months of FY 2021. Though, Company is impacted by the constant fluctuations in commodity and fuel prices. But, 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 and fueled up the commercial production of Ethanol and started supplies to BPCL and HPCL. Going forward 'Make in India' strategy of **Government of India on 'Ethanol Blending Petroleum Program'** on petrol blending with Ethanol upto 20% by 2023 (previously it was upto 2025), the Management is very much passionate about future outlook of Ethanol Business, so it is exploring new locations and avenues. Accordingly, the Company has kicked off the process of setting up a 300KLPD Grain based Ethanol Manufacturing Facility at its existing site at Chhindwara, Madhya Pradesh. The Environmental Clearance is awaited. However, looking into future possibilities of growth in Ethanol business, the Company has resubmitted the application of Environmental Clearance upto 500KLPD GENA Plant for its existing site.

Your Company for the purpose of expanding the current business of the Company and exploring the business opportunities globally is incorporating a wholly owned subsidiary of the Company in International Free Zone Authority (IFZA), Dubai Silicon Oasis, Dubai, United Arab Emirates. The Company is in process of amalgamation of Gulshan Holdings Private Limited and East Delhi Importers & Exporters Private Limited ("**Transferor Company**") with the Gulshan Polyols Limited ("**Target Company**").

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

In any business, risks and prospects are inseparable. 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.

Also, taking into cognizance of the current major risk is the adverse impact of the COVID-19 and mitigation measures, required to be taken. The performance, future prospects and cash flow generation could be materially impacted by any of these risks or opportunities. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts. Further, there are constant review meeting at management level to discuss and analyze various near term and long-term risk and formulate plans to mitigate the same.

##### Input Cost Risks

**Risk:** The key raw material consumed by the Company has been very volatile and sudden change can have an adverse impact on the Company's operating margins.

**Concern:** The Company has many long-term contracts with its major customer where the raw material cost has been passed through.

##### Financial risks

**Risk:** Financial risks relates to the Company's ability to meet its financial obligations and lessen the impact of various factors like interest rates, foreign currency exchange rates, credit rating etc. It also includes any risk to servicing pension obligations and to financial ratios due to impairment.

**Concern:** Company is well positioned to service financial risk and facilitates its growth objectives. The Company has adequate measures to deal with all types of financial risks.

**Legal and Compliance risks**

**Risk:** Legal and compliance risks relate to risks arising from outcome of legal proceedings, government action, regulatory action, which could result in additional costs.

**Concern:** Company has ensured compliance of all laws applicable to the Company and effectively monitors through efficient compliance management system.

**6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the regulations. Internal control systems have been a core focus for the Company. The Company has laid down procedures and policies to guide the operations of the business.

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. Effective/ adequate internal control systems are in place to ensure that all assets are safeguarded and protected against unauthorized use and the transactions are authorized, recorded and reported correctly. Such controls which are subjected to periodical review also ensure efficiency of operations, accuracy and promptness of financial reporting and compliance with all applicable laws and regulation. The Company's internal control systems are routinely tested by the Management, Statutory Auditors and Internal Auditors.

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.

**7. INTERNAL AUDIT**

A regular Internal Audit System is also in place. Outside expertise is availed to supplement internal resources. 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.

**8. OPERATIONAL AND FINANCIAL PERFORMANCE**

Following are the financials highlights of the Company for the year ended March 31, 2021 on a comparable consolidated basis.

(₹ in Lakhs)

Particulars	2020-21	2019-20
Revenue from operations	76,603.44	62,079.77
Profit before Interest, Tax & Depreciation (EBITDA)	13,259.87	6,982.27
Profit/(Loss) before tax	9,349.83	2,742.22
Profit/(Loss) after tax for the year	6,245.55	2,058.40

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

As per the latest amendment as introduced by SEBI via SEBI (Listing Obligations & Disclosure Requirement) (Amendment) Regulations, 2018 on May 09, 2018 effective from April 01, 2019, new sub-clause (i) has been inserted in Clause I in Part B of Schedule V of SEBI (Listing Obligations & Disclosure Requirement), Regulations, 2015 according to which the listed entity shall provide the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with the detailed explanations thereof, including:

S. No.	Particulars	F.Y 2020-21	F.Y 2019-20	% Change	Explanations
1	Debtors Turnover	8.48	6.81	24.52%	NA
2	Inventory Turnover	6.98	7.85	-11.08%	NA
3	Interest Coverage Ratio	17.21	3.63	374.10%	The ratio has improved due to lower utilization of working capital limits and repayment of Term Loan
4	Current Ratio	2.33	1.44	61.81%	The ratio is higher due to reduction in Bank Borrowings
5	Debt Equity Ratio	0.00	0.30	-100.00%	The D/E ratio is Nil as there is no outstanding loan in the books of the Company.

6	Operating Profit Margin (%)	12.96%	6.09%	112.81%	The improvement is on account of reduction in Cost of Goods Sold.
7	Net Profit Margin (%) etc	8.15%	3.32%	145.48%	The improvement is due to overall cost reduction.
8	Return on Net Worth	17.09%	6.74%	153.56%	The reason for improvement is due to higher net profits.

## 10. MATERIAL DEVELOPMENTS IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Caring for its people has always been the way of life in the Company as its people are always treated as most valuable assets. Your Company has been continuously working to improve human resources skills, competencies and capabilities in the Company, which is critical to achieve results as per our strategic business ambitions. The Company has been successful in fostering a people-centric cohesive culture within the organization that has been instrumental in creating its diverse pool of intellectual capital. The Company is focused and committed towards empowering its employees and continues to embark upon several initiatives on this front.

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.

The underlying rule of Company's policy towards human resource development is that competent and motivated manpower is the most important factor in achieving business goals. The policies in this regard are evolved and pursued to achieve this objective. Industrial relations remained cordial at all locations during the year. No working hours was lost due to any labour dispute.

As at the financial year ended March 31, 2021, there were total 427 numbers of employees and workers on roll of the Company.

## 11. 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.

These risks and uncertainties include the effect of economic and political risks within and outside India, volatility in interest rates, change in Government or regulatory policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

## 12. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed the guidelines of accounting standards as mandated by the Central Government in preparation of its financial statements.

For and on behalf of the Board of Directors

Date: July 21, 2021  
Place: Delhi

**Dr. Chandra Kumar Jain**  
Chairman and Managing Director  
DIN: 00062221

## 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 2021, 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 2021, 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 there under, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls 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 2021.
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 : May 22, 2021**  
**Place : Delhi**  
**UDIN: 21077834AAAACW6920**

**(Rajeev Kumar Singhal)**  
**Partner**  
**Membership No. 077834**

## 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 2021, 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 2021, 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 (Rs. 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) and there is also no fresh term loan raised during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (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 : May 22, 2021**  
**Place : Delhi**  
**UDIN: 21077834AAAACW6920**

**(Rajeev Kumar Singhal)**  
**Partner**  
**Membership No. 077834**



## “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 2021 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 2021, 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 : May 22, 2021**  
**Place : Delhi**  
**UDIN: 21077834AAAACW6920**

**(Rajeev Kumar Singhal)**  
**Partner**  
**Membership No. 077834**

## BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	(₹ in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	24,083.87	25,978.79
(b) Capital Work-in-Progress	3	303.11	321.56
(c) Intangible Assets	4	8.81	11.88
(d) Financial Assets			
(i) Investments	5	41.95	41.95
(ii) Loans	6	506.93	459.66
(iii) Other Financial Assets	7	192.30	83.69
(e) Other Non-Current Assets	8	180.08	148.35
<b>Total Non- Current Assets</b>		<b>25,317.05</b>	<b>27,045.88</b>
<b>Current Assets</b>			
(a) Inventories	9	9,045.07	8,650.06
(b) Financial Assets			
(i) Trade Receivables	10	9,838.15	8,236.90
(ii) Cash and Cash equivalents	11	1,787.89	242.51
(iii) Other Financial Assets	12	66.95	73.41
(c) Other Current Assets	13	3,593.48	1,449.50
<b>Total Current Assets</b>		<b>24,331.54</b>	<b>18,652.38</b>
<b>Total Assets</b>		<b>49,648.59</b>	<b>45,698.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	469.17	469.17
(b) Other Equity	15	36,086.07	30,059.90
<b>Total Equity</b>		<b>36,555.24</b>	<b>30,529.07</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	1,053.00	2,108.94
(ii) Other Financial Liabilities	17	133.48	41.01
(b) Deferred Tax Liabilities (Net)	18	1,475.91	23.71
<b>Total Non-Current Liabilities</b>		<b>2,662.39</b>	<b>2,173.66</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	-	5,960.93
(ii) Trade payables	20		
- Outstanding dues of micro, small and medium enterprises		231.74	229.60
- Outstanding dues of creditors other than above		5,399.04	2,658.10
(iii) Other Financial Liabilities	21	752.32	2,654.57
(b) Other Current Liabilities	22	1,707.55	820.02
(c) Provisions	23	512.20	180.56
(d) Liabilities for current Tax (Net)		1,828.11	491.74
<b>Total Current Liabilities</b>		<b>10,430.96</b>	<b>12,995.53</b>
<b>Total Equity and Liabilities</b>		<b>49,648.59</b>	<b>45,698.26</b>

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)

(RAJEEV KUMAR SINGHAL)  
Partner  
Membership no: 077834  
UDIN: 21077834AAAACX6081

DR. CHANDRA KUMAR JAIN  
Chairman & Managing Director  
DIN: 00062221

ASHA MITTAL  
Company Secretary

For and on behalf of the Board of Directors

ASHWANI KUMAR VATS  
Whole Time Director and CEO  
DIN : 00062413

RAJIV GUPTA  
Chief Financial Officer

Date: May 22,2021  
Place : Delhi

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Note No.	(₹ in Lakhs)	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>REVENUE</b>			
Revenue from Operations	24	76,603.44	62,079.77
Other Income	25	187.42	94.72
<b>Total Income (I)</b>		<b>76,790.86</b>	<b>62,174.49</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	36,055.47	35,496.96
Purchase of Stock in Trade	27	471.74	704.73
Changes in Inventories of Finished goods, Work in progress and Stock in Trade	28	664.69	(848.39)
Employee Benefits Expenses	29	2,860.58	2,168.43
Finance Cost	30	654.67	1,138.08
Depreciation & amortisation Expenses	31	3,255.37	3,101.96
Other Expenses	32	23,478.51	17,670.49
<b>Total Expenses (II)</b>		<b>67,441.03</b>	<b>59,432.26</b>
<b>Profit Before Tax (III) (I-II)</b>		<b>9,349.83</b>	<b>2,742.22</b>
Tax Expense:	34		
Current Tax Expense		1,813.17	495.94
Add: Mat Credit ( Utilised)		1,285.05	47.95
Deferred Tax Expense		6.06	139.93
<b>Total Tax Expenses (IV)</b>		<b>3,104.28</b>	<b>683.82</b>
<b>Profit/(Loss) for the year (V) (III-IV)</b>		<b>6,245.55</b>	<b>2,058.40</b>
<b>Other Comprehensive Income</b>			
<b>Item that will not to be reclassified to Profit and Loss:</b>			
(Gain)/Loss of defined benefit obligation		(77.07)	23.21
Income Tax relating to item that will not be reclassified to profit or loss		14.95	(4.20)
<b>Total Other Comprehensive (Income)/Loss (VI)</b>		<b>(62.12)</b>	<b>19.01</b>
<b>Total Comprehensive Income for the year (VII) (V - VI)</b>		<b>6,307.67</b>	<b>2,039.39</b>
Earning per equity share of face value of ₹ 1 each Basic and diluted (in ₹ )	43		
Basic		<b>13.31</b>	4.39
Diluted		<b>13.31</b>	4.39

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)

(RAJEEV KUMAR SINGHAL)

Partner

Membership no: 077834

UDIN: 21077834AAAACX6081

Date: May 22,2021

Place : Delhi

DR. CHANDRA KUMAR JAIN

Chairman & Managing Director

DIN: 00062221

ASHA MITTAL

Company Secretary

For and on behalf of the Board of Directors

ASHWANI KUMAR VATS

Whole Time Director and CEO

DIN : 00062413

RAJIV GUPTA

Chief Financial Officer

## STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2021

Particulars	(₹ in Lakhs)	
	Year ended 31/03/2021	Year ended 31/03/2020
<b>A. Cash flow from operating activities</b>		
<b>Profit before Tax</b>	<b>9,349.84</b>	<b>2,742.22</b>
Adjustment for :		
Depreciation and Amortization Expenses	3,255.37	3,101.96
Dividend income	(0.24)	(0.99)
Provision/(write back) for doubtful debts and advances (net)	98.32	-
(Gain) / Loss on disposal of property, plant and equipment	(82.02)	(0.18)
(Gain) / Loss on disposal of Investment	(13.04)	-
Interest income	(65.61)	(93.55)
Interest expenses	654.67	1,138.08
<b>Cash generated from operations before working capital changes</b>	<b>13,197.27</b>	<b>6,887.53</b>
Adjustment for :		
Decrease/(increase) in other assets	(690.12)	182.95
Decrease/(increase) in trade receivables	(1,699.57)	1,767.03
Decrease/(increase) in inventories	(395.01)	(3,317.07)
(Decrease)/increase in other current liabilities	633.94	(117.55)
(Decrease)/increase in provisions	331.63	16.33
(Decrease)/increase in trade and other payables	840.82	(390.04)
<b>Cash generated from operating activities</b>	<b>(978.29)</b>	<b>(1,858.36)</b>
Direct taxes paid (net of refunds)	(1,635.00)	(616.70)
<b>Cash flows before exceptional items</b>	<b>10,583.97</b>	<b>4,412.47</b>
<b>Net Cash flow generated from operating activities (A)</b>	<b>10,583.97</b>	<b>4,412.47</b>
<b>B. Cash Flow from Investing activities</b>		
Sale proceeds from property, plant and equipment	208.40	93.52
Purchase of property, plant and equipment	(1,465.30)	(1,743.62)
Purchase of intangibles	-	(1.01)
Net Sale/ Purchase proceeds of from non-current investments and current investments	13.04	4.78
Interest income	65.61	93.55
Dividend income	0.24	0.99
<b>Net Cash Flow Generated from investing activities (B)</b>	<b>(1,178.01)</b>	<b>(1,551.79)</b>
<b>C. Cash flow from Financing activities</b>		
Interest expenses	(654.67)	(1,138.08)
Repayment of long-term borrowings	(963.47)	(1,931.82)
Repayment of short-term borrowings	(5,960.93)	(1,498.34)
Dividend paid	(281.50)	(469.17)
Dividend distribution tax paid	-	(96.44)
<b>Net Cash flow Generated from financing activities (C)</b>	<b>(7,860.57)</b>	<b>(5,133.85)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,545.39</b>	<b>(2,273.17)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>242.50</b>	<b>2,515.67</b>
<b>Cash and cash equivalents at year end</b>	<b>1,787.89</b>	<b>242.50</b>

**Note:**

The cash flow statement has been prepared under the indirect method as set out in Indian 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)

(RAJEEV KUMAR SINGHAL)

Partner

Membership no: 077834

UDIN: 21077834AAAACX6081

**DR. CHANDRA KUMAR JAIN**

Chairman & Managing Director

DIN: 00062221

**ASHA MITTAL**

Company Secretary

**ASHWANI KUMAR VATS**

Whole Time Director and CEO

DIN : 00062413

**RAJIV GUPTA**

Chief Financial Officer

**Date: May 22,2021**

**Place : Delhi**

**For and on behalf of the Board of Directors**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021**
**A. Equity Share Capital**

Particulars	(₹ in Lakhs)
	Amount
Opening Balance as at April 01, 2019	469.17
Changes during the year	-
<b>Closing balance as at March 31, 2020</b>	<b>469.17</b>
Change during the year	-
<b>Closing balance as at March 31, 2021</b>	<b>469.17</b>

**B. Other Equity attributable to the Equity Holders of the Company**

Particulars	RESERVES AND SURPLUS					Total	(₹ in Lakhs)
	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning		
<b>Balance as at 1st April 2019</b>	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 General Reserve	-	-	-	-	-	-	
Amount Transfer to Capital Redemption Reserve	-	-	-	50.00	(50.00)	-	
Dividend on equity shares	-	-	-	-	(469.17)	(469.17)	
Dividend Distribution Tax	-	-	-	-	(96.44)	(96.44)	
Other Comprehensive income for the year, net of income tax	-	-	-	-	(19.01)	(19.01)	
<b>As at 31st March 2020</b>	<b>132.35</b>	<b>3,701.57</b>	<b>4,986.24</b>	<b>50.00</b>	<b>21,189.74</b>	<b>30,059.90</b>	
<b>Balance as at 1st April 2020</b>	132.35	3,701.57	4,986.24	50.00	21,189.74	30,059.90	
Profit for the year	-	-	-	-	6,245.55	6,245.55	
Amount Transfer to General Reserve	-	-	-	-	-	-	
Dividend on equity shares	-	-	-	-	(281.50)	(281.50)	
Dividend Distribution Tax	-	-	-	-	-	-	
Other comprehensive income for the year, net of income tax	-	-	-	-	62.12	62.12	
<b>As at 31st March, 2021</b>	<b>132.35</b>	<b>3,701.57</b>	<b>4,986.24</b>	<b>50.00</b>	<b>27,215.91</b>	<b>36,086.07</b>	

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)

(RAJEEV KUMAR SINGHAL)

Partner

Membership no: 077834

UDIN: 21077834AAAACX6081

Date: May 22, 2021

Place : Delhi

DR. CHANDRA KUMAR JAIN

Chairman & Managing Director

DIN: 00062221

ASHA MITTAL

Company Secretary

For and on behalf of the Board of Directors

ASHWANI KUMAR VATS

Whole Time Director and CEO

DIN : 00062413

RAJIV GUPTA

Chief Financial Officer

# 1. 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 9<sup>th</sup> K.M., Jansath Road, Muzaffarnagar (U.P.) - 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 & Ethanol 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, Amlai & Borgaon 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
- Estimation of current tax expenses
- Useful life of Property, plant and equipment
- Valuation of Inventory
- Provisions and Accruals
- Contingencies

#### 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 to 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 other than freehold land 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under non-current assets.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. 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.

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.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased Asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

#### 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 38)

#### 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.

### 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 fairvalue less costs to sell. In assessing value in use, the estimated future cashflows 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
<b>Gross Block</b>							
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 1st April 2020	258.72	968.87	4,099.09	33,831.09	209.87	527.86	39,895.49
Additions	-	232.27	-	933.48	11.53	306.46	1,483.75
Disposals	-	114.06	-	-	-	59.14	173.20
Balance as at 31st March 2021	258.72	1,087.09	4,099.09	34,764.57	221.40	775.18	41,206.04
<b>Accumulated Depreciation</b>							
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 1st April 2020	-	46.35	1,042.63	12,446.30	109.82	271.60	13,916.70
Additions	-	28.68	290.36	2,816.16	28.91	88.18	3,252.29
Disposals	-	-	-	-	-	46.82	46.82
Balance as at 31st March 2021	-	75.03	1,332.99	15,262.46	138.73	312.95	17,122.17
<b>Net Block</b>							
Balance as at 31st March 2021	258.72	1,012.06	2,766.09	19,502.11	82.67	462.22	24,083.87
Balance as at 31st March 2020	258.72	922.52	3,056.46	21,384.79	100.04	256.26	25,978.79
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, 2021	As at 31st March, 2020
<b>Capital Work in Progress consist of the following:</b>		
Work in progress	303.11	321.56
<b>Total</b>	<b>303.11</b>	<b>321.56</b>

4. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2021
<b>Gross Block (Software)</b>	
Balance as at 1st April 2019	21.98
Additions	1.01
Disposals	-
Balance as at 31st March 2020	23.00
Additions	-
Disposals	-
Balance as at 31st March 2021	23.00
<b>Accumulated Depreciation</b>	
Balance as at 1st April 2019	7.20
Additions	3.92
Disposals	-
Balance as at 31st March 2020	11.11
Additions	3.08
Disposals	-
Balance as at 31st March 2021	14.19
<b>Net Block</b>	
Balance as at 31st March 2021	8.81
Balance as at 31st March 2020	11.88
Balance as at 31st March 2019	14.79

5. INVESTMENTS (NON- CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(a) Investment at fair Value through OCI Equity Shares Unquoted (Fully paid up)</b>		
(i) 10,500 equity shares of ₹ 10 each -BEIL Infrastructure Ltd.	1.05	1.05
(ii) 4,09,025 equity shares of ₹ 10 each - Narmada Clean Tech Ltd.( formerly named as Bharuch Eco-Aqua Infrastructure Ltd.)	40.90	40.90
<b>Total</b>	<b>41.95</b>	<b>41.95</b>

<b>6. Loans</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>NON-CURRENT (Unsecured, Considered good)</b>		
Security Deposits	506.93	459.66
<b>Total</b>	<b>506.93</b>	<b>459.66</b>
<b>7. Other Financial Assets (Non Current)</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>NON-CURRENT</b>		
Bank Deposits with maturity of more than 12 months as Margin Money	192.30	83.69
<b>Total</b>	<b>192.30</b>	<b>83.69</b>
Bank Deposits in form of FDR having maturity period of more than 12 months is kept as margin money against Bank guarantees		
<b>8. OTHER NON-CURRENT ASSETS</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Capital Advances	-	15.85
Other Loans & Advances	136.00	127.80
Balance with Government Authorities	-	3.20
Balance with Gratuity fund	44.08	1.50
<b>Total</b>	<b>180.08</b>	<b>148.35</b>
<b>9. INVENTORIES</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Raw Materials	4,648.21	3,617.19
Work in Progress	749.80	695.18
Finished Goods	1,898.08	2,557.71
Stock in Traded Goods	35.08	94.77
Stores, Spares & Packing	523.24	435.91
Coal, Fuel & Chemicals	1,190.65	1,249.29
<b>Total</b>	<b>9,045.07</b>	<b>8,650.06</b>
<b>10. TRADE RECEIVABLES</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Un-secured and Considered Good	9,838.15	8,168.58
Considered Doubtful	-	68.32
<b>Total</b>	<b>9,838.15</b>	<b>8,236.90</b>
Note: A provision of ₹ 98.31 Lakh on doubtful trade receivable has been made during the year.		
<b>11. CASH AND CASH EQUIVALENTS</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Cash in hand	5.73	6.38
Balance with Banks -in Current accounts	1,782.16	236.13
<b>Total</b>	<b>1,787.89</b>	<b>242.51</b>
<b>12. Other Financial Assets</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Unpaid dividend account	66.95	73.41
<b>Total</b>	<b>66.95</b>	<b>73.41</b>
<b>13. OTHER CURRENT ASSETS</b> (₹ in Lakhs)		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Unsecured and Considered Good</b>		
Advance to Employees	11.19	9.88
Advance to suppliers and service providers	1,350.97	323.63
Advance/Current Taxes	1,761.36	370.66
Balance with Government Authorities	304.03	276.21
Other Advances	165.92	469.12
<b>Total</b>	<b>3,593.48</b>	<b>1,449.50</b>



14. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at	
	31st March, 2021	31st March, 2020
<b>Authorised Equity Share Capital:</b>		
22,50,00,000 Equity shares of ₹ 1 each	2,250.00	2,250.00
<b>Authorised Preference Share Capital:</b>		
2,50,000 Preference shares of ₹ 10 each	25.00	25.00
14,50,000 Preference shares of ₹ 100 each	1,450.00	1,450.00
<b>Total</b>	<b>3,725.00</b>	<b>3,725.00</b>
<b>Issued, Subscribed and Paid up:</b>		
4,69,17,020 Equity shares of ₹ 1 each (Previous year 4,69,17,020 Equity shares of ₹ 1 each)	469.17	469.17
9,75,000 Preference shares of ₹ 100 each (Previous year 9,75,000 Equity shares of ₹ 100 each)	975.00	975.00
<b>Total</b>	<b>1,444.17</b>	<b>1,444.17</b>

(a) Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the reporting period

(₹ in Lakhs)

Particulars	As at		As at	
	31st March, 2021		31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Equity Shares</b>		(₹ 1 Each)		(₹ 1 Each)
Shares outstanding at the beginning of the year	46,917,020	469.17	46,917,020	469.17
Add: Issued during the year	-	-	-	-
<b>Closing balance</b>	<b>46,917,020</b>	<b>469.17</b>	<b>46,917,020</b>	<b>469.17</b>

Terms/rights attached to the Equity Shares

The Company has one class of Equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The Company had Paid an interim dividend during the financial year 2020-2021 of ₹ 0.60/- per equity share at face value of ₹ 1/- each (60%) in their meeting held on November 2, 2020. The Company declares and pays dividend in Indian Rupees.

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

Particulars	As at		As at	
	31st March, 2021		31st March, 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
(i) Gulshan Holdings Pvt. Ltd.	26,375,047	56.22%	24,064,760	51.29%
(ii) Dr. Chandra Kumar Jain	3,546,990	7.56%	3,546,990	7.56%

(c) Reconciliation of Number of Preference shares outstanding at the beginning and at the end of the reporting period

(₹ in Lakhs)

Particulars	As at		As at	
	(₹ 100 Each)		(₹ 100 Each)	
	No. of shares	Amount	No. of shares	Amount
<b>Preference Shares</b>		(₹ 100 Each)		(₹ 100 Each)
Shares outstanding at the beginning of the year	975,000	975.00	975,000	975.00
Add: Issued during the year	-	-	-	-
<b>Closing balance</b>	<b>975,000</b>	<b>975.00</b>	<b>975,000</b>	<b>975.00</b>

Terms/rights attached to the Preference Shares

The Company has two class of Preference Shares having a par value of ₹ 10 and ₹ 100 each. Shareholder is not eligible for vote .

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

Name of Shareholder	As at		As at	
	(₹ 100 Each)		(₹ 100 Each)	
	No. of shares held	% of holding	No. of shares held	% of holding
Dr. Chandra Kumar Jain	975,000	100.00%	975,000	100.00%

**15. OTHER EQUITY**

(₹ in Lakhs)

Particulars	RESERVES AND SURPLUS					Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	
<b>Balance as at 1st April 2020</b>	<b>132.35</b>	<b>3701.57</b>	<b>4986.24</b>	<b>50.00</b>	<b>21189.74</b>	<b>30,059.90</b>
Profit for the year	-	-	-	-	6,245.55	6,245.55
Amount Transfer to Capital Redemption Reserve	-	-	-	-	-	-
Dividend on equity shares for the year	-	-	-	-	(281.50)	(281.50)
Dividend Distribution Tax	-	-	-	-	-	-
Other Comprehensive income for the the net of tax	-	-	-	-	62.12	62.12
<b>Balance as at 31st March 2021</b>	<b>132.35</b>	<b>3701.57</b>	<b>4986.24</b>	<b>50.00</b>	<b>27215.91</b>	<b>36086.07</b>

Particulars	RESERVES AND SURPLUS					Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	
<b>Balance as at 31st March, 2019</b>	<b>132.35</b>	<b>3,701.57</b>	<b>4,986.24</b>	-	<b>19,765.95</b>	<b>28,586.11</b>
Profit for the year	-	-	-	-	2,058.40	2,058.40
Amount Transfer to General 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 year, net of income tax	-	-	-	-	(19.01)	(19.01)
<b>Balance as at 31st March, 2020</b>	<b>132.35</b>	<b>3,701.57</b>	<b>4,986.24</b>	<b>50.00</b>	<b>21,189.74</b>	<b>30,059.90</b>

**16. FINANCIAL LIABILITIES –NON CURRENT BORROWINGS**

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured Loans</b>		
(i) Term Loan from bank measured at Amortised Cost	-	1,000.00
(ii) Long term maturities of Finance Lease obligations/ hire purchase finance	-	133.94
	-	<b>1,133.94</b>
<b>Unsecured</b>		
9,75,000, 8% Redeemable Preference shares of ₹ 100 each (refer note below)	1,053.00	975.00
	<b>1,053.00</b>	<b>975.00</b>
<b>Total</b>	<b>1,053.00</b>	<b>2,108.94</b>

**(a) Nature of security for secured borrowings are given below:**
**(i) Term Loans 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.

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 on pari-passu with Citi Bank for Term Loan of ₹ 40 crores.

**(ii) Long term maturities of Finance Lease obligations**

Above loans are secured against vehicles purchased through Banks under hire purchase agreements.

**(b) The aggregate amount of loans under each head guaranteed by Directors or others are given below:**
**Term Loans from Banks**

Above term loans are secured by personal guarantee of the Promoter Director. Redeemable Preference Share capital includes interest of ₹ 78 Lacs.

**17. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease Liabilities	133.48	41.01
<b>Total</b>	<b>133.48</b>	<b>41.01</b>

<b>18. DEFERRED TAX LIABILITIES (NET)</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	
Depreciation and amortisation	1,475.91	1,469.85	
Mat Receivables	-	(1,446.14)	
<b>Total</b>	<b>1,475.91</b>	<b>23.71</b>	

<b>19. SHORT TERM BORROWINGS</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	
<b>Secured loans</b>			
Working Capital Loan	-	5,960.93	
<b>Total</b>	<b>-</b>	<b>5,960.93</b>	

(a) The Working Capital Loans are secured by the Hypothecation of Present and Future stock of Raw Materials, Stores, Stock in Process, Chemicals and Consumable Fuels, Packing, 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.

<b>20. TRADE PAYABLES</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	
<b>Trade Payables consist of the following:</b>			
- micro, small and medium enterprises (refer note 37)	231.74	229.60	
- others	5,399.04	2,658.10	
<b>Total</b>	<b>5,630.78</b>	<b>2,887.70</b>	

<b>21. OTHER FINANCIAL LIABILITIES</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	
Interest accrued but not due on borrowings	-	7.00	
Current maturities of long term debt	-	2,003.59	
Unclaimed dividends	66.95	73.41	
Capital liabilities	5.00	43.96	
Expenses payable	666.99	525.93	
Lease Liability	13.37	0.68	
<b>Total</b>	<b>752.31</b>	<b>2,654.57</b>	

<b>22. OTHER CURRENT LIABILITIES</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	
Advance from Customers	324.15	221.50	
Other liabilities	1,383.39	598.52	
<b>Total</b>	<b>1,707.54</b>	<b>820.02</b>	

<b>23. PROVISIONS</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	
Employee Benefits	512.20	180.56	
<b>Total</b>	<b>512.20</b>	<b>180.56</b>	

<b>24. REVENUE FROM OPERATIONS</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	
<b>Revenue</b>			
Sale of Product (including excise duty)	74,438.99	59,705.59	
Freight and Handling Charges recovered	606.59	403.05	
<b>(I)</b>	<b>75,045.58</b>	<b>60,108.64</b>	
<b>Other Operating Revenues</b>			
Export and Other Incentives	204.14	429.63	
Miscellaneous Receipts & claims	60.85	116.35	
Sales- Scrap & Waste Material	153.13	139.78	
Foreign Exchange Fluctuations	83.93	129.97	
Lease Rent, Operation & Maintenance Charges	1,055.81	1,155.39	
<b>(II)</b>	<b>1,557.86</b>	<b>1,971.12</b>	
<b>REVENUE FROM OPERATIONS (I+II)</b>	<b>76,603.44</b>	<b>62,079.77</b>	

**(A) Revenue from contracts with customers disaggregated based on nature of products or services.**

<b>Revenue from sale of products</b>		
i) Mineral Processing	8,118.46	11,741.33
ii) Grain Processing	53,657.52	47,862.81
iii) Distillery	13,269.61	504.50
<b>Other Operating Revenues</b>		
(i) Export and Other Incentives	204.14	429.63
(ii) Miscellaneous Receipts & claims	60.85	116.35
(iii) Sales- Scrap & Waste Material	153.13	139.78
(iv) Foreign Exchange Fluctuations	83.93	129.97
(v) Lease Rent, Operation & Maintenance Charges	1,055.81	1,155.39
<b>Total</b>	<b>76,603.45</b>	<b>62,079.76</b>

**(B) Revenue from contracts with customers disaggregated based on geography**

Domestic	68,758.38	50,407.21
Export	5,680.61	9,298.38
<b>Total</b>	<b>74,438.99</b>	<b>59,705.59</b>

**(C) Reconciliation of gross revenue with the revenue from contracts with customers**

Gross revenue #	74,482.81	59,753.60
Less: discounts	(43.82)	(48.01)
<b>Total</b>	<b>74,438.99</b>	<b>59,705.59</b>

# Revenues are recorded at a point in time. The Company has no remaining performance obligations once the goods are delivered to the customer as per terms of the contract.

**(D) Receivables, contract assets and contract liabilities from contracts with customers**

Trade receivables*	9,838.15	8,236.90
Contract balances		
– Advances from customers **	(324.15)	(221.50)
<b>Total</b>	<b>9,514.00</b>	<b>8,015.40</b>

\*Trade receivables are non-interest bearing and are generally due within 0 to 90 days. There is no significant financing component in any transaction with the customers.

\*\*The adjustments of advances during the year are not considered to be significant.

**25. OTHER INCOME**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income		
On Bank Deposits & Others	65.61	93.55
Dividend Income		
On Investments	0.24	0.99
Gain / (Loss) on sale of investments (Net)		
On Investments	13.04	-
Profit / (Loss) on property, plant and equipment sold / discarded (Net)	82.02	0.18
Other Non-Operating income	26.50	-
<b>Total</b>	<b>187.41</b>	<b>94.72</b>

**26. COST OF MATERIALS CONSUMED**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Raw Material	36,055.47	35,496.96
<b>Total</b>	<b>36,055.47</b>	<b>35,496.96</b>

**27. PURCHASE OF GOODS TRADED**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Purchase of Stock in Trade	471.74	704.73
<b>Total</b>	<b>471.74</b>	<b>704.73</b>

<b>28. CHANGE IN INVENTORIES</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>	
<b>(a) Opening inventories</b>			
Traded Goods	94.77	46.64	
Work in progress	695.18	640.19	
Finished Goods	2,557.71	1,812.45	
	<b>3,347.66</b>	<b>2,499.27</b>	
<b>(b) Less: Closing Inventories</b>			
Traded Goods	35.08	94.77	
Work in progress	749.80	695.18	
Finished Goods	1,898.08	2,557.71	
	<b>2,682.97</b>	<b>3,347.66</b>	
<b>Total</b>	<b>664.69</b>	<b>(848.38)</b>	
<b>29. EMPLOYEE BENEFITS EXPENSES</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>	
Salaries and Wages	2,579.95	1,963.67	
Contribution to Provident and Other Funds	122.76	78.98	
Employee Welfare	157.87	125.78	
<b>Total</b>	<b>2,860.58</b>	<b>2,168.43</b>	
<b>30. FINANCE COST</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>	
Interest & Charges on Bank borrowing for working Capital	408.36	647.27	
Interest on Term and Other Loans	168.31	393.58	
Interest Expenses recognised on Redeemable Preference Shares	78.00	97.24	
<b>Total</b>	<b>654.67</b>	<b>1,138.09</b>	
<b>31. DEPRECIATION AND AMORTIZATION EXPENSES</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>	
Depreciation on Property, Plant and Equipment	3,252.29	3,098.04	
Amortisation on Intangible Assets	3.08	3.92	
<b>Total</b>	<b>3,255.37</b>	<b>3,101.96</b>	
<b>32. OTHER EXPENSES</b>			(₹ in Lakhs)
<b>Particulars</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>	
Process Chemicals & Consumables	5,393.81	3,697.47	
Stores, Spare Parts & Packing	2,864.37	2,127.64	
Power and Fuel	8,310.81	6,627.94	
Repair & Maintenance:			
-Building	4.51	4.50	
-Plant & Machinery	1,263.21	647.05	
Rates and Taxes	335.99	127.00	
Rent	109.55	79.32	
Printing and Stationary	26.51	24.26	
Advertisement and Publicity	4.83	4.07	
Subscription and Membership fees	9.62	10.72	
Travelling Expenses	114.06	177.18	
Legal and Professional Expenses	216.54	218.60	
Payment to Auditors*	8.00	6.25	
Communication Charges	46.73	56.01	
Repair and Maintenance	50.18	47.31	
Insurance	92.28	82.33	
Donation	0.63	1.67	
Corporate Social Responsibility expenses**	218.09	37.46	
Miscellaneous Expenses	17.95	9.19	
Allowance for Doubtful trade receivables	98.32	-	
Commission & Discount	125.38	133.92	
Freight and Forwarding Expenses	4,099.14	3,489.27	
Others	68.00	61.34	
<b>Total</b>	<b>23,478.51</b>	<b>17,670.48</b>	

Particulars	2020-21	2019-20
<b>(*) Details of Auditors Remuneration are as follows:</b>		
(i) Statutory Audit Fees	6.25	5.00
(ii) Limited Review Fee	1.25	1.00
(iii) Reimbursement of expenses	-	-
(iv) Other Management Services, Consultancy and certification Charges	0.50	0.25
	<b>8.00</b>	<b>6.25</b>

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

Particulars	2020-21	2019-20
Gross amount required to be spent by the Company during the year	51.99	53.93
Amount Spent during the year	218.09	37.46
Amount Unspent during the year	-	16.47

₹ 218.09 includes accumulated unspent amount of Rs. 148.15 Lakhs from previous financial years.

**33. 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 36.73 Lakhs (Previous year INR 39.13 Lakhs) is recognized as an expense and included in Employee Benefit expenses Note No 29.

**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 2021-22 are INR 32.47 Lakhs

**Reconciliation of present value of defined benefit obligation**
**(₹ in Lakhs)**

Particulars	Gratuity (Funded)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Change in the Present value of obligation</b>		
<b>Balance at the beginning of the year</b>	330.85	268.42
Benefits paid	-	(15.18)
Current service cost	33.44	33.70
Interest cost	22.66	20.71
Past Service cost	-	-
<b>Actuarial (gains) losses recognised in profit and loss:</b>		
-Changes in demographic assumptions	-	-
<b>Actuarial (gains) losses recognised in OCI:</b>		
-Changes in demographic assumptions	-	(0.02)
-Changes in financial assumptions	1.72	24.30
-Experience adjustments	(80.29)	(1.06)
<b>Balance at the end of the year</b>	<b>308.39</b>	<b>330.85</b>

**(₹ in Lakhs)**

Particulars	Gratuity (Funded)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Change in the fair value of plan asset</b>		
<b>Balance at the beginning of the year</b>	332.02	298.95
Contributions paid into the plan	1.32	10.00
Benefits paid	-	-
Expected Return on Plan Asset	24.46	23.07
Opening Adjustment	(2.39)	-
Mortality Charges	(3.38)	-
Actuarial Gain/(Loss) on Planned Assets	-	-
<b>Balance at the end of the year</b>	<b>352.04</b>	<b>332.02</b>
<b>Net Defined Benefit Asset/(Liability)</b>	<b>43.65</b>	<b>1.17</b>

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Expense recognized in profit or loss</b>		
Current service cost	33.45	33.70
Interest cost	0.08	(2.36)
Actuarial (Gain)/Loss	-	-
<b>TOTAL</b>	<b>33.53</b>	<b>31.34</b>

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Expense recognized in OCI</b>		
Actuarial (gains) / losses		
- change in demographic assumptions	-	(0.02)
- change in financial assumptions	1.72	24.30
- experience variance (i.e. Actual experience vs assumptions)	(80.29)	(1.06)
- return on plan assets, excluding amount recognized in net interest expense	1.50	-
<b>TOTAL</b>	<b>77.07</b>	<b>23.21</b>

**E Plan Assets**

Plan Assets comprise of the following:

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company*	100%	100%
Others	0%	0%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

\* The company's assets are managed by the Life Insurance Corporation of India, the total assets held as on 31<sup>st</sup> March 2021 is INR 352.04 Lakhs.

Actuarial Assumptions	Gratuity (Funded)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Economic assumptions:</b>		
Discount Rate (Per annum)	6.79%	6.85%
Future Salary increase	6.50%	6.50%
<b>Demographic assumptions:</b>		
Retirement Age (Years)	58	58
Mortality rates inclusive of provision for disability**	IALM (2012-14)	IALM (2012-14)
Withdrawal Rate (%)	1.00%	1.00%

\*\* The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.42 years (31<sup>st</sup> March 2020: 9 years).**G Sensitivity Analysis**

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Present Value of Obligation at the end of the period</b>	308.39	330.85
a) Discount rate-100 basis points	29.96	363.74
b) Discount rate+100 basis points	(27.78)	302.61
c) Salary Growth Rate -100 basis points	(27.97)	302.27
d) Salary Growth Rate+100 basis points	29.90	363.52

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 on the basis of 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 prevalent bond yields, based on the past experience it is a 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 increase 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 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Year 1	24.47	39.89
Years 2-5	67.34	90.07
Years 6-10	81.86	150.65
Beyond 10	134.74	441.29

**34. INCOME TAX**
**A. Amounts recognised in profit or loss**

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
<b>Current tax expense</b>				
Current year	1813.17	3,098.22	495.94	543.89
Add: MAT Credit utilised	1285.05		47.95	
<b>Deferred Tax Expense</b>		3,098.22		543.89
Property, plant and equipment		6.06		139.93
<b>Total Tax Expense</b>		<b>3,104.28</b>		<b>683.82</b>

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 <sup>st</sup> March 2020	Recognized in P&L	Recognized in OCI	As at 31 <sup>st</sup> March 2021
<b>Deferred Tax Assets</b>				
MAT Receivable	1,446.14	(1,446.14)	-	-
<b>Total Deferred Tax Assets</b>	<b>1,446.14</b>	<b>(1,446.14)</b>	-	-

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	Recognized in P&L	Recognized in OCI	As at 31 <sup>st</sup> March 2021
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	1469.85	6.06	-	1,475.91
<b>Total Deferred Tax Liabilities</b>	<b>1,469.85</b>	<b>6.06</b>	-	<b>1,475.91</b>
<b>Net Deferred Tax Assets (Liability)</b>	<b>(23.71)</b>	<b>(1,440.08)</b>	-	<b>(1,475.91)</b>



## 35. Financial instruments and risk management

## I. Financial instruments by category

(₹ in Lakhs)

Particulars	As at 31.03.2021				As at 31.03.2020			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
<b>Financial Assets</b>								
Investments								
- in equity instruments	-	41.95	-	41.95	-	41.95	-	41.95
Trade Receivable	-	-	9,838.15	9,838.15	-	-	8,236.90	8,236.90
Security deposits	-	-	506.93	506.93	-	-	459.66	459.66
Term deposit with banks	-	-	192.30	192.30	-	-	83.69	83.69
Cash and cash equivalents	-	-	1,787.89	1,787.89	-	-	242.51	242.51
Bank balances other than above	-	-	66.95	66.95	-	-	73.41	73.41
<b>Total Financial Assets</b>	-	<b>41.95</b>	<b>12,392.22</b>	<b>12,434.17</b>	-	<b>41.95</b>	<b>9,096.17</b>	<b>9,138.12</b>
<b>Financial Liabilities</b>								
Term loans from bank	-	-	-	-	-	-	1,000.00	1,000.00
Obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	133.94	133.94
Redeemable preference shares	-	-	1,053.00	1,053.00	-	-	975.00	975.00
Lease liability	-	-	146.86	146.86	-	-	41.69	41.69
Working capital loans	-	-	-	-	-	-	5,960.93	5,960.93
Trade payables	-	-	5,630.78	5,630.78	-	-	2,887.70	2,887.70
Interest accrued but not due on borrowings	-	-	-	-	-	-	7.00	7.00
Current maturities of long-term debt	-	-	-	-	-	-	2,003.59	2,003.59
Unclaimed dividends	-	-	66.95	66.95	-	-	73.41	73.41
Capital liabilities	-	-	5.00	5.00	-	-	43.96	43.96
Expenses payable	-	-	666.99	666.99	-	-	525.93	525.93
<b>Total Financial Liabilities</b>	-	-	<b>7,569.58</b>	<b>7,569.58</b>	-	-	<b>13,653.15</b>	<b>13,653.15</b>

## 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:

(₹ in Lakhs)					
As at 31 March 2021	Note No	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	41.95	41.95
<b>Total financial assets</b>		-	-	<b>41.95</b>	<b>41.95</b>
(₹ in Lakhs)					
As at 31 March 2020	Note No	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	41.95	41.95
<b>Total financial assets</b>		-	-	<b>41.95</b>	<b>41.95</b>

**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.

**Notes:**

- a. There are no transfers between level 1 and level 2 during the year.
- b. 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)

Particulars	Unlisted equity instruments
<b>As at 01 April 2019</b>	<b>46.73</b>
Acquisition/(Dispose of)	(4.78)
Gains/(losses) recognized	-
- in other comprehensive income	-
<b>As at 31 March 2020</b>	<b>41.95</b>
Acquisition/(Dispose of)	-
Gains/(losses) recognized	-
- in other comprehensive income	-
<b>As at 31 March 2021</b>	<b>41.95</b>

**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 amortized 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 Recognized 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 ageing 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.

#### Expected credit loss for trade receivables under simplified approach

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein the Company has defined percentage of provision by analyzing historical trend of default relevant to each category of customer based on the criteria defined above and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met).

As at March 31, 2021							(₹ in Lakhs)
Particulars/ days post due	<=90 days	91-180 days	181-365 days	366-730 days	731-1095 days	More than 1095 days	Total
Gross carrying amount	8,921.58	364.09	80.92	395.54	170.91	3.42	9,936.46
Expected loss rate	0.19%	0.19%	0.19%	9.25%	25.00%	50.00%	
Expected credit loss (Loss allowance provision)	16.46	0.67	0.15	36.59	42.73	1.71	98.31
Carrying amount of trade receivables (net of impairment)	8,905.12	363.42	80.77	358.95	128.18	1.71	9,838.15

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

Particulars	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Opening balance	0.00	48.69
Provision made during the year	98.31	-
Trade receivables written off during the year	-	(48.69)
Provision reversed during the year / collection	-	-
<b>Closing balance</b>	<b>98.31</b>	<b>0.00</b>

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.

Particulars	(₹ in Lakhs)			
	31 <sup>st</sup> March 2021	< 1 year	2 to 5 Years	5 years <
<b>Non-derivative financial liabilities</b>				
Borrowings (Long Term)	1,053.00	78.00	975.00	-
Trade Payables	5,630.78	5,630.78	-	-
Other financial liabilities	885.80	752.32	36.81	96.67
<b>Total non-derivative liabilities</b>	<b>7,569.58</b>	<b>6,461.10</b>	<b>1,011.81</b>	<b>96.67</b>

Particulars	(₹ in Lakhs)			
	31 <sup>st</sup> March 2020	< 1 year	2 to 5 Years	5 years <
<b>Non-derivative financial liabilities</b>				
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 financial liabilities	2,654.57	2,654.57	-	-
<b>Total non-derivative liabilities</b>	<b>13,653.15</b>	<b>11,503.20</b>	<b>2,149.95</b>	<b>-</b>

**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	(₹ in Lakhs)			
	As at 31 <sup>st</sup> March 2021	Conversion rates	As at 31 <sup>st</sup> March 2020	Conversion rates
<b>Transaction currency</b>	<b>USD (in Lakhs)</b>	INR	<b>USD (in Lakhs)</b>	INR
<b>Financial assets</b>				
Trade receivables	12.00	73.50	13.06	75.39
<b>Financial liabilities</b>				
Borrowings	0.00	0.00	14.50	65.50
<b>Net statement of financial position Exposure</b>	<b>12.00</b>		<b>(1.44)</b>	

**Note:** The company has no foreign currency loan at the year end. It had foreign currency exposure only on account of Trade Receivables which is unhedged.

**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.

Particulars	(₹ in Lakhs)	
	Strong	Weak
<b>31<sup>st</sup> March 2021</b>		
USD (10% movement)	88.20	(88.20)
<b>31<sup>st</sup> March 2020</b>		
USD (10% movement)	98.46	(98.46)

**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 analyzed 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	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Financial Assets/Liabilities</b>		
<b>Variable-rate instruments</b>		
Long term borrowings	-	1,133.94
Short Term Borrowings	-	5,960.93
<b>Fixed-rate instruments</b>		
Long Term Borrowings	1,053.00	975.00

(Profit) or loss		(₹ in Lakhs)	
Particulars	50 bp increase	50 bp decrease	
<b>31<sup>st</sup> March 2021</b>			
Variable-rate instruments	-	-	
<b>31<sup>st</sup> March 2020</b>			
Variable-rate instruments	44.03	(44.03)	

#### 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. 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.

#### 36 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 includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

Particulars	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Interest-bearing loans and borrowings (Note No 16, 19)	1,053.00	8,069.87
Trade and other payables (Note 17, 20, 21 & 22)	8,224.12	6,403.31
Less: cash and short-term deposits (Note 11)	1,787.89	242.51
<b>Net debt</b>	<b>7,489.23</b>	<b>14,230.67</b>
Reserve & Surplus (Note 15)	36,086.07	30,059.90
Equity (Note 14)	469.17	469.17
<b>Total Capital</b>	<b>36,555.24</b>	<b>30,529.07</b>
Capital and net debt	44,044.47	44,759.74
<b>Gearing ratio</b>	<b>17.00%</b>	<b>31.79%</b>

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 2021 and 2020.

**37. Details of dues to micro, small and medium enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]:**

(₹ in Lakhs)

SNO	Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	231.74	-	229.60	-
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-	-	-

**38. Leases**
**Company as a lessee**

The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 as notified by the Ministry of Corporate Affairs ("MCA") and applied the Standard to its leases using the simplified approach. This has resulted in recognising right-of-use assets and corresponding lease liabilities.

(₹ in lakhs)

Particulars	Amount
<b>Recognition and Carrying value of right-of-use assets for the period ended March 31, 2021:</b>	
<b>Balance as at beginning of the period</b>	922.52
Right of use asset recognised during the period	118.21
Depreciation charged during the period	28.68
<b>Total</b>	<b>1,012.05</b>

(₹ in lakhs)

Particulars	Amount
<b>The following is the break-up of current and non-current lease liabilities as at March 31, 2021</b>	
Current lease liabilities	13.37
Non-current lease liabilities	133.48
<b>Total</b>	<b>146.85</b>

(₹ in lakhs)

Particulars	Amount
<b>The following is the movement in lease liabilities during the period ended March 31, 2021:</b>	
Balance as at beginning of the period	41.69
Lease liability recognised during the period	103.12
Finance cost accrued during the period	15.42
Lease rent paid/payable during the period	13.37
<b>Lease liability at the end of the period</b>	<b>146.86</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(₹ in lakhs)

Particulars	Amount
Not later than one year	13.37
Later than one year and not later than five years	53.50
Later than five years	400.82
The Company has incurred ₹ NIL for the period ended March 31, 2021 towards expense relating to short-term leases which has not been considered to be recorded as lease liability.	

**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.

## 39. DETAIL OF SALES, RAW MATERIAL CONSUMPTION, INVENTORIES, ETC. UNDER BROAD HEADS ARE GIVEN BELOW:

## A. Raw Materials Consumed:

(₹ in lakhs)

Products	2020-21	2019-20
Rice	14,451.40	4,670.12
Corn/Starch	19,580.02	27,083.61
Lime & Lime Stone	2,024.05	2,238.14
Capital Goods	0.00	1,505.10
<b>TOTAL</b>	<b>36,055.47</b>	<b>35,496.97</b>

## B. Traded Goods

(₹ in lakhs)

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Calcium Carbonate	471.74	704.73	1,022.63	1,112.89	94.77	46.64	35.08	94.77
<b>TOTAL</b>	<b>471.74</b>	<b>704.73</b>	<b>1,022.63</b>	<b>1,112.89</b>	<b>94.77</b>	<b>46.64</b>	<b>35.08</b>	<b>94.77</b>

## C. Manufactured Goods

(₹ in lakhs)

Products	Sales		Opening Stock		Closing Stock	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1. Sorbitol & Sweetner	21,287.26	20,967.86	535.00	362.47	498.70	535.00
2. Fructose	13,289.36	7,551.74	310.65	240.05	335.19	310.65
3. Starch	8,895.79	10,710.13	810.01	277.57	97.57	810.01
4. Calcium Carbonate	7,095.89	7,976.40	275.14	449.71	273.02	275.14
5. By Products	11,820.22	8,685.87	388.47	136.96	285.74	388.47
6. Liquor/CL and HS	2,718.57	451.71	238.44	345.69	201.90	238.44
7. Ethanol	8,915.87	0.00	0.00	0.00	205.96	0.00
8. Capital Goods	0.00	2,652.05	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>74,022.96</b>	<b>58,995.76</b>	<b>2,557.71</b>	<b>1,812.45</b>	<b>1,898.08</b>	<b>2,557.71</b>

## 40 IMPORTS

## A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):

(₹ in lakhs)

Particulars	2020-21	2019-20
Raw Materials, Stores and Components	1,615.65	2,193.22
Capital Goods	107.62	435.49

## B. Expenditure in foreign currency during the year:

(₹ in lakhs)

Particulars	2020-21	2019-20
Interest	19.67	159.34
Commission	36.87	27.43
Travelling	19.67	31.02
Technical Service Expenses	66.59	77.09
Legal & Professional Fee	5.39	5.82

## C. Earnings in Foreign Exchange:

(₹ in lakhs)

Particulars	2020-21	2019-20
Export of Goods on F.O.B. basis	5,680.61	9,298.38

**D. Value of Raw Materials, Coal and Fuel and Stores and Spares consumed during the year ended:**

Particulars	Value (₹ in Lakhs)			
	2020-21	2019-20	2020-21	2019-20
<b>Raw Materials:</b>				
Imported	0.00	1,302.46	0.00	3.67
Indigenous	36,055.47	34,194.51	100.00%	96.33%
	<b>36,055.47</b>	<b>35,496.97</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Coal and Fuel:</b>				
Imported	0.00	0.00	0.00	0.00
Indigenous	5,449.53	3,729.64	100.00%	100.00%
	<b>5,449.53</b>	<b>3,729.64</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Stores and Spares:</b>				
Imported	60.82	112.88	20.73%	56.17%
Indigenous	232.56	88.08	79.27%	43.83%
	<b>293.38</b>	<b>200.96</b>	<b>100.00%</b>	<b>100.00%</b>

**41. Contingent Liabilities in respect of:**

- Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for ₹ 7.39 Lakhs (Previous year ₹ 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 of ₹ 715.38 Lakhs (Previous Year 884.95 Lakhs) includes Financial and Performance guarantees issued in favour of Statutory Authorities, PSU, Government bodies and Corporates.
- Estimated amounts of contracts remaining to be executed on capital account and not provided for ₹ 6252.25 Lakhs (Previous year ₹ 71.04 Lakhs).

**42. Related Party Transactions as per Indian Accounting Standard 24 :**

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party disclosures" is as under:

- Name of related party and nature of related party relationship where control exist:
  - Holding Company : Gulshan Holding Pvt. Ltd.
  - Subsidiary Company : Nil
- Name of related party and nature of related party relationship other than those referred to in (a) above having transaction with the company:
  - Joint Ventures etc. : Nil
  - Key Management Personnel : Dr. Chandra Kumar Jain, Managing Director  
Mrs. Arushi Jain, Whole Time Director  
Mrs. Aditi Pasari, Whole Time Director  
Mr. Ashwani Kumar Vats, CEO & Whole Time Director  
Mr. Rajiv Gupta, CFO  
Ms. Asha Mittal, CS
  - Relative of KMP : Mrs. Mridula Jain
  - 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 01.04.2020 to 31.03.2021

(₹ in lakhs)

Particulars	2020-21	2019-20
<b>(a) Key Managerial Personnel</b>		
Remuneration to Key Personnel:		
- Salaries & Perks	352.18	387.70
- Commission on Profits	400.00	-
Rent Paid - Dr. C.K Jain	114.70	64.80
- Mrs. Mridula Jain, Relative	9.60	9.60
<b>(b) Others</b>		
Gulshan Holding Private Ltd. - Interest paid	0.00	3.37
Gulshan Lamee Pack Pvt. Ltd.- Product Sales	37.22	50.64
<b>(c) Gulshan Lamee Pack Pvt. Ltd- Outstanding balance as on 31.03.2021 (Dr.)</b>	2.58	12.18

**43. Earning Per Share**

(₹ in lakhs)

Particulars	2020-21	2019-20
1 Net Profit After Tax	6,245.55	2,058.40
2 Weighted Average of number of Equity Share outstanding during the year	469.17	469.17
3 Basic Earning Per Share of ₹ 1/- each	13.31	4.39
4 Diluted Earning Per Share of ₹ 1/- each	13.31	4.39

**44. Information on segment reporting pursuant to Ind AS 108 – 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 Un-allocable expenditure (net of un-allocable 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 Un-allocable Assets/ Liabilities.

(₹ in Lakhs)

Particulars	Mineral Processing		Grain Processing		Distillery		Total	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Revenue								
External sales	9,237.46	13,144.68	54,080.63	48,430.59	13,269.60	504.49	76,587.69	62,079.77
Unallocated							15.75	0.00
<b>Total Revenue</b>	<b>9,237.46</b>	<b>13,144.68</b>	<b>54,080.63</b>	<b>48,430.59</b>	<b>13,269.60</b>	<b>504.49</b>	<b>76,603.44</b>	<b>62,079.77</b>

Results									
Segment results before interest and Finance cost	1,729.13	3,291.26	6,631.03	1,091.82	1,579.25	(473.20)	9,939.41	3909.88	
Un-allocable Income	-	-	-	-	-	-	65.09	(29.57)	
<b>Operating Profit</b>	<b>1,729.13</b>	<b>3,291.26</b>	<b>6,631.03</b>	<b>1,091.82</b>	<b>1,579.25</b>	<b>(473.20)</b>	<b>10,004.50</b>	<b>3,880.31</b>	
Interest Expenses							654.67	1,138.08	
Current Tax (Net of MAT)							3,098.21	543.89	
Deferred Tax Charge							6.06	139.93	
<b>Net Profit</b>							<b>6,245.55</b>	<b>2,058.40</b>	

**Other Information**

	Mineral Processing		Grain Processing		Distillery		Others		Total	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Segment Assets	6,553.61	6,261.31	28,242.84	27,667.77	12,810.90	10,838.44	-	-	47,607.35	44,767.52
Unallocated Assets	-	-	-	-	-	-	2,041.24	930.74	2,041.24	930.74
<b>TOTAL ASSETS</b>	<b>6,553.61</b>	<b>6,261.31</b>	<b>28,242.84</b>	<b>27,667.77</b>	<b>12,810.90</b>	<b>10,838.44</b>	<b>2,041.24</b>	<b>930.74</b>	<b>49,648.59</b>	<b>45,698.26</b>
Segment Liabilities	1,488.72	941.93	5,214.88	13,417.96	1,447.27	1,264.22	-	-	8,150.88	15,624.11
Unallocated Liabilities & Provisions	-	-	-	-	-	-	4,942.48	(454.93)	4,942.48	(454.93)
<b>TOTAL LIABILITIES</b>	<b>1,488.72</b>	<b>941.93</b>	<b>5,214.88</b>	<b>13,417.96</b>	<b>1,447.27</b>	<b>1,264.22</b>	<b>4,942.48</b>	<b>(454.93)</b>	<b>13,093.35</b>	<b>15,169.19</b>

45. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**46. 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.

47. The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Company's operations were also severely affected due to interruption in production, supply chain disruption, unavailability of personnel, etc. 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.

**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)**
**(RAJEEV KUMAR SINGHAL)**

Partner

Membership no: 077834

UDIN: 21077834AAAACX6081

**Date: May 22, 2021**
**Place : Delhi**
**For and on behalf of the Board of Directors**
**ASHWANI KUMAR VATS**

Whole Time Director and CEO

DIN : 00062413

**DR. CHANDRA KUMAR JAIN**

Chairman &amp; Managing Director

DIN: 00062221

**ASHA MITTAL**

Company Secretary

**RAJIV GUPTA**

Chief Financial Officer

**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 & Address of Member .....**

**Regd. Folio No.: .....D.P. ID / Client ID.....**

**E-mail Id:.....**

I / WE, being a member(s) of \_\_\_\_\_ equity shares of the above named Company, hereby appoint  
 Name: \_\_\_\_\_ Email: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her

Name: \_\_\_\_\_ Email: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her

Name: \_\_\_\_\_ Email: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 21st Annual General Meeting of the Company, to be held on Saturday, September 18, 2021 at 4.00 P.M (IST) at The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251002 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 ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Ashwani Kumar Vats (DIN: 00062413), who retires by rotation, and being eligible, offers himself for re-appointment as a Director.
3. To declare Final Dividend on Equity Shares for the financial year ended March 31, 2021.

**Special Business:**

4. Ratification of remuneration of Cost Auditor appointed by the Board of Directors for the Financial Year 2021-2022.
5. Appointment of Ms. Archana Jain (DIN: 09171307) as an Independent Director of the Company.
6. Approval of charges for service of documents on the shareholders.
7. Payment of commission to Mr. Ashwani Kumar Vats (DIN: 00062413) Whole Time Director and Chief Executive Officer (CEO) of the Company.
8. Revision in terms of remuneration of Mr. Ashwani Kumar Vats (DIN: 00062413) Whole Time Director and Chief Executive Officer (CEO) of the Company.
9. To approve raising of funds and issuance of securities by the Company.

Signed this ..... day of .....2021.

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

**Affix  
Revenue  
Stamp**

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.

## 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 21<sup>st</sup> Annual General Meeting held at The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251002 on Saturday, September 18, 2021 at 4.00 PM.

Folio No \_\_\_\_\_ DP ID No. \* \_\_\_\_\_ Client ID No.\* \_\_\_\_\_

\*Applicable for members holding shares in electronic form.

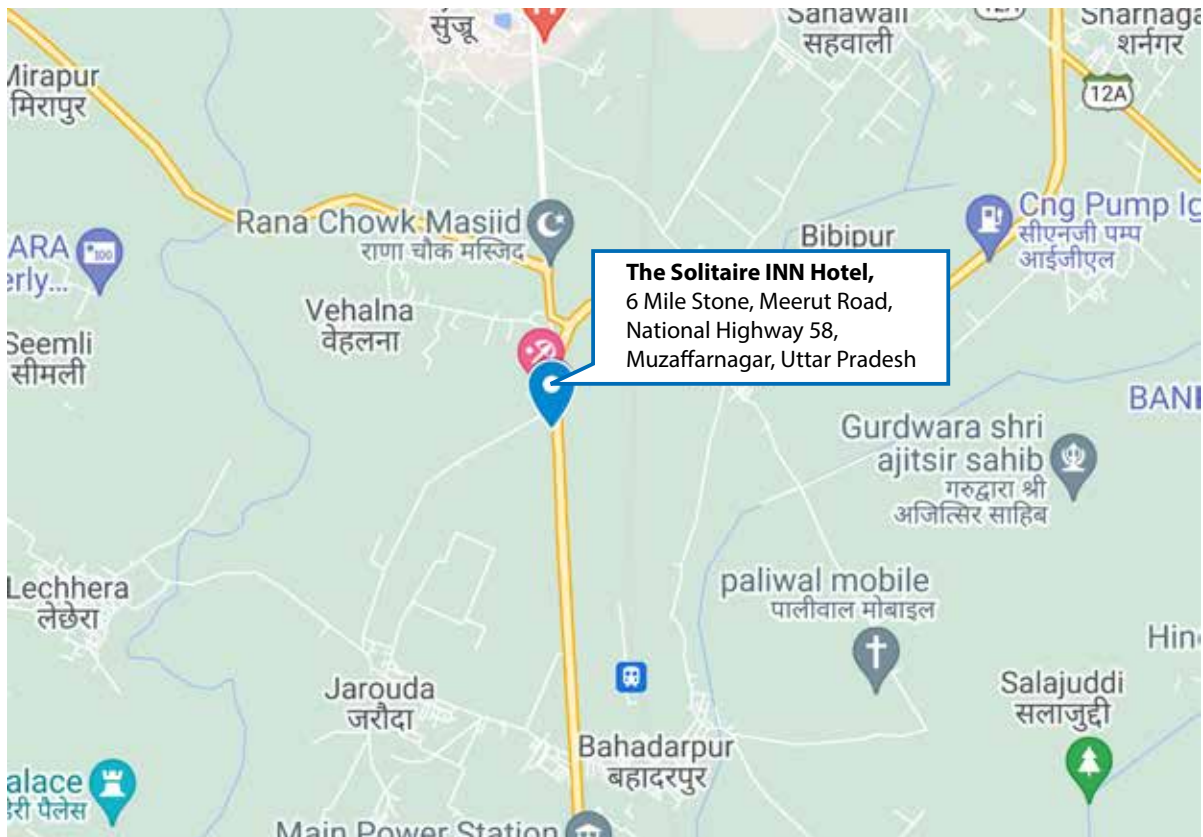
No. of Share(s) held \_\_\_\_\_

**Member's / Proxy's Signature**

### ROUTE MAP TO THE VENUE

**OF THE 21<sup>ST</sup> AGM TO BE HELD ON SATURDAY, SEPTEMBER 18, 2021**

**Venue:** The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251002



# स्वच्छ रहे स्वस्थ रहे





## PLANT LOCATIONS

MUZAFFARNAGAR, U.P.

BHARUCH, GUJARAT

CHHINDWARA, M.P.

DHAULA KUAN, H.P.

ABU ROAD, RAJASTHAN

AMLAI, M.P.

TRIBENI, W.B.

PATIALA, PUNJAB

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