



**Gulshan Polyols Limited**  
CIN: L24231UP2000PLC034918  
Corporate Office: G-81, Preet Vihar,  
Delhi-110092, India  
Phone : +91 11 49999200  
Fax : +91 11 49999202  
E-mail : [cs@gulshanindia.com](mailto:cs@gulshanindia.com)  
Website: [www.gulshanindia.com](http://www.gulshanindia.com)

**GPL\SEC\2022-23**  
**September 05, 2022**

**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 22<sup>nd</sup> Annual General Meeting with Integrated Annual Report for FY 2021-22, 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 22<sup>nd</sup> Annual General Meeting ('AGM') of the Gulshan Polyols Limited is scheduled to be held on **Wednesday on 28<sup>th</sup> day of September, 2022** at 1.00 P.M (IST) at 'The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251001'.
2. A copy of Integrated Annual Report for the Financial Year 2021-22 containing, inter alia, the Notice of 22<sup>nd</sup> AGM including e-voting instructions, the Audited Financial Statements for the financial year ended March 31, 2022 and the Reports of Auditors and Directors thereon are enclosed, which are being sent to the shareholders of the Company through permitted modes and are also available on the Company's website: [www.gulshanindia.com](http://www.gulshanindia.com) and National Securities Depository Limited ("NSDL") website: [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
3. The Company is providing facility of remote e-voting to its members in respect of the all businesses to be transacted at the 22<sup>nd</sup> AGM and facility of voting through ballot/poll paper at the venue during the 22<sup>nd</sup> AGM for those Members participating and attending in the meeting physically and NSDL 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 22<sup>nd</sup> AGM.
4. Voting rights (for voting through remote e-voting as well as Poll 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. -Wednesday, September 21, 2022.**
5. Remote e-Voting shall commence at **9:00 a.m. (IST) on Sunday, September 25, 2022** and ends at **5:00 p.m. (IST) on Tuesday, September 27, 2022.** Remote e-Voting module shall be disabled by NSDL, beyond the aforesaid date and time.
6. In terms of Regulation 42 of the Listing Regulations 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 **Wednesday, September 21, 2022 to Wednesday, September 28, 2022** (both days inclusive) for the purpose of the AGM and determining eligibility for payment



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Website: [www.gulshanindia.com](http://www.gulshanindia.com)

- of dividend @ ₹1/- per equity share of ₹ 1 each of the Company, subject to approval of the members at the ensuing AGM.
7. The final dividend on equity shares @ 100% per equity share of ₹ 1 each for the year ended March 31, 2022, if declared at the AGM, will be subject to deduction of income tax at source ('TDS') and be paid on or before October 28, 2022 to those members or their mandates:
- whose names appear as Beneficial Owners as at the end of the day on **Wednesday, September 21, 2022** 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 **Wednesday, September 21, 2022**.
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  
Digitally signed by  
ASHA MITTAL  
Date: 2022.09.05  
18:55:04 +05'30'

**(Asha Mittal)**  
**Company Secretary**

CC:

**1. National Securities Depository Limited**

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

**2. Central Depository Services (India)**

Marathon Futorex, 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.

Encl.: Integrated Annual Report



**GULSHAN**  
**POLYOLS LIMITED**

# Expanding Potential

**22<sup>nd</sup> Year | 2021-2022 | ANNUAL REPORT**

75  
Azadi Ka  
Amrit Mahotsav  
Har Ghar Tiranga

  
GULSHAN  
POLYOLS LIMITED

Har Ghar  
Tiranga

Har Ghar  
पौधा



Company has kicked off the 'Har Ghar Tiranga' campaign under the aegis of Azadi Ka Amrit Mahotsav and distributed National Flags and saplings to encourage people to hoist the 'Tiranga' and plant a sapling at home to mark the 75th anniversary of India's Independence.



# Chairman's Statement



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

**Dear and Esteemed Fellow Shareowners,**

It is our privilege to write to you and present this Integrated Annual Report for FY 2021-22. I hope this letter finds you safe and in good health. Amid the extraordinary conditions in which we had to operate, FY 2021-22 was undoubtedly transformative year for all of us. The excellent results we achieved are an indication to the growth potential of our markets, our focus on customer experience, and, most importantly, the dedication and commitment of our people.

From the very inception, we at Gulshan have believed that a corporate is much more than an economic unit generating wealth. Indeed, it is an integral part of the social system catering to human and societal needs and aspirations.

The last couple of years have seen unprecedented challenges in the form of the pandemic, geopolitical flareups and overall a very volatile macro environment with wide-ranging impact on people, economies and businesses. Amid this tumultuous phase, society continued to look up to businesses to help build a sustainable, equitable and fair future. We, as an organisation have used this period to strengthen our capabilities, build innovative thinking and agility, and enhance our focus on efficiencies; all in the interest of creating a growth company.

This mindset has helped your Company delivering strong overall performance for this fiscal across all metrics and kept us firmly on track to achieving our vision.

Let me go through on financial numbers; the Company reported a record performance in FY 2021-22, and registered its highest-ever Revenue, EBITDA, PAT. On y-o-y basis, revenue grown by 43.69% and recorded a stellar growth of 37.24 % in PAT and 14.37% in EBITDA, Expenditure on account of capital assets grew by 34.66% and Debt Equity ratio has increased marginally to 0.17x in FY22 compared to nil in FY21 owing to financing of capex via leverage for supporting expansion plans. This improvement was the result of the Company's commitment to increase exports, strengthen operating efficiency, moderate working capital outlay, sustained distillery operations and strengthen value for all stakeholders. Our Company has been successfully sustainable in profit-making and focused on enhanced stakeholders' value. Employees wellbeing is of paramount importance to us and we have had multiple interventions in this regard including facilitating vaccination and booster dosages for them and their dependents. We will continue to invest in our employees to remain a preferred employer-of-choice and seamlessly fulfill our customers' demand and stakeholders' values.



Encouragingly, despite the impact, your company is witnessing a significant revival in demand constantly. 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. We worked diligently by assuring employees' safety while continuing to serve our customers by running our operations successfully.

Certainly, I feel elated to say that your Company has marked impeccable growth, quarter on quarter and achieved many admirable wins and milestones through out the year during FY 2021-22 and make best efforts to continue to do so in years to come. However, the Company has achieved its near vision and its highest ever yearly revenue and have graduated to +INR 1000 Crore's revenue which is due to constant conviction and trust of all Stakeholders in the Company.

We could not have attained this success without our outstanding people. We are firmly committed to prioritizing their health and safety, providing a superior workforce experience and maintaining high levels of employees satisfaction.

**"I shall say that your Company is achieving all its planned milestones one by one due to our focus strategies and dedication of our management, employees and the trust of our customers. We have grown and growing ahead at the fastest pace ever in a decade, constantly."**

Next Vision of your Company is to generate **"2X Revenue in 2 Years."** In this regard, we crave for support of our employees, bankers, customers, suppliers and other stakeholders in achieving this.

*Achieve, Expand, Innovate, Evolve.*

Your Company's stellar performance and robust growth outlook continue to demonstrate our strategic focus on recording more volumes and minimizing operational cost. As we are witnessing strong market opportunities in our Grain and Ethanol (Bio-Fuel)/ Distillery Segment, our sustained investments in expanding capabilities including our determination and strategies, positioned us to continue snowballing and gain market share and emerge us as a growing Company with the increasing market share.

**I feel overjoyed to state that Environment Clearance along with CO GEN Power Plant for 500KLPD in Bargaon, Chhindwara, Madhya Pradesh and 250KLPD in Goalpara, Assam has also been granted to your Company for the Grain Based distilleries projects for Ethanol Blended Petrol.**

Our primary focus during the year was towards undertaking all necessary measures to maintain and excel and expand our business operations, ensure safety of our employees, stakeholders, kept customers' mission critical systems running under very difficult circumstances and pitched in to help communities across the nation to battle the pandemic, military conflicts, global uncertainties etc. and to overall safeguard the interests of all stakeholders.

Your company is combatting the global coal crisis which has led to increase in "power and fuel cost" by 70%, and in addition to this, a significant rise in raw material prices has affected the profitability and hence the bottom line marginally in Q4FY22. Despite that, Company is continuously focusing on achieving its targets by constantly improving its sales volumes, sales price realization and optimizing cost wherever possible. A sequential growth in revenues and a consistent demand in the Grain processing and Ethanol segment, is driving growth for the Company. Continuously, rising and volatile raw material prices coupled with supply chain uncertainties, continue to pose challenges and pressures on margins. To deal with this, we are adopting dynamic costing model coupled with strategic sourcing, digitalization of processes and standardization initiatives.

Hon'ble Prime Minister Shri Narendra Modi Ji, once tweeted that Biofuels can add strength to India's growth story with benefits in cities and villages and recalled the vision of Late Hon'ble Atal Ji, during whose tenure the plan to produce ethanol from Biofuel was initiated.

Whereas, Union Budget 2022-23 gives further boost to blending through tax on unblended fuel. Hon'ble Finance minister, Smt. Nirmala Sitharaman Ji said in her Budget speech that blended fuel is a priority for government. To encourage the efforts for blending of fuel, unblended fuel shall attract an additional differential excise duty effective from 1st day of October 2022. Petrol not blended with ethanol gets costlier, which would prompt retailers, especially private oil companies, to switch to blended fuel across the country.

India's Ethanol Blending Program is aimed at reducing the country's dependence on crude oil imports, cutting carbon emissions, and boosting farmers' income. The advancement of E20 target to 2025-26 continued to build on its momentum on the back of very promising build-up of industry ecosystem. The significant gap between demand and supply continued to drive capacity creation during FY21-22. Today the ethanol blending in petrol in India has reached ~10% mark almost five months ahead of the government's plan.

Government fixes higher ethanol price derived from different sugarcane based raw materials; lowers the goods and Services tax rate to 5% from 18% on ethanol meant for blending; Center fixed 10% blending target for ethanol supply year 2021-22 and 20% blending by 2025.

Further, ethanol supplies and blending percentage have increased more than five times in last six years. While 38 crore litres of Ethanol was procured during the year 2013-14, in 2020-21 this jumped nearly eight times to 322 crore litres. One crore litre of ethanol-blended petrol can save around 20000 tons of carbon dioxide emission. Greenhouse gas emissions due to the EBP Programme were lowered by 192 lakh tons from 2014 to 2021 (up to July 2021).

Accordingly, your Company's Management is much determined and enthusiastic about future outlook of Ethanol Business.

The Company has embarked on a humungous capex plan to build two plants dedicated to the production of Ethanol for the Government's Ethanol Blending in Petroleum Program-2025, for 500KLPD plant at Bargaon, Chhindwara Madhya Pradesh and for 250 KLPD Ethanol Plant at Goalpara, Assam. Moreover, the Company is in the process of completing upgradation of capacities of the grain processing division of the units located at Muzaffarnagar, Uttar Pradesh and Bharuch, Gujarat. The Company has already entered in long term supply of 'Indigenous Denatured Anhydrous Ethanol' with quantity of 12.87 Crores Litres per annum of with OMCs for supply of ethanol from these plants after commercialization for 10 years. Further, Gulshan is in receipt of Order for GCC (Ground Calcium Carbonate) Plant and allied equipment, it will be the 10th GCC plant to be installed by Gulshan thereby providing great impetus to the growth of our mineral processing segment for FY23.

With government's increased focus on ethanol blending in petroleum we believe there is a long runway for growth. As per current statistics, ethanol blending stands at ~ 9.5% and is targeted to reach 20% by 2025-26. According to ICRA Research, India's Ethanol production has to be increased by 3 times to meet the target of 20% ethanol blending by 2025. In order to capitalize on this opportunity, the Company is augmenting its capacity to 810 KLPD from 60 KLPD currently. This shall turn the company into a formidable player with a sizeable market share in ethanol segment.

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. Gulshan has prodigious potential to grow and is constantly scouting for opportunities arising out of **'Make in India and "Aatma-Nirbhar Bharat" Ethanol Blending Petroleum Program'** calls given and initiatives taken by Hon'ble. Prime Minister of India.

Moreover, the Company has kicked off the process of expanding its Grain based Ethanol Manufacturing Facility at its existing site at Chhindwara, Madhya Pradesh. Orders for Major Plant and Machinery have already been placed and construction activity is going on.

We expect our distillery segment to be our main pillar of growth with sustainable medium to long term value accretion. As we look forward, we are excited about the new opportunities created by our robust capital structure, growth investments, digital transformation, and commitment to continue leading our industry in the global transition to a low carbon, green and circular economy.

### 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 of 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 @ 100% in November, 2021 and further recommended the Final Dividend @100% and be declared in the ensuing 22<sup>nd</sup> Annual General Meeting of the Company on the paid up equity share capital of the company. Together with interim dividend, the total dividend for the year is @ 200% per share.

### Company's Overall Performance:

During the financial year ended March 31, 2022, Revenue from operations increases to ₹ 1100.72 crores from ₹ 766.03 crores in the previous year. Net Profit at ₹ 85.24 Crores as compared to ₹ 62.11 Crores in the previous year, which is a healthy growth with upturn of 37.24 %.

We have managed to achieve good growth across all the three segments during FY22. On Y-o-Y basis for a period of 12 months our EBIDTA Margins have contracted owing to headwinds on account of power costs (coal), lime stone and raw material prices.

In each of the segment we witnessed EBITDA growth (Y-O-Y) owing to improved sales volume and better sales realization, which has allowed us to deliver healthy results.

Some of the key challenges faced by us, especially during the second half of FY22, were the rising prices of coal and escalated cost of our key inputs namely, Grains (Rice & Maize). The global coal crisis has led to an increase in our power cost which is sourced mainly from our captive power plants. Fueled by the Russian - Ukrainian crisis, the prices of maize & rice on a global level have surged as the export demand for these products has increased. Consequently, this has led to an increase of our COGS. Even though certain costs were passed on, we witnessed some stress on our EBITDA margins on a quarterly basis. Despite the macro-economic challenges, we were able to achieve a historic milestone and crossed the coveted INR 1000 Crores' revenue mark owing to our strong product line, increasing market share and product diversification. Going forward, we are confident that we can sustain and further improve our operating margins owing to our superior product quality, operational efficiencies and capacity upgradation in our Ethanol & Grain Processing segments.

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 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 go hand-in-hand. In this regard, we are happy to announce that Company is focusing on women empowerment and education and an **Ashayain** initiative is being taken up and started this year only for celebrating the occasion of **75<sup>th</sup> Azadi ka Amrit Mahotsav**.

On behalf of the Board of Gulshan Polyols Limited, I would like to take this opportunity to acknowledge and thank our bankers, investors 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 and to employees for their continuous efforts 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. My dedicated squad and I remain confident to continue to lead **GULSHAN** to its next leg of growth.

**Jai Hind!!**



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

# Financial

## Financial

Total  
Income

**₹1103  
crore**

EBITDA

**₹152  
crore**

EBITDA  
Margins

**13.8%**

## Operational

**44%**

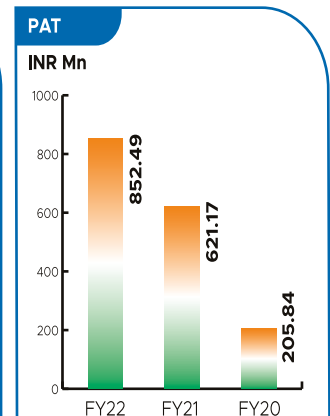
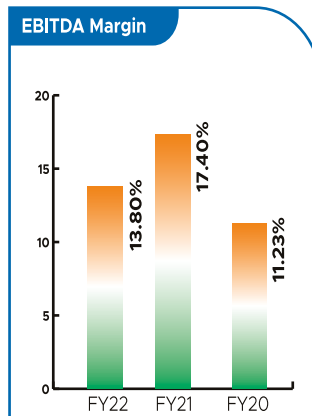
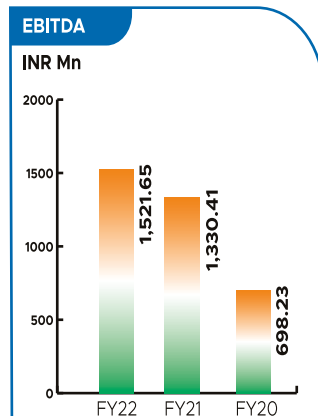
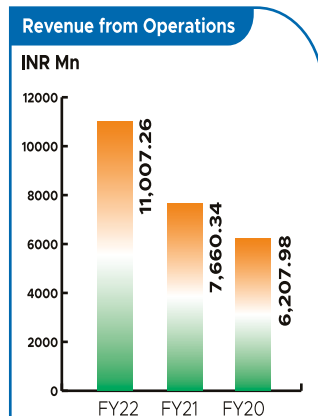
growth in Revenue  
from Operations  
y-o-y

**49%**

growth in Ethanol  
(Biofuel) and  
Distillery  
y-o-y

**Cost  
Optimisation**

led EBITDA  
margin expansion  
y-o-y





# Snapshot

## Performance

PAT

**₹85  
crore**

PAT  
Margins

**7.7%**

EPS  
(per share)

**₹16.40**

## Highlights

**27%**

reduction in  
finance cost  
y-o-y

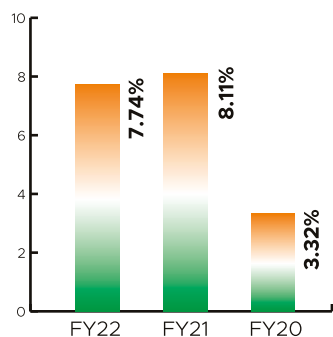
**36 bps**

reduction in PAT  
margins  
y-o-y

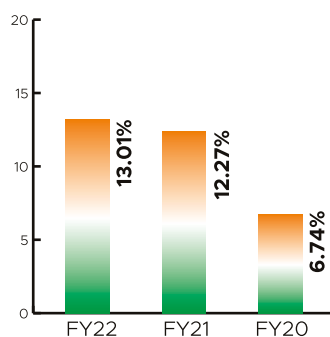
**31%**

growth in EPS  
y-o-y

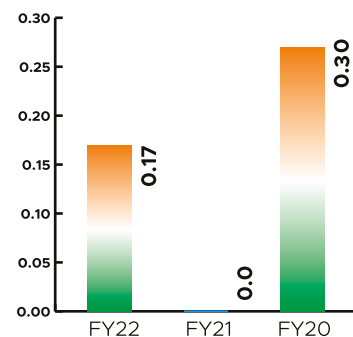
PAT Margin



ROE



Debt/Equity Ratio



(minor differences due to rounding off)

# Board of Directors



**Dr. Chander Kumar Jain**  
*Chairman & Managing Director,  
Gulshan Polyols Limited*

Gulshan Polyols Limited is promoted by Dr. Jain. He is a Sugar Technologist and has been awarded with Doctorate Degree in Chemistry. Dr. Jain is an industrialist of repute with more than five decades of rich and varied experience in the chemical and sugar industry.



**Ms. Arushi Jain**  
*Joint Managing Director*

Ms. Jain holds a degree of Master of Science from City University of New York, USA. She is having more than two decades of core experience in matter related to Operations, Marketing and Production.



**Ms. Aditi Pasari**  
*Joint Managing Director*

Ms. Pasari holds a degree of Master of Business Administration from University of Wales, UK. She is having more than two decades of core experience in matter related to Finance, Stakeholders Relations and Operations etc.



**Mr. Ashwani K. Vats**  
*Whole Time Director & CEO*

Mr. Vats is graduated with P.G. Diploma in Marketing and Management. He has vast experience in the calcium carbonate industry and has been associated with the Company for over decades.



**Mr. Akhilesh Kumar Maheshwari**  
*Director*

Mr. Maheshwari is a qualified Chartered Accountant from ICAI, Company Secretary from ICSI and an Insolvency Professional from IBBI. He is having more than three decades of experience in various industries like Banking, Electronics, Iron & Steel, Chemicals and Infrastructure etc.



**Mr. Rakesh Kapoor**  
*Director*

Mr. Kapoor is post graduated diploma in Sugar Technology from National Sugar Institute, Kanpur. He is a techno-financial professional with over four decades of varied and rich experience in the Corporate Sector, Financial sector, Project Financing etc.





**Ms. Archana Jain**  
*Director*

Ms. Jain is a qualified Chartered Accountant and a Law Graduate, 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.



**Mr. Rakesh Kumar Gupta**  
*Director*

Mr. Gupta is a practising Chartered Accountant holding the membership from the ICAI and is an Insolvency Professional from IBBI. He is having an extensive experience in Finance, Taxation and Management.

 *Executive Director*  
 *Independent Director*

# Corporate Overview

## Board's Committees

### Audit Committee

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

### Stakeholders Relationship Committee

**Mr. Akhilesh Kumar Maheshwari**, Chairman  
**Ms. Arushi Jain**, Member  
**Ms. Aditi Pasari**, Member

### Nomination, Remuneration and Compensation Committee

**Mr. Akhilesh Kumar Maheshwari**, Chairman  
**Mr. Rakesh Kumar Gupta**, Member  
**Ms. Archana Jain**, Member

### Corporate Social Responsibility Committee

**Ms. Archana Jain**, Chairperson  
**Ms. Arushi Jain**, Member  
**Ms. Aditi Pasari**, Member

### Risk Management Committee:

**Ms. Arushi Jain**, Chairperson  
**Mr. Akhilesh Kumar Maheshwari**, Member  
**Mr. Ashwani Kumar Vats**, Member

## Auditors

### Statutory Auditors

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

### Internal Auditors

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

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

### Secretarial Auditors

**M/s. DMK 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

### Alankit Assignments Limited

Alankit House, 4E/2 Jhandewalan Extension,  
New Delhi - 110055, INDIA  
Ph. No: 011-42541234/ 955 Fax No: 011-42541201  
E-mail: [rta@alankit.com](mailto:rta@alankit.com)

## Plant Locations

- 9th K.M., Jansath Road, Muzaffarnagar– 251001, Uttar Pradesh
- Plot no. 762, Jhagadia GIDC, Bharuch – 393130, Gujarat
- D-1, Distillery Unit, Plot No.9, 10 & 11, M.P.A.K.V.N., Borgaon-Sausar, Distt. Chhindwara-480108 Madhya Pradesh
- Village Rampur Majri, Dhaula Kuan , Distt Sirmour -173021 Himachal Pradesh
- E-21/22, RIICO Growth Centre, Phase - II, Abu Road-307026, Distt. Sirohi- Rajasthan
- Plant of Ethanol at Plot-B, Industrial Growth Centre Matia, Mornai, Goalpara, Assam-783101
- On-site plant of PCC at ITC Ltd., PSPD, Tribeni Unit, Chandrahati, Hooghly 712504, West Bengal
- On-site plant of PCC at Orient Paper Mills, PO- Amlai Paper Mill, Distt. Shadol, Madhya Pradesh-484117
- Silverton Pulp & Papers P. Ltd., 9th K.M., Bhopa Road, Muzaffarnagar– 251001, Uttar Pradesh

## Registered Office

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

## Corporate Office

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

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## BOARD'S REPORT

### To the Members of Gulshan Polyols Limited

Your Board of Directors takes pleasure in presenting the 22<sup>nd</sup> (Twenty Second) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2022.

#### I. FINANCIAL AND OPERATIONAL PERFORMANCE

##### 1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>REVENUE</b>		
Revenue from Operations	1,10,072.64	76,603.44
Other Income	204.75	260.98
<b>TOTAL INCOME (I)</b>	<b>1,10,277.39</b>	<b>76,864.42</b>
<b>TOTAL EXPENSE OTHER THAN INTEREST AND DEPRECIATION (II)</b>	<b>95,060.87</b>	<b>63,560.28</b>
Earnings before Interest, Tax, and Depreciation (EBITDA) (I – II)	15,216.52	13,304.14
Less: Finance Cost (Interest)	495.97	679.31
Depreciation	3,240.90	3,257.01
<b>PROFIT BEFORE TAX (PBT) (III)</b>	<b>11,479.65</b>	<b>9,367.82</b>
Less - Current Tax	3,079.67	1,843.89
- MAT Credit utilized	-	1,305.68
- Deferred Tax	(124.91)	6.59
<b>TOTAL TAX EXPENSES</b>	<b>2,954.76</b>	<b>3,156.16</b>
<b>PROFIT AFTER TAX (PAT) (IV)</b>	<b>8,524.89</b>	<b>6,211.66</b>
<b>OTHER COMPREHENSIVE (INCOME)/LOSS (V)</b>	<b>(5.84)</b>	<b>(66.95)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VI) (IV - V)</b>	<b>8,530.73</b>	<b>6,278.61</b>
<b>RETAINED EARNINGS-OPENING BALANCE</b>	<b>31,964.29</b>	<b>21,211.77</b>
Profit for the year	8,524.89	6,211.66
Dividend (including Dividend Distribution Tax) (Interim and Final)	(274.08)	(117.46)
Transfer to Capital Redemption Reserve	(975.00)	-
Transfer to General Reserve	(2.00)	-
Acquisition of GHPL*		4061.29
Acquisition of EDPL*		597.04
<b>RETAINED EARNINGS-CLOSING BALANCE</b>	<b>39,238.10</b>	<b>31,964.29</b>
Earnings per Share – Basic (₹)	16.40	12.53
- Diluted (₹)	16.40	12.53

\*Refer note 46 of the financials.

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

Gulshan Polyols Limited ('GPL' or 'the Company') is a multi-location and multi-product manufacturing company with global presence in 42 countries across 3 continents. GPL is a diversified Company engaged in manufacturing/ trading of Sorbitol, Fructose & Sweetener, Ethanol (Bio-fuel)/ Distillery, Calcium Carbonate, Starch & Derivatives, by products thereof and Onsite PCC Plants. GPL is an industrial house, older, more than four decades operating from multiple facilities set up across India. GPL is 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 everyone's 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 2021-22 was a robust year for the Company on multiple fronts, your Company has delivered a remarkable performance as the Company has achieved a highest ever yearly revenue of +INR 1000 Crore..

The earnings in the FY22 vs FY21 reflect a robust performance. The demand in Company's products surpassed all previous records and resulted into registering a growth in Revenue by ~ 44% and in Net Profit by ~ 37%.

During the financial year ended March 31, 2022, Company has achieved Revenue from Operations of ₹ 1,10,072.64 Lakhs (Previous Year: ₹ 76,603.44 Lakhs). The EBITDA for the year stood at ₹ 15,216.52 Lakhs against ₹ 13,304.14 Lakhs reported in the previous year. The Net Profit for the year stood at ₹ 8,524.89 Lakhs (Previous year ₹ 6,211.66 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, 2022

(₹in Lakhs)

Segments	Revenue for the year ended 31st March		Profits before Interest and Tax for the year ended 31st March	
	2022	2021	2022	2021
Mineral Processing	9,409.62	9,237.46	1,278.55	1729.13
Grain Processing	80,915.33	54,080.63	8,140.83	6631.03
Ethanol (Bio-Fuel)/ Distillery	19,729.30	13,269.60	2,453.27	1579.25
Unallocated	18.38	15.75	102.96	107.72
<b>Total</b>	<b>1,10,072.64</b>	<b>76,603.44</b>	<b>11,975.61</b>	<b>10,047.13</b>

During the year under review, our earnings per share is ₹16.40 as compared to ₹12.53 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 except disruptions in supply chain and increase in raw material prices which may impact on profit margins amid global tensions and fast inflation. We remain motivated and committed to consistently create value for our stakeholders while maintaining our strong leadership position in key business segments. A detailed analysis of the overall performance is given in the Management Discussion and Analysis Report, forming part of this Report.

### 3. TRANSFER TO RESERVES

During the year under review, an amount of ₹ 2,00,000 is transferred to the general reserve.

### 4. DIVIDEND

According to Regulation 43A of the Listing Regulations, the Board has adopted a Dividend Distribution Policy, which had been placed on the website of the Company and can be accessed at the link: <https://www.gulshanindia.com/pdf/policy/Dividend%20Distribution%20Policy.pdf>

During the year under review, the Board of Directors of your Company has also paid the Final dividend, declared for FY 2020-21 of 40% on 46,917,020 equity shares of face value ₹ 1/- each amounting to ₹ 0.40 per share at 21st AGM had declared and paid an interim dividend of 100% on 46,917,020 equity shares of face value ₹ 1/- each amounting to ₹ 1 per share. Further, the Board of Directors has recommended the Final Dividend of 100% on 5,19,75,489 equity shares of face value ₹ 1/- each amounting to ₹ 1 per share in their meeting dated May 20, 2022 subject to the approval of the shareholders in the 22<sup>nd</sup> Annual General Meeting (AGM) of the Company as stipulated in the Notice of 22<sup>nd</sup> AGM.

The Final Dividend after including an interim dividend will make a total dividend of ₹ 2 /- per equity share of face value of ₹ 1/- each, for the FY 2021-22.

The Board recommended/declared dividends based on the parameters laid down in the Dividend Distribution Policy.

Further, the Company has declared and paid the Preference Shares Dividend of 8% on 9,75,000 8% Redeemable Preference Shares of face value ₹ 100/- each in the meeting of the Board of Directors held on August 17, 2021 for FY 2020-21.

Furthermore, the Board in its meeting held on February 04, 2022 has accorded their consent for early redemption of 9,75,000 8% preference Shares of Rs. 100 each fully paid up upon alteration in the date of redemption from March 31, 2023 to February 05, 2022, consequent to written requisition and unanimous consent of preference shareholder and has paid accrued/accumulated dividend amounting ₹ 66,24,658 and entire redemption money to the preference shareholder of the Company in due compliance.

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

During the Financial Year 2021-22 and 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 2013-14 amounting to ₹ 5,84,430/- (Rupees Five Lakhs Eighty Four Thousand Four Hundred and Thirty 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 <https://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 1,09,235 (One Lakh Nine Thousand Two Hundred and Thirty Five) equity shares to the IEPF account during the financial year 2021-22. The details of equity shares transferred are also available on the Company's website at web link <https://www.gulshanindia.com/transferred-iefp.html>

The Nodal officer of the Company is Ms. Asha Mittal. The details of the nodal officer are also available on the Company's website <https://www.gulshanindia.com/>.

## 6. CAPITAL STRUCTURE & STOCK OPTIONS

### Authorised Share Capital

The Authorised Share Capital of the Company as at March 31, 2022 was ₹ 42,81,00,000/- (Rupees Forty Two Crore and Eighty One Lakh only) divided into 28,06,00,000 (Twenty Eight Crore and Six Lakh) Equity Shares of ₹ 1/- (Rupees One only) each; 2,50,000 (Two Lakh and Fifty Thousand) 0% (Zero Percent) Redeemable Preference Shares of ₹ 10/- (Rupees Ten only) each and 14,50,000 (Fourteen Lakh and Fifty Thousand) 0%-10% (Zero Percent to Ten Percent) Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred only) each.

During the year under review, the authorised equity share Capital of the Company was increased to 28,06,00,000 (Twenty Eight Crore and Six Lakh) Equity Shares of ₹ 1/- (Rupees One only) each from 22,50,00,000 (Twenty Two Crore and Fifty Lakh only) Equity Shares of ₹ 1/- (Rupee One only) each pursuant to the Scheme of Amalgamation of Gulshan Holdings Private Limited ("Transferor Company No. 1") and East Delhi Importers & Exporters Private Limited ("Transferor Company No. 2") with Gulshan Polyols Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme") sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench vide Order pronounced on March 09, 2022.

### Paid-up Share Capital

As on date, the paid-up equity share capital stands at ₹ 5,19,75,489 (Rupees Five Crore Nineteen Lakh Seventy Five Thousand Four Hundred and Eighty Nine only) consisting of 5,19,75,489 (Five Crore Nineteen Lakh Seventy Five Thousand Four Hundred and Eighty Nine) equity shares of ₹ 1/- (Rupee One only) each.

As at March 31, 2022, the paid-up equity share capital stands at ₹ 4,93,33,020 (Rupees Four Crore Ninety Three Lakh Thirty Three Thousand and Twenty only) consisting of 4,93,33,020 (Four Crore Ninety Three Lakh Thirty Three Thousand and Twenty) equity shares of ₹ 1/- (Rupee One only) each.

#### Qualified Institutions Placement

The Board of Directors of the Company at its meeting held on March 24, 2022 has approved the allotment of 24,16,000 (Twenty Four Lakh and Sixteen Thousand) Equity shares to eligible qualified institutional buyers at the issue price of ₹ 326.48 per Equity Share (including a premium of ₹ 325.48 to the face value of ₹ 1 per Equity Share) which is at a discount of 5 % (i.e., ₹ 17.18 per Equity Share), to the Floor Price of ₹ 343.66 aggregating to ₹ 78,87,75,680 (Rupees Seventy Eight Crore Eighty Seven Lakhs Seventy Five Thousand Six Hundred Eighty Only), pursuant to the issue and allotment of Equity Shares under **Qualified Institutions Placement ("QIP") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**, as amended. Accordingly, the paid – up equity share capital of the Company stands increased to ₹ 4,93,33,020 (Rupees Four Crore Ninety Three Lakh Thirty Three Thousand and Twenty only) from ₹ 4,69,17,020 (Rupees Four Crore Sixty Nine Lakh Seventeen Thousand and Twenty).

#### Scheme of Amalgamation

The Board of Directors of the Company in its meeting held on August 06, 2020 had approved a Scheme of Amalgamation amongst the Company, Gulshan Holdings Private Limited (Holding Company or Transferor Company 1), East Delhi Importers & Exporters Private Limited (Group Company or Transferor Company 2) and their respective Shareholders and Creditors ("the Scheme"), under section 230 to 232 and other applicable provisions of the Companies Act 2013 and the provisions of other applicable laws. The Scheme provides for the amalgamation of Transferor Company 1 and Transferor Company 2 into the Transferee Company (Gulshan Polyols Limited). The Scheme has been approved by the Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") vide its order pronounced on March 09, 2022. The certified copy of the order has been filed with "The Registrar of Companies, Kanpur, Uttar Pradesh," (the ROC) on March 30, 2022.

Consequent to the said NCLT Order, the Board of Directors of the Company at its meeting held on April 18, 2022 has approved the allotment of 2,99,82,536 (Two Crore Ninety Nine Lakh Eighty Two Thousand Five Hundred and Thirty Six) Equity Shares to the shareholders of Transferor Companies as on record date April 14, 2022, fixed for the purpose, in the ratio of 39,848 Equity Shares of ₹ 1/- each fully paid up of the Company for every 1 (one) Equity Share of ₹ 1000/- each fully paid up of Transferor Company No. 1 and 181 Equity Shares of ₹ 1/- each fully paid up of the Company for every 1 (one) Equity Share of ₹ 10/- each fully paid up of the Transferor Company No. 2 and out of which 27,340,067 equity shares at ₹ 1 were cancelled & extinguished with respect to investments made by transferor companies in the Transferee Company. Consequently, there was a net increase in the Equity Share Capital by 26,42,469 Equity Shares at ₹ 1/- per share. Thereby, the paid – up equity share capital of the Company stands increased to ₹ 5,19,75,489 (Five Crore Nineteen Lakh Seventy Five Thousand Four Hundred and Eighty Nine) from ₹ 4,93,33,020 (Rupees Four Crore Ninety Three Lakh Thirty Three Thousand and Twenty only), pursuant to the Scheme. Being the order filed with the ROC on March 30, 2022, the scheme

becomes operative from March 30, 2022 (Effective Date). As per Note No. 46 to the Financials regarding “Business combination on Merger” read with requirements of Ind AS 103, the Company has accounted merger by using pooling of interest method in the financial results in line with the Scheme. Accordingly, the financial information presented for the prior periods has been restated as per Ind AS-103 and to this effect and as the Scheme got operative from March 30, 2022, the paid equity share capital as on March 31, 2022 stands at ₹ 5,19,75,489 (Rupees Five Crore Nineteen Lakh Seventy Five Thousand Four Hundred and Eighty Nine only) comprising of ₹ 5,19,75,489 ( Five Crore Nineteen Lakh Seventy Five Thousand Four Hundred and Eighty Nine) equity shares of ₹ 1/- (Rupee One only) each.

Further, the Company has applied for listing of 2,99,82,536 Equity Shares and extinguishment of 2,73,40,067 Equity Shares and the BSE Limited and National Stock Exchange of India Limited granted its listing and trading approval vide letters dated May 24, 2022 (NSE Listing Letter); May 26, 2022 (BSE Listing Letter) and June 22, 2022 (BSE and NSE Trading Letters) respectively.

#### Preference Shares Capital

The Board of Directors of the Company at its meeting held on February 4, 2022 has redeemed the entire paid-up preference share capital of ₹ 9,75,00,000 (Rupees Nine Crore and Seventy Five Lakh only) consisting of 9,75,000 (Nine Lakh and Seventy Five Thousand) preference shares of ₹ 100/- (Rupees Hundred only) each, accordingly, as at March 31, 2022, preference share capital stands NIL.

#### **EMPLOYEES STOCK OPTION PLAN**

The members of the Company had approved the Gulshan Polyols Limited Employees Stock Option Scheme, 2018 (“**ESOP 2018**”) for grant of stock options exercisable into not more than 23,45,851 (Twenty Three Lakh Forty Five Thousand Eight Hundred and Fifty One) equity shares of face value of ₹ 1/- (Rupee One Only) each to eligible employees of the Company as defined in the Scheme.

During the year, the Company has granted 39,152 (Thirty Nine Thousand One Hundred and Fifty Two) stock options to eligible employees. The granted stock options can be exercised between April 1, 2024 to May 31, 2024 at ₹ 137/- (One Hundred and Thirty Seven only). The details under SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (‘SEBI SBEB Regulations’), has been placed on the website of the Company and weblink of the same are <https://www.gulshanindia.com/announcement.html>.

GPL ESOP Scheme, 2018 is in compliance with SEBI SBEB Regulations and other applicable laws and implemented through Employees Welfare Trust (“**Trust**”). For implementing and operating of ESOP 2018, the Trust holds 1,18,312 (One Lakh Eighteen Thousand Three Hundred and Twelve) equity shares of the Company as on March 31, 2022, being 0.24% 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 Trust as these eligible employees are not holders of such shares. The Trustee/Trust has not exercised the voting rights in respect of the aforesaid shares during the financial year 2021-22.

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:	2,89,040
Number of options granted during the year:	39,152
Number of options forfeited / lapsed during the year:	15,282
Number of options vested during the year:	2,34,598
Number of options exercised during the year:	2,34,598
Number of shares arising as a result of exercise of options:	Not applicable as ESOP granted through Secondary Market
Number of options outstanding at the end of the year:	78,312

Further, the Nomination, Remuneration and Compensation Committee in its meeting held on September 17, 2019 had granted 20,400 (Twenty Thousand and Four Hundred) Options under GPL Employees Stock Option Schemes 2018 to eligible employees, which due for vesting during the period from April 01, 2022 to May 31, 2022 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 3,970 options are forfeited/lapsed and balance 16,430 has been exercised.

The disclosures required to be made under ESOP Regulations for FY 2021-22 given on the website <https://www.gulshanindia.com/>. The Company has received the certificate from the Secretarial Auditor of the Company certifying that the GPL ESOP Scheme 2018 has been implemented in accordance with the SEBI SBEB Regulations and shareholders’ resolution. 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 and corporate 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 has conducted various training & awareness programs.

Employees are encouraged to report all 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

During the period under review, pursuant to the Scheme of Amalgamation executed between the Company, Gulshan Holdings Private Limited (Holding Company), East Delhi Importers & Exporters Private Limited (Group Company) and their respective Shareholders and Creditors, the holding Company has been merged into the Company w.e.f. March 30, 2022.

Further, the Company has been incorporated a wholly-owned Subsidiary namely "GULSHAN OVERSEAS – FZCO" on September 8, 2021 under Dubai Silicon Oasis Authority. However, the Company has not infused any capital into the said company yet.

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

## 9. CREDIT RATINGS

During the period under review, the CRISIL Ratings Limited has reaffirmed and granted 'CRISIL A+/Stable' rating to Long-Term Facilities and 'CRISIL A1' rating to Short-Term Facilities, to your Company.

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

The Company offers an excellent workplace environment where employees can perform to the best of their abilities. The work culture is shaped by self-motivated and committed professionals, aligned with our business objectives and working together to deliver topnotch and tailored solutions.

Your Company laid down a Policy on Prevention of Sexual Harassment at work place and has an Internal Complaints Committee ("IC"). The Company has zero tolerance on Sexual Harassment at workplace. All employees - permanent, contractual, temporary and trainees are covered under this Policy. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and no complaint was pending at the beginning and at the end of Financial Year 2022. The Company carried out focused campaign on POSH and Awareness drives.

## II. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company has spent eligible and budgeted amount towards Corporate Social Responsibility ("CSR") activities in accordance with Schedule VII of the Companies Act, 2013. However, an amount of ₹ 60 Lakhs from CSR's amount, accounted and budgeted for FY 2021-22, has been transferred to a separate account i.e. Unspent CSR Account for the purpose of an Ongoing Project.

During the FY 2021-22, the Company has contributed a significant amount towards COVID-19 relief efforts and promoting education.

Annual Report on CSR activities for the Financial Year 2021-22 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, as approved by the CSR Committee on August 9, 2022, is attached as **Annexure 'A'** to the Board's Report.

### COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

In compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board. The CSR policy, covering the Objectives, Focus Areas, Governance Structure Monitoring and Reporting Framework inter alia others are approved by the Board of Directors. 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 <https://www.gulshanindia.com/pdf/policy/CorporateSocial-Responsibility-CSR-Policy.pdf>.

As on date, the CSR Committee comprises of Ms. Archana Jain (Chairperson), Ms. Arushi Jain and Ms. Aditi Pasari. Mr. Jeewan Jyoti Bhagat has discontinued / ceased as a chairman of the Committee with effect from August 5, 2022 and thereafter Ms. Archana Jain inducted as a Chairperson effective from August 9, 2022. 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

- 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.
- 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 Notes of the Financial Statements.

- 3. Particulars of Contracts or Arrangements with the Related Parties:** Your Company has adopted the revised Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions ('RPTs') in accordance with the amendments made in Listing Regulations. 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 2021-22 were in the ordinary course of business and on arm's length basis. No material RPTs were entered into during FY 2021-22 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 <https://www.gulshanindia.com/pdf/policy/policy-on-materiality-of-related-party-transactions-and-dealing-with-related-party-transactions.pdf>.

There were no material 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. 44 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 2021-22 till the date of this Report, which affects the financial position of your Company. Your Company maintains appropriate internal control systems, which also provide reasonable assurance of recording the transactions of all material aspects of our operations and of providing protection against significant misuse or loss of the Company's assets.

**5. Significant or Material orders:**

During the year under review, the Hon'ble National Company Law Tribunal, Allahabad Bench has issued and granted a certified true copy of order in respect of Scheme of Amalgamation of Gulshan Holdings Private Limited and East Delhi Importers & Exporters Private Limited with Gulshan Polyols Limited and their respective creditors and shareholders ("Scheme"), which was received by the Company on March 25, 2022 and the same has been filed with the "The Registrar of Companies", Kanpur, Uttar Pradesh on March 30, 2022. Accordingly, the Scheme has become operative from March 30, 2022 ('Effective Date').

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, Dr. Chandra Kumar Jain and Ms. Archana Jain. Ms. Archana Jain, inducted as a member in the Committee w.e.f. August 9, 2022. 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 as issued by 'The Institute of Company Secretaries of India'.

- 10. Industrial Relations:** During the year under review, industrial relations remained harmonious at all our offices and establishments.

#### IV. DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### 1. APPOINTMENT / REAPPOINTMENT/ RESIGNATION/ OTHER CHANGES

###### DIRECTORS

Ms. Arushi Jain (DIN: 00764520) will retire at the ensuing Annual General Meeting (AGM) and being eligible, has offered herself for reappointment. The Board recommends her reappointment to the members in the ensuing 22nd AGM.

During the year under review, Mr. Kailash Chandra Gupta (DIN: 01649210) and Mr. Jeewan Jyoti Bhagat (DIN: 00007743), discontinued / ceased as a Non-Executive & Independent Director of the Company with effect from April 2, 2021 and August 5, 2022 respectively. 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.

Further, the Board of Directors, on the recommendation of Nomination, Remuneration and Compensation Committee ('NRC') accorded its approval for appointment of Mr. Rakesh Kapoor (DIN: 00015358) as an Additional Director in the category of Non-Executive & Independent Director with effect from August 9, 2022 to hold office till the conclusion of the 22nd Annual General Meeting. Moreover, Mr. Rakesh Kapoor has affirmed that he was not debarred from holding the office of Independent Director by virtue of any SEBI order or any other regulating Authority.

Additionally, on the recommendation of NRC, the Board has proposed and recommended the following, for the approval of Members of the Company in the 22nd AGM:

- Appointment of Mr. Kapoor as a Non-Executive & Independent Director to hold office for a term effective from August 9, 2022 upto September 30, 2024, shall not be liable to retire by rotation.
- Reappointment of Ms. Archana Jain (DIN: 09171307) as a Non-Executive & Woman Independent Director to hold office for a term effective from April 1, 2023 upto September 30, 2027, shall not be liable to retire by rotation. Ms. Archana Jain has affirmed that she was not debarred from holding the office of Independent Director by virtue of any SEBI order or any other regulating Authority.
- Reappointment of Dr. Chandra Kumar Jain, Chairman and Managing Director of the Company, shall be effective from April 1, 2023 to hold the office for a term upto September 30, 2027, shall not be liable to retire by rotation.
- Redesignation Ms. Arushi Jain (DIN: 00764520) and Ms. Aditi Pasari (DIN: 00120753) as Joint Managing Directors of the Company with effect from November 9, 2021 until their existing remaining tenure upto March 31, 2024.

Brief resumes and other details of the Director(s) being appointed, reappointed, redesignated 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 22nd AGM. Further, in the opinion of the Board, Mr. Rakesh Kapoor and Ms. Archana Jain has relevant integrity, expertise, balance of skill, knowledge and experience, required for the said appointments. The Company has received declarations from the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and Listing Regulations.

During the year, the Members had at the 21st AGM of the Company held on September 18, 2021, approved the appointment/ re-appointment of;

- Mr. Ashwani Kumar Vats (DIN: 00062413) who liable to retire by rotation and had offered himself for reappointment; and
- Ms. Archana Jain (DIN: 09171307) as a Non-Executive & Woman Independent Director to hold office for a term, effective from May 22, 2021 upto March 31, 2023.

### **Pecuniary relationship or transactions with the Company**

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee(s) of the Company.

### **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, Joint Managing Director; Ms. Aditi Pasari, Joint Managing 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, Ms. Arushi Jain (DIN:00764520) and Ms. Aditi Pasari (DIN:00120753) are redesignated from Whole Time Directors to Joint Managing Directors of the Company with effect from November 9, 2021 subject to the approval of members of the Company in the ensuing AGM.

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

## **2. MEETINGS OF THE BOARD**

During the year, 9 (Nine) meetings of the Board of Directors were convened and held during the financial year 2021-22. 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.

### **3. ANNUAL PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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. In a separate meeting of Independent Directors, the performance of Non-Independent Directors and the Board as a whole, and the Chairperson of the Company was evaluated taking into account the views of Executive Directors and Non-Executive Directors. A statement on annual evaluation by the Board of its performance and performance of its Committees as well as Individual Directors including Chairperson of the Board is detailed in the Corporate Governance Report attached to this report.

### **4. 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 for all Board Members and Senior Management.

Further, Independent Directors confirmed that none of among them has been debarred or disqualified from being appointed or continuing as a Director of the Company by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority and declared that they have stayed in India for a total period of not less than one hundred and eighty-two days during the financial year.

### **5. 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, 2022 and of the profit and loss of the Company for the year ended March 31, 2022;
- 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 2021-22; 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 Accountants (Firm Registration No. 008692C), were appointed as Statutory Auditors of the Company by members of the Company for a first term of five years to hold office till conclusion of the ensuing 22nd AGM.

Pursuant to the provisions of Section 139 (2) of the Act, an audit firm can be appointed as an Auditor of the Company for maximum two terms, each term of maximum five consecutive years. The Board is of the opinion that continuation of M/s Rajeev Singal & Co.,



Chartered Accountant, as Statutory Auditors will be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company and therefore, the members are requested to consider their reappointment as Statutory Auditors of the Company, for a second term of consecutive five years, from the conclusion of this 22<sup>nd</sup> Annual General Meeting, till the conclusion of 27<sup>th</sup> Annual General Meeting to be held in the calendar year 2027, at such remuneration mutually agreed and approved by the Board in their meeting held on May 20, 2022. The Company has received a confirmation from the Statutory Auditors to the effect that their reappointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2022 is unmodified i.e. it does not contain any qualification, reservation or 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. The Auditors' Report is enclosed with the financial statements forming part of the annual report.

## 2. INTERNAL AUDITORS

- i) M/s Svaraj & Associates, Chartered Accountants (Firm Registration No. 014203N) have been appointed as Internal Auditors for the financial year 2022-23 for all the Units except Bharuch Unit of the Company.
- ii) M/s Pankaj K. Goyal & Co., Chartered Accountants (Firm Registration No.006885C) have been appointed as Internal Auditors for the financial year 2022-23 for audit of Bharuch Unit of the Company.

They will perform the duties of Internal Auditors of the Company and their report will be placed before the Audit Committee and Board of Directors on a time to time basis.

## 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.

The Board on recommendation of the Audit Committee has appointed M/s MM & Associates, Cost Accountants (Firm Registration No. 000454), as the Cost Auditors for auditing the cost accounts of your Company, 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 financial year 2022-23. 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 22<sup>nd</sup> AGM of the Company.

During the year, the Cost Audit Report from M/s Rahul Jain & Associates, ex-Cost Accountants (Firm Registration No.101515), of your Company was filed with the Central Government for the financial year ended March 31, 2021. There has been no qualification, reservations, adverse remark or disclaimer in the Cost Audit's Report submitted for FY 2021-22. The Cost Audit Report for FY 2021-22 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, (Firm Registration Number: P2001DE16100), to undertake the Secretarial Audit of the Company for FY 2021-2022. Further, the Board has appointed M/s. DMK Associates, Company Secretaries, (Firm Registration Number: P2006DE003100) as Secretarial Auditors of the Company for FY 2022-23.

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

- There was an accidental delay by two days in submitting the disclosure with respect to Related Party Transactions for the Half Year ended 31st March, 2021 with the Stock Exchanges and consequently the fine was levied by SEBI as per the SEBI SOP Circular no. SEBI/HO /CFD/CMD/CIR/P/2020/12 dated January 22, 2020 and the same was paid by Company.
- 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 was placed before the Audit Committee and the Board for taking disciplinary actions against such designated persons. In this regard, necessary actions were taken, fines were imposed and reporting has been made to the stock exchanges, pursuant to SEBI circular no. SEBI/HO/ISD/ISD/CIR/ P/2020/135 dated July 23, 2020.
- Further, the Company has identified some inadvertent entries at System Driven Disclosures for Designated Persons on Stock Exchange, for which Company is taking necessary action for its exposition.

### Management's Reply

- The Company has clarified and elucidated to the concerned Stock Exchanges that the inadvertent delay caused at the time of COVID19 outbreak and due to COVID restrictions. However, with intent to make submission on time, company tried hard to comply this on time and achieved to file it on last day on which its ought to be filed as per us as the company has gain understanding and interpreted the law differently and filed the disclosure accordingly on time as per the Company's interpretation of law i.e. the disclosure under Regulation 23(9) shall be filed with in 30 days of publication means newspaper publication and the Company has published its Extract of Audited Financial Results in newspapers on May 24, 2021 and consequently filed the Disclosure under Regulation 23(9) on June 23, 2021. The Company's intention is never to disregard law. However, your Company has deposited the amount of fine imposed in context of delay in compliance of Disclosure under Regulation 23(9) of Listing Regulations to the concerned stock exchanges.
- The Company has observed few inadvertent violations done by the designated persons under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations") and the matter was placed before the Audit Committee and the Board for taking disciplinary actions against such designated persons. In this regard, necessary actions were taken, fines were imposed and reporting has been made to the stock exchanges adequately in pursuant to the SEBI circular no. SEBI/HO/ISD/ISD/CIR/ P/2020/135 dated July 23, 2020.
- The Management of the Company submits that with respect to the inadvertent entries at System Driven Disclosures for Designated Persons on Stock Exchanges, the Company understand those entries majorly reflecting information which were intimated or either not applicable to intimate. However, the Company has taken necessary action for its exposition.

The management of the Company assures you to comply with all the provisions of the applicable laws in true spirit in future.

## 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' 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 is attached to the Corporate Governance Report.

### 2. 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, 2022 is available on Company's website and can be accessed at <https://www.gulshanindia.com/pdf/22annualmeeting/Annual-Return.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. The Company has amended the policy to insert the email id created for purpose of raising and reporting genuine concern through the designated email id. The revised policy is available on website of the Company at <https://www.gulshanindia.com/pdf/policy/whistle-blower-policy-vigil-mechanism.pdf>.

### 4. COMMITTEE RECOMMENDATIONS

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

### 5. NOMINATION AND REMUNERATION POLICY

The Company has revised its Nomination and Remuneration Policy for the Directors, KMPs 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 revised policy is available on website of the Company at <https://www.gulshanindia.com/pdf/policy/nNomination-and-Remuneration-Policy.pdf> and the salient features of policy is 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. During the year, Company has also adopted a policy on Risk Management which outlines the program implemented by the Company to ensure appropriate risk management within its systems and culture.

## 7. BOARD AND COMMITTEES

As required under the Act, and the Listing Regulations, the Company has constituted these statutory committees of the board: the Audit Committee, the Corporate Social Responsibility Committee, the Nomination, Remuneration and Compensation Committee, the Stakeholders Relationship Committee, the Risk Management Committee. The Other board committees are: 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 systems 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 Pankaj K. Goyal & Co., & M/s Svaraj & Associates, 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 Listing Regulations describing the initiatives taken by the Company from an environmental, social and governance perspective, is attached as **Annexure-'G'** to Board's Report and forms part of this Report.

## 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.

For and on behalf of the Board of Directors

**Dr. Chandra Kumar Jain**

Chairman and Managing Director

DIN: 00062221

Delhi, August 9, 2022

# Corporate Social Responsibility

*It is not an add-on.  
It's our core.*



**ANNEXURE-A TO BOARD'S REPORT**
**Annual Report on Corporate Social Responsibility (CSR) Activities for Financial Year 2021-22**

[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, Focusing on Environment, Social and Rural development projects etc.

**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 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 locations 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 of the Companies Act, 2013, the Company has undertaken the CSR projects/activities, focusing on below:

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

Our CSR is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives. The CSR Policy of the Company, as approved by the Board of Directors, is available on the Company's website at [www.gulshanindia.com](http://www.gulshanindia.com). A brief overview of your Company's CSR projects/activities are given in this report.

**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. Kailash Chandra Gupta	Ex-Chairman/ Independent Director	-	-
	** Mr. Jeewan Jyoti Bhagat		3	3
	***Ms. Archana Jain	Chairperson/ Independent Director	Not entitled to attend the Meetings during the FY 2021-2022	
2.	Ms. Arushi Jain	Member/ Executive Director	3	2
3.	Ms. Aditi Pasari	Member/ Executive Director	3	3

\*Resigned w.e.f. April 2, 2021.

\*\*Inducted as Chairman w.e.f. May 7, 2021 and discontinued w.e.f. August 5, 2022.

\*\*\*Inducted as a Chairperson effective from August 9, 2022.

**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:**

The weblink is as follows: <https://www.gulshanindia.com/pdf/policy/CorporateSocial-Responsibility-CSR-Policy.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 Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
1	2020-21	17.95	5.66

**6. Average net profit of the company as per section 135(5): ₹4897.71 Lakhs**

**7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹97.95 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 (carry forward from FY 2020-21), if any: ₹17.95 Lakhs**

**(d) Total CSR obligation for the financial year 2021-22 (7a+7b-7c): ₹80.00 Lakhs**

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

Total Amount Spent for the Financial Year 2021-22 (₹ 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 (₹ in Lakhs)	Date of transfer	Name of the Fund	Amount (₹ in Lakhs)	Date of transfer
85.66*	60.00	30.04.2022	-	-	-

\*including ₹ 60.00 Lakhs transferred to the unspent CSR Account as per Section 135(6) of the Companies Act, 2013.

**(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 Lakhs)	Amount spent in the current Financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Mridul Literacy Degree College	(ii) - Promoting Education	Yes	Uttar Pradesh	Muzzafarnagar	Multi Year	It will be allocated in phases as approved by the committee/board. However, it is projected that project requires ₹ 4 Crores (Rupees Four Crore Only) approx. It will be decided and allocated in phases or in multiple tranches as and when required for the entire project whether directly or through implementing agency.	Nil	60.00	No	Mridul Literacy Society	CSR00012733

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

1	2	3	4	5		6	7	8	9
				State	District				
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		A m o u n t spent in FY 2021-22 (₹in Lakhs)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation -Through Implementing Agency	CSR Registration number
								Name	
1.	Organized Free Eye Checkup and Contact eye surgery Camp, Organized Vaccination Camps and other health preventive measures	Schedule VII (i)- Promoting Health Care including Preventive Health Care	Yes	Uttar Pradesh, Madhya Pradesh, and Gujrat	Muzaffarnagar, Chhindwara, and Bharuch	3.94	Yes	-	-
	Empowerment of persons with disabilities by supporting towards development of Mental Health Centre		Yes	Madhya Pradesh	Chhindwara	3.00	No	Gramin Adivasi Samaj Vikas Sansthan	CSR00006802
2	Promoting and facilitating Education in Schools	Schedule VII (ii)- Promoting Education	Yes	Uttar Pradesh, Himachal Pradesh and Gujarat	Muzaffarnagar, Ponta and Bharuch	1.98	Yes	-	-
	Other organized education programs		Yes	Uttar Pradesh, Rajasthan, Gujrat and Kolkata	Muzaffarnagar, Abu Road, Bharuch and Tribeni	12.75	No	Mridul Literacy Society	CSR00012733
3	Eco-Friendly Bags Distribution	Schedule VII (iv)- Environmental Sustainability	No	Madhya Pradesh	Chhindwara	0.08	Yes	-	-
4	Training to promote Rural sports	Schedule VII (vii) -Training to promote rural sports	Yes	Gujarat	Bharuch	0.74	Yes	-	-
5	Infrastructure Development in Rural Areas	Schedule VII (x) -Promoting rural development projects	No	Gujarat	Bharuch	0.33	Yes	-	-
<b>Total</b>						<b>22.82</b>			

**(d) Amount spent in Administrative Overheads:** ₹ 2.85 Lakh

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

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 85.66 Lakh (Includes amount allocated for ongoing project and transferred to separate unspent csr account)

**(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)	97.95
(ii)	Total amount spent for the Financial Year	85.66
(iii)	Excess amount spent for the financial year [(ii)+ ₹17.95(excess amount spent carry forward from FY 20-21-(i))]	5.66
(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	5.66

**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 Lakhs)	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 Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
None							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs)	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 assets:** 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 percent of the average net profit as per section 135(5):** Not Applicable

Delhi, August 9, 2022

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

**Archana Jain**  
Chairperson of CSR Committee  
DIN: 09171307



# Gulshan is shaping girls' life - Ashayein



**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 includes 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.

**(₹ in Lakhs)**

S. No.	PARTICULARS	2021-22	2020-21
i.	Earnings by way of Export of Goods calculated on FOB basis	6808.29	5680.61
ii.	Payment of interest on loan taken	0.00	19.67
iii.	Payment of Commission on Export of Goods	41.07	36.87
iv.	Expenditure on Foreign Travelling	30.69	19.67
v.	Expenditure on Testing/Analysis Service	60.84	66.59
vi.	Expenditure on Legal & Professional fee	3.02	5.39
vii.	Expenditure on Subscription & Membership fee	0.22	0.00

For and on behalf of the Board of Directors

Delhi, August 9, 2022

**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, 2022:**
**A. The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22 as well as the percentage (%) increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during financial year 2021-22:**

S. No.	Name	Designation	Remuneration FY 2021-22 (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	625.90	98.72	240.73
2	Ms. Arushi Jain	Joint Managing Director	254.70	46.43	97.96
3	Ms. Aditi Pasari	Joint Managing Director	254.90	71.74	98.04
4	Mr. Ashwani Kumar Vats	Whole Time Director and CEO	120.57	55.18	46.37
<b>Non-Executive Directors</b>					
5	Mr. Akhilesh Kumar Maheshwari	Independent Director	5.63	3.97	2.17
6	*Mr. Kailash Chandra Gupta	Ex-Independent Director	-	NA <sup>@</sup>	-
7	Mr. Rakesh Kumar Gupta	Independent Director	5.63	3.97	2.17
8	#Mr. Jeewan Jyoti Bhagat	Independent Director	5.63	3.97	2.17
9	**Ms. Archana Jain	Independent Director	5.43	NA <sup>@</sup>	2.09
<b>Key Managerial Personnel</b>					
10	Mr. Rajiv Kumar Gupta	Chief Financial Officer	26.61	10.86	10.24
11	Ms. Asha Mittal	Company Secretary	9.14	NA <sup>@</sup>	3.51

\*Resigned with effect from April 2, 2021.

\*\*Appointed with effect from May 22, 2021.

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

# Discontinued with effect from August 5, 2022.

Note:

- Above remuneration is on due basis.
- Company pays commission based on profits of the Company to its entire board, thereby remuneration of executive directors is including commission which relates to FY 2021-22.
- The Remuneration of Non-Executive & Independent Directors covers sitting fees for attending Board/ Committee Meetings, fixed conveyance allowance and commission which relates to FY 2021-22.

**B. The median remuneration is ₹ 2.60 Lakhs annually for FY 2021-22.**
**C. Percentage increase in the median remuneration of employees in FY 2021-22: 6.33%**
**D. Number of permanent employees on the rolls of the Company as on March 31, 2022: 458**

**E.** The average percentile increase already made in the salaries of employees other than Managerial Personnel was 14.66% and the average percentile increase in the remuneration of Managerial Personnel was 70.43% 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, 2022:**

**A. Top Ten Employees in terms of remuneration drawn, including name of every employee(s) employed throughout the financial year 2021-22, who were in receipt of remuneration not less than ₹ 10,200,000/- per annum:**

S.No.	Name	Designation of the employee	Qualifications	Age (Years)	Experience (Years)	Date of commencement of Employment	Nature of Employment	Remuneration* (₹ In Lakhs)	% of Equity share held**	Last Employment	
										Employer's Name	Post Held
1	Dr. Chandra Kumar Jain	Chairman and Managing Director	Doctorate Degree of philosophy in Chemistry	74	51	20.10.2000	Contractual	625.90	7.19	NA	NA
2	Ms. Arushi Jain	Joint Managing Director	Degree of Master Of Science	45	12	01.01.2010	Contractual	254.70	0.77	NA	NA
3	Ms. Aditi Pasari	Joint Managing Director	Degree of Master Of Business Administration	43	12	01.01.2010	Contractual	254.90	0.15	NA	NA
4	Ms. Ashwani Kumar Vats	Whole-time Director & Chief Executive Officer	Post Graduate Diploma In Marketing Management	60	31	01.04.2005	Contractual	120.57	0.12	NA	NA

\*Above remuneration is on due basis.

\*\*Above share holding is change on account of giving effect of Merger. Refer Note No. 14(b) to Financial Statement for same.

**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 Board of Director of the Company.**

For and on behalf of the Board of Directors

Delhi, August 9, 2022

**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, 2022**

[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 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, 2022**, 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, 2022** 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. Further, during the period under review, foreign portfolio shareholding has been inducted in the company and the same is being depicted in the shareholding pattern.
- 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
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [**Not Applicable as the Company has not issued and listed any Non-convertible securities during the period under review**];
  - (g) 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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 [**Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the period under review**];
  - (i) 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, according to the industry to which Company belongs, are identified and reviewed by the Management or independent professionals and hence such laws are not analysed in this audit.

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, the company is required to adopt the secretarial standards in more stricter sense.*
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (“SEBI Listing Regulations”). Further, it is recommended that for better governance provisions stated under various applicable laws must be adhered in true letter and spirit.
3. Notification No. G.S.R 186 (E) dated March 19, 2020 read with Notification No. G.S.R 395 (E) dated December 30, 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).

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:

- *There was an accidental delay by two days in submitting the disclosure with respect to Related Party Transactions for the Half Year ended 31st March, 2021 with the Stock Exchanges and consequently the fine was levied by SEBI as per the SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 and the same was paid by Company.*
- *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 was placed before the Audit Committee and the Board for taking disciplinary actions against such designated persons. In this regard, necessary actions were taken, fines were imposed and reporting has been made to the stock exchanges, pursuant to SEBI circular no. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020.*
- *Further, the Company has identified some inadvertent entries at System Driven Disclosures for Designated Persons on Stock Exchange, for which Company is taking necessary action for its exposition.*

**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 following 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:
  - i. Mr. Kailash Chandra Gupta (DIN: 01649210), Independent Director of the Company has tendered his resignation from the Board of Directors of the Company w.e.f. April 02, 2021.
  - ii. Ms. Archana Jain (DIN: 09171307), has been appointed as an Independent Director of the Company with effect from May 22, 2021 to hold the office for a term up to March 31, 2023 and the same has been approved by the members in the 21<sup>st</sup> Annual General Meeting of the Company.
  - iii. Ms. Arushi Jain (DIN: 00764520) and Ms. Aditi Pasari (DIN: 00120753), Whole Time directors of the company has been redesignated as Joint Managing Director of the Company for their remaining tenure up to March 31, 2024, with effect from November 09, 2021.
- 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 decisions are carried through, while the dissenting member’s views, if any, are captured and recorded as part of the minutes.
- As per the records, the Company has 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 are in compliance with the Act.
- 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. However, the company had approved an ongoing project through Annual Action plan placed before the Board in its Meeting held on May 22, 2021.

**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.

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

1. The 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 Gulshan Holdings Private Limited and East Delhi Importers & Exporters Private Limited (collectively known as “Transferor Companies”) with Gulshan Polyols Limited (“Transferee Company”) and their respective Shareholders and Creditors (“Scheme”) pursuant to Section 230 to 232 of the Companies Act, 2013 and any other applicable provisions of the Act. Further, final Order from Hon’ble NCLT pursuant to the above Scheme of Amalgamation has been pronounced on March 09, 2022. The Company has filed the Order with the Registrar of Companies, Kanpur on March 30, 2022. Consequently, the Scheme becomes operative from March 30, 2022 (“Effective Date”). In addition to the same, the Company has fixed a Record date as April 14, 2022 for allotment of Equity Shares to the respective shareholders of the Transferor Companies. Accordingly, the Board in its Meeting held on April 18, 2022 has allotted the Equity Shares in terms of the Scheme. The Company has obtained listing approvals from both the Stock Exchanges by May 26, 2022. In addition to this, Company has received Trading approvals on June 22, 2022 from the Stock Exchanges and was admitted for dealings with effect from June 23, 2022.



2. The Board of Directors in the Board Meeting held on August 17, 2021 has accorded their approval for raising of funds and Issuance of Securities through Qualified Institutions Placement (“QIP”) aggregating to Rs. 250 Crore (Rupees Two Hundred & Fifty Crore only). The same was also approved at the 21<sup>st</sup> Annual General Meeting (“AGM”) held on September 18, 2021 by way of a Special Resolution. Further, the Company has received In-Principal approval from both the Stock Exchanges on March 21, 2022. Consequently, in consonance to the above approvals, the Company in its Board Meeting held on March 24, 2022 has allotted the Equity Shares to the eligible Qualified Institutional Buyers (“QIBs”) and the same was intimated to the concerned Stock Exchanges. The Company has obtained listing approvals from both the Stock Exchanges on March 25, 2022. In addition to this, Company has received Trading approval on March 28, 2022 from the Stock Exchanges and was admitted for dealings with effect from March 29, 2022.
3. The Company has incorporated a Wholly Owned Subsidiary under name and style of “Gulshan Overseas- FZCO” on September 08, 2021 under Dubai Silicon Oasis Authority, Dubai, United Arab Emirates for expanding the current business of the Company and exploring the business opportunities globally. However, as confirmed by the company there has been no capital infusion done till date.
4. The Board in its Meeting held on November 09, 2021, declared an interim dividend @100% amounting to Re. 1 per equity share on the basis of face value of Re. 1 each, for the financial year 2021-22, to those shareholders whose name appear in the register of members of the company as on record date i.e. November 17, 2021.
5. The Board of Directors in its meeting held on May, 22, 2021 has recommended final dividend of Rs. 0.40 per equity Share based on face value of Rs. 1 aggregating to Rs. 1,87,66,808, which has been approved and declared at the 21<sup>st</sup> Annual General Meeting held on September 18, 2021
6. The Board in its meeting held on February 04, 2022 has accorded consent for early redemption of 9,75,000 8% preference Shares of Rs. 100 each fully paid up upon alteration in the date of redemption from March 31, 2023 to February 05, 2022 with the written requisition and consent of preference shareholder and consequently the same has been redeemed in due compliance.

**For RMG & Associates**  
**Company Secretaries**  
**Firm Registration No. P2001DE016100**  
**Peer Review No.: 734 / 2020**

**Place: New Delhi**  
**Date: August 09, 2022**  
**UDIN: F005123D000740011**

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

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

## Annexure

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

Our Secretarial Audit Report for the financial year ended March 31, 2022 of even date is to be read along with this letter:

**Management's Responsibility**

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.

**Auditor's Responsibility**

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.

**Disclaimer**

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.

**For RMG & Associates  
Company Secretaries  
Firm Registration No. P2001DE016100  
Peer Review No.: 734 / 2020**

**Place: New Delhi  
Date: August 09, 2022  
UDIN: F005123D000740011**

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

## 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) and (t) 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, 2022, the Board of Directors is in conformity with Regulations 17 of the Listing Regulations read with Sections 149 and 152 of the Companies Act, 2013 (‘the Act’). 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) including a Woman Independent Director. The Board has diversity in terms of age, expertise, domain experience, gender etc. Their Composition with other details 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.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act, along with the rules framed thereunder, including any amendments thereto. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the Management. Further, the Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs (‘IICA’) and are exempt from the requirement to undertake or if not exempted then undertook the online proficiency self-assessment test conducted by IICA. All the Independent Directors have requisite knowledge of business, in addition to the expertise in their area of specialization.

The skills, expertise and competencies of the Directors as identified by the Board in the context of business(es) of the Company, are provided in 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 fulfills the conditions specified in the Listing Regulations and are independent of the management of the Company.

## A. Composition and other details of the Board as on March 31, 2022

Name of the Director(s) & DIN	Category	Directorships in Other Listed Entities and Category of Directorships	No. of other Directorships; and Committees' Chairmanships and Memberships in Indian Public Companies		
			Other Directorship <sup>2</sup>	Committees Chairmanship	Committees Membership <sup>3</sup>
Dr. Chandra Kumar Jain DIN:00062221	Executive, Chairman and Managing Director and Promoter	-	1	-	1
Ms. Arushi Jain DIN:00764520	Executive, Joint Managing Director and Promoter	-	1	-	-
Ms. Aditi Pasari DIN:00120753	Executive, Joint Managing Director and Promoter	-	1	-	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	-
Ms. Archana Jain DIN:09171307	Non-Executive & Independent Director	-	-	-	-

- 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.

*Ms. Arushi Jain and Ms. Aditi Pasari are redesignated from Whole Time Directors to Joint Managing Directors of the Company w.e.f. November 09, 2021, shall be subject to the approval of members of the Company in the 22<sup>nd</sup> AGM of the Company as placed in the Notice of AGM.*

- The directorships held by Directors, as mentioned above includes Directorships in Indian Public Companies only and do not include the directorships held in Section 8 Companies, Private Limited 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 Public Limited Companies including Gulshan Polyols Limited. Details of Committee memberships provided does not include 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.*
- During the financial year, Mr. Kailash Chandra Gupta (DIN: 01649210), ceased as a Non-Executive & Independent Director of the Company with effect from April 2, 2021 upon resignation and Ms. Archana Jain (DIN: 09171307), has been appointed as a Non-Executive & Independent Director of the Company, effective from May 22, 2021.
- \*Post financial year under review, Mr. Jeewan Jyoti Bhagat (DIN: 00007743), discontinued as a Non-Executive & Independent Director of the Company with effect from August 5, 2022, upon resignation. Mr. Rakesh Kapoor (DIN:00015358), has been appointed as an Additional Director in the category of Non- Executive & Independent Director of the Company, effective from August 9, 2022.

6. The maximum tenure of Independent Directors is upto five consecutive years from the date of their appointment. However, they can be reappointed 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 / Reappointment	Date of Completion of Tenure
1	Mr. Akhilesh Kumar Maheshwari DIN: 00062645	April 1, 2019	March 31, 2024
2	Mr. Rakesh Kumar Gupta DIN: 06909233	April 1, 2019	March 31, 2024
3	Ms. Archana Jain DIN: 09171307	May 22, 2021 #April 1, 2023	March 31, 2023 September 30, 2027
4	Mr. Rakesh Kapoor# DIN: 00015358	August 9, 2022	September 30, 2024

The terms and conditions of appointment of Independent Directors are posted on the Company's website.

# The reappointment of Ms. Archana Jain as an Independent Director and the appointment of Mr. Rakesh Kapoor as an Independent Director, for the abovesaid respective periods shall be subject to the approval of members of the Company in the 22<sup>nd</sup> AGM of the Company as placed in the Notice of AGM.

#### B. Board Meetings

Meetings of the Board are generally held at the Corporate Office of the Company situated at G-81, Preet Vihar, New Delhi-110092, India. During the year, the Board met nine times on May 22, 2021, July 01, 2021, July 21, 2021, August 17, 2021, November 09, 2021, February 04, 2022, March 21, 2022, March 24, 2022 (1<sup>st</sup> meeting) and March 24, 2022 (2<sup>nd</sup> meeting). The maximum gap between any two Board Meetings was less than one hundred and twenty days.

The Company holds at least four Board Meetings in a year, within a maximum time gap of one hundred and twenty (120) days between two meetings, inter alia, to review the Financial Results. Besides these, additional Board Meetings are convened as per business needs of the Company. Urgent matters are also approved by the Board by passing resolution(s) through circulation, if required and as per applicable laws. All Directors on the Board are free to suggest any item for inclusion in the agenda for consideration of the Board. 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.

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. Agenda papers are shared electronically and physically to the Directors, before the meetings with in the stipulated time. 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 2021-22 and at the last Annual General Meeting duly held on September 18, 2021:

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

\* Discontinued to be a Non-Executive & Independent Director of the Company with effect from August 5, 2022.

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



### 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 with the Board Members:

<b>Business Leadership</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>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 center, data security etc.
<b>Risk Management</b>	Ability to understand and assess the key risks to the organisation, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
<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, 2022 have been highlighted with (✓).

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	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Archana Jain	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Note: Mr. Kailash Chandra Gupta has been resigned as a Non-Executive & Independent Director, effective from April 2, 2021.**

### D Meetings of Independent Directors

During the year, a separate meeting of the Independent Directors was held on May 22, 2021 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations without the attendance of Non-Independent Directors and members of the management. All three existing Independent Directors on the said date has attended the meeting. Ms. Archana Jain was appointed on the same day by the Board, post Independent Directors' Meeting, thereby not eligible to attend.

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 and Committee Meetings were 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 for the details of Familiarization Programmes imparted to Independent Directors on cumulative hourly basis may be accessed at <https://www.gulshanindia.com/pdf/policy/Details-of-Familiarization-Programme-for-Independent-Directors.pdf>.

**F Resignation / Discontinuation of Independent Director(s)**

During the period under review, Mr. Kailash Chandra Gupta has been resigned as a Non-Executive & Independent Director from the Board and the respective Board's Committees of the Company with effect from April 2, 2021 owing to his personal reasons. The disclosure along with confirmation by Mr. Gupta that there are no other material reasons other than those provided, is available at <https://www.gulshanindia.com/pdf/CorporateAnnouncement/Resignation%20of%20Mr.%20Kailash%20Chandra%20Gupta%20as%20Independent%20Director%20w.e.f%20April%202021.pdf>

Post financial year under review, Mr. Jeewan Jyoti Bhagat has been discontinued as a Non-Executive & Independent Director from the Board and the respective Board's Committees of the Company, upon resignation on attaining the age of 75 years and owing to his personal reasons, with effect from August 5, 2022, in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other applicable provisions. The disclosure along with confirmation by Mr. Bhagat that there are no other material reasons other than those provided, is available at <https://www.gulshanindia.com/pdf/CorporateAnnouncement/Disclosure%20under%20Regulation%2030%20Discontinuation%20of%20Jeewan%20Jyoti%20Bhagat.pdf>.

**G Shareholding of Executive Directors**

**As on March 31, 2022**

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	55,604

During the year, the Company has not issued any convertible instruments. However, Company has issued the shares to eligible qualified institutional buyers.

Further, in terms of the Scheme of Amalgamation of Gulshan Holdings Private Limited ("**Transferor Company No. 1**") and East Delhi Importers & Exporters Private Limited ("**Transferor Company No. 2**") (collectively referred to as "**Transferor Companies**") with Gulshan Polyols Limited ("**Transferee Company**" or "**Company**") and their respective shareholders and creditors ("**Scheme**"), the shareholding of Promoter Executive Directors is being changed, as detailed below:

**As on April 18, 2022**

Name of Directors	Number of Equity Shares held
Dr. Chandra Kumar Jain	1,18,85,326
Ms. Arushi Jain	50,46,129
Ms. Aditi Pasari	50,13,751

**III. COMMITTEES OF BOARD**

The Board of Directors has constituted various Committees with specific terms of reference to ensure effective working of the Company and in 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) Nomination, Remuneration and Compensation Committee; (iii) Stakeholders Relationship Committee; (iv) Corporate Social Responsibility Committee; (v) Risk Management Committee; (vi) Allotment of Share Committee; and (vii) Finance Committee. These Committee meetings are often held, as and when required and the minutes of these 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;
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
24. 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 22, 2021, July 21, 2021, November 09, 2021 and February 04, 2022. 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 2021-2022
1	Rakesh Kumar Gupta	Independent Director	Chairman	4/4
2	Mr. Akhilesh Kumar Maheshwari	Independent Director	Member	4/4
3	Dr. Chandra Kumar Jain	Executive Director	Member	4/4
4	Ms. Archana Jain*	Independent Director	Member	-

\*Inducted as a Member of the Committee effective from August 9, 2022.

The gap between two Audit Committee Meetings did not exceed 120 days and relaxed timelines subject to read with SEBI Circulars for granting relaxations and extended deadlines. 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, attended 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, performance, independence, diversity and knowledge on the Board and for drawing up selection criteria, and appointment/reappointment procedures for both internal and external appointments. The Committee is also entrusted to frame policies and systems for and to formulate and administer the Company's Employees Stock Option Scheme from time to time.

**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 read with The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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;
  - For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - use the services of an external agencies, if required;
    - consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - consider the time commitments of the candidates.
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 22, 2021, July 21, 2021, November 09, 2021 and February 04, 2022. 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 2021-2022
1	Mr. Jeewan Jyoti Bhagat*	Independent Director	Ex-Chairman	4/4
	Mr. Akhilesh Kumar Maheshwari**	Independent Director	Chairman	4/4 (being member)
2	Mr. Rakesh Kumar Gupta	Independent Director	Member	4/4
3	Ms. Archana Jain***	Independent Director	Member	-

\* Discontinued from the Chairmanship of the Committee, effective from August 5, 2022.

\*\* Redesignated as chairman of the Committee effective from August 9, 2022.

\*\*\* Inducted as a Member of the Committee effective from August 9, 2022.

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 skills, experience and capabilities required for the role; b) Attendance and deliberation in the meetings; c) Contribution / suggestions for effective functioning, development of strategy, board process, conflict of interest, 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 (except the Director himself) on the parameters such as his/ her preparedness 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 Meetings, Ability to act Objectively and Constructively, 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, balance of skills, knowledge, experience on the Board and their independent judgement and 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, 2022.

(In ₹)

Name	Salaries	Value of Perquisites	Commission	Total
Dr. Chandra Kumar Jain	3,00,50,000	39600	3,25,00,000	6,25,89,600
Ms. Arushi Jain	84,30,000	39600	1,70,00,000	2,54,69,600
Ms. Aditi Pasari	84,50,000	39600	1,70,00,000	2,54,89,600
Mr. Ashwani Kumar Vats*	95,17,674	39600	25,00,000	1,20,57,274
<b>Total</b>	<b>5,64,47,674</b>	<b>158400</b>	<b>6,90,00,000</b>	<b>12,56,06,074</b>

\*excludes perquisite value of stock options exercised during the financial year.

**The Company has also granted stock options to the following Directors upto March 31, 2022:**

Name of Directors	Designation	Number of Stock Options**
Ashwani Kumar Vats	Whole Time Director & CEO	56604 + 2400 + 3730 + 3933

\*\* The aforesaid figures are bifurcated yearly.

The above said stock options has been granted every year since 2018, pursuant to GPL Employees Stock Option Scheme, 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 grant price based on the Average Buying cost of the Company from the BSE/ NSE market at the time of grant of shares.

During the year under review, 56604 options are vested and exercised by Mr. Vats.

Service Contract, Notice Period and Severance Fee of Executive directors is as agreed by the Board in consultation with respective director.

#### **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 and Committees thereof. Apart from the sitting fees and re-imbursment 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 <https://www.gulshanindia.com/pdf/policy/Criteria%20of%20making%20payments%20to%20Non-Executive%20Directors.pdf>.

Below table gives details of the sitting fee, commission paid and other reimbursement expenses for the financial year ended March 31, 2022.

Name	Sitting fees	Commission	Re-imbursment expenses
Mr. Akhilesh Kumar Maheshwari	60,000	5,00,000	3000
Mr. Jeewan Jyoti Bhagat*	60,000	5,00,000	3000
Mr. Rakesh Kumar Gupta	60,000	5,00,000	3000
Ms. Archana Jain	40,000	5,00,000	3000
Mr. Kailash Chandra Gupta**	-	-	-
<b>Total</b>	<b>2,20,000</b>	<b>20,00,000</b>	<b>12,000</b>

\* Discontinued with effect from August 5, 2022.

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

During FY 2021-22, 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, 2022:

Name of Non-Executive Directors	Number of Share held
Mr. Akhilesh Kumar Maheshwari	3,353+100
Mr. Jeewan Jyoti Bhagat*	25,000
Mr. Rakesh Kumar Gupta	-
Ms. Archana Jain	-

\* Discontinued with effect from August 5, 2022

# Mr. Kailash Chandra Gupta ceased with effect from April 2, 2021 upon resignation.

### **3. STAKEHOLDERS RELATIONSHIP 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, IEPF matters 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; 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 22, 2021, July 21, 2021, November 09, 2021 and February 04, 2022. 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 2021-2022
1	Mr. Akhilesh Kumar Maheshwari	Independent Director	Chairman	4/4
2	Ms. Aditi Pasari	Executive Director	Member	4/4
3	Mr. Jeewan Jyoti Bhagat*	Independent Director	Ex-Member	4/4
4	Ms. Arushi Jain**	Executive Director	Member	-

\* Discontinued with effect from August 5, 2022.

\*\* Inducted as a Member of the Committee effective from August 9, 2022.

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:

Corporate Office: G- 81, Preet Vihar, Delhi-110092

Tel: 011-49999200; Mob: +91- 9599216336; Email: 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	1	1	0

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

During the year, the Company has received 109 cases (involving 73,590 equity shares) of Dematerialization out of which 92 cases (involving 65,025 equity shares) were dematerialized and 17 cases (involving 8,565 equity shares) were rejected for technical reasons. 2 cases (involving 1,080 equity shares) for transmission have been received. Company has not received any cases for transfer of Shares. The Company has 29,430 shareholders as on March 31, 2022.

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 three times on May 22, 2021, July 21, 2021 and February 04, 2022.

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 2021-2022
1	Ms. Archana Jain*	Independent Director	Chairperson	-
	Mr. Jeewan Jyoti Bhagat**	Independent Director	Ex-Chairman	3/3
	Mr. Kailash Chandra Gupta***	Independent Director	Ex-Chairman	N.A.
2	Ms. Arushi Jain	Executive Director	Member	2/3
3	Ms. Aditi Pasari	Executive Director	Member	3/3

\* Inducted as a Chairperson of the Committee effective from August 9, 2022.

\*\* Inducted and discontinued as a Chairman of the Committee effective from May 7, 2021 and August 5, 2022 respectively.

\*\*\*Ceased as a Chairman of the Committee effective from April 2, 2021.

**5. RISK MANAGEMENT COMMITTEE**

The Risk Management Committee is constituted on November 02, 2021, in accordance with Regulation 21 and Part D of Schedule II of the Listing Regulations for overseeing risk management systems as well as risk governance. The Committee has a Risk Management Policy, formulated and approved by the Board and keep the Board updated periodically on risk management and governance.

**a. Terms of reference**

The terms of reference of the Risk Management Committee are as prescribed under the Listing Regulations:

The role of the Committee includes;

1. To formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors; and
8. The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**b. Meetings**

During the period under review, the committee met two times on February 04, 2022 and March 24, 2022.

**c. Composition**

As on date, the Risk Management Committee comprises of the following

S. No	Name	Category	Designation	No. of Meetings attended in 2021-2022
1	Ms. Arushi Jain	Executive Director	Chairperson	2/2
2	Mr. Akhilesh Kumar Maheshwari	Independent Director	Member	2/2
3	Mr. Ashwani Kumar Vats	Executive Director	Member	2/2

**6. ALLOTMENT OF SHARE COMMITTEE**

The Board had constituted the Allotment of Share Committee to offer, issue and allot shares/securities of the Company.

**a. Terms of reference**

The Committee will perform the following duties and role includes;

1. Issue and Allotment of Equity and/or Preference Shares and/or any other securities including convertible or non-convertible as defined under Companies Act, 2013 or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or under any other applicable Acts, Regulations or Laws.
2. Issue of new securities in demat or issue of share certificate(s) as may be required or applicable.

**b. Meetings**

During the period under review, no meeting was held.

**c. Composition**

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

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

**7. FINANCE COMMITTEE**

The Board constituted the Finance Committee to help in routine agenda items w.r.t fulfilling its obligations and oversight responsibilities relating to finances of the Company.

**a. Terms of reference**

The Finance Committee will perform the following duties and role includes;

1. To review the Financial management and various financial internal controls;
2. To review borrowing and investment activities of the Company;
3. To borrow/accept/avail loan including Term Loan, working capital facilities, other credit facilities from Banks/ Financial Institutions/ NBFCs/ Mutual Funds/ Insurance Companies etc.to the extent of Rs. 250 Crores and to accord acceptance to terms of Sanction letters or any instrument of charge in this regard;
4. To create or modify charge/ mortgage/lease the Company's property whether movable or immovable (present or future) for securing its own borrowing of Company (present and future) from time to time not exceeding Rs. 250 Crores;
5. To open any kind of bank account (Cash Credit/Over Draft/Escrow/Current or any other account) as may be required for availment of loan from Banks or for raising of funds by way of Qualified Institutional Placement or right issue or preferential issue etc.;

6. To open any kind of bank account (Cash Credit/Current or any other account) as may be required for smooth business operations of the Company at various locations where manufacturing plant/units, registered office or corporate office of Company is located; and
7. To authorize official(s) of the company for signing/execution of any document as may be required for giving effect to above.

**b. Meetings**

During the year under review, the committee met two times on December 14, 2021 and March 25, 2022.

**c. Composition**

As on date, the Finance Committee comprises of the following

S. No.	Name	Category	Designation	No. of Meetings attended in 2021-2022
1	Dr. Chandra Kumar Jain	Executive Director	Chairman	2/2
2	Ms. Aditi Pasari	Executive Director	Member	2/2
3	Mr. Ashwani Kumar Vats	Executive Director	Member	2/2

**IV. GENERAL BODY MEETINGS**

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

Financial Year	Date and time	Venue / Location	Special Resolution passed
2020-21	18.09.2021 at 4:00 P.M. (IST)	The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh - 251001	<ul style="list-style-type: none"> <li>- Payment of commission to Mr. Ashwani Kumar Vats (DIN: 00062413) Whole Time Director and Chief Executive Officer (CEO) of the Company.</li> <li>- Revision in terms of remuneration of Mr. Ashwani Kumar Vats (DIN: 00062413) Whole Time Director and Chief Executive Officer (CEO) of the Company.</li> <li>- To approve raising of funds and issuance of securities by the Company.</li> </ul>
2019-20	19.09.2020 at 12:30 P.M	9th K.M, Jansath Road, Muzaffarnagar -251001, Uttar Pradesh.	<ul style="list-style-type: none"> <li>-Re-appointment and revision in terms of remuneration of Dr. Chandra Kumar Jain (DIN: 00062221) Chairman and Managing Director of the Company.</li> <li>-Re-appointment of Mr. Ashwani Kumar Vats (DIN: 00062413) as a Whole-time Director Designated as CEO of the Company.</li> <li>-Re-appointment of Ms. Arushi Jain (DIN: 00764520) as a Whole-time Director of the Company.</li> <li>-Re-appointment of Ms. Aditi Pasari (DIN: 00120753) as a Whole-time Director of the Company.</li> <li>-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.</li> <li>-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.</li> </ul>
2018-19	21.09.2019 at 12:30 P.M	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh.	<ul style="list-style-type: none"> <li>-Re-appointment of Mr. Ajay Jain as an Independent Director.</li> <li>-Re-appointment of Mr. Akhilesh Kumar Maheshwari as an Independent Director.</li> <li>-Re-appointment of Mr. Rakesh Kumar Gupta as an Independent Director.</li> <li>-Re-appointment of Mr. Jeewan Jyoti Bhagat as an Independent Director</li> <li>-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.</li> </ul>

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.

Further, during the year under review, pursuant to aforementioned Scheme of Amalgamation of Gulshan Holdings Private Limited (“**Transferor Company No. 1**”) and East Delhi Importers & Exporters Private Limited (“**Transferor Company No. 2**”) (collectively referred to as “**Transferor Companies**”) with Gulshan Polyols Limited (“**Transferee Company**” or “**Company**”) and their respective shareholders and creditors (“**Scheme**”) and pursuant to order dated July 14, 2021 of the Hon’ble National Company Law Tribunal, Allahabad Bench, the three Court Convened Meetings of **Equity Shareholders, Unsecured Creditors and Secured Creditors of Gulshan Polyols Limited** were held on September 18, 2021 at 12:00 Noon, 1:00 p.m. and 2:00 p.m., respectively at The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh – 251001 for “ Approval of scheme of amalgamation of Gulshan Holdings Private Limited and East Delhi Importers & Exporters Private Limited with Gulshan Polyols Limited and their respective Shareholders and Creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013”.

## V. MEANS OF COMMUNICATION

A. All price-sensitive information and matters that are material to shareholders are disclosed to the concerned 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 / NSE Digital Exchange 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 ‘Investors Relations’.

B. Information like Quarterly / Half Yearly / Annual Financial Results, Investors Presentations, Press Releases, Orders, documents and information, related on significant developments in the Company made available and uploaded from time to time on NSE on NEAPS / NSE Digital Exchange and BSE on BSE Online Portal. Further, the Financial Results are published within the timeline stipulated under the Listing Regulations in the leading newspapers viz. The Economic Times (English) (periodically), The Financial Express, All India Edition (English) (quarterly) and Jansatta (Hindi) (quarterly). They are also hosted on the website of the Company at [www.gulshanindia.com](http://www.gulshanindia.com) under ‘Investors 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, information to shareholders including forms and procedures on various aspects, separate tabs for significant events. In pursuant to the NSE Circulars and BSE Circulars, a separate section for “Disclosures under Regulation 46 of the Listing Regulations” is created for the ease and convenience of the stakeholders and as mandated by the Stock Exchanges.

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 transparent communication to stakeholder. 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. Further, company do update to it stakeholders about forms, processes and procedures as mandated and applicable to them for their necessary actions. However, the Company has also sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/ MIRSD\_RTA/P/CIR/2021/687 dated 14th December 2021 and for mandatory dematerialization of shares pursuant to SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 which mandated the Listed Companies to issue securities in demat form only while processing service requests. The prescribed formats are available on the Company’s website under the link at <https://www.gulshanindia.com/shareholders-other-form.php>

F. The official news / intimations on releases, investors meets and presentations made to the institutional investors or to the analysts are uploaded on the website of the Company and be intimated to concerned Stock Exchanges as and when required.

## VI. GENERAL SHAREHOLDER INFORMATION

a. The 22<sup>nd</sup> Annual General Meeting is scheduled to be held on Wednesday, 28<sup>th</sup> day of September, 2022 at 1:00 P.M. (IST) at The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251001.

b. **Financial Year:** April 01 to March 31.

c. **Tentative Financial Calendar for 2022-23 is as follows:**

• First Quarter	On or before 14 <sup>th</sup> day of August, 2022
• Second Quarter and half year ending on September 30, 2022	On or before 14 <sup>th</sup> day of November, 2022
• Third Quarter	On or before 14 <sup>th</sup> day of February, 2023
• Fourth Quarter and year ending March 31, 2023	On or before 30 <sup>th</sup> day of May, 2023

d. **Dates of Book Closures:** Wednesday, 21<sup>st</sup> day of September, 2022 to Wednesday, 28<sup>th</sup> day of September, 2022 (both days inclusive for the purpose of AGM and Dividend).

e. **Dividend payment date:** On or after Monday, 3<sup>rd</sup> day of October, 2022.

f. **Listing:**

S. No.	Name of the Stock Exchange	Security Listed	Symbol / Scrip Code
1.	National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, 'G' block, 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 2022-23.

g. **Demat ISIN Number for Equity Shares:** INE255D01024

h. **Stock Code and Stock Market price data on monthly basis for the year 2021-22**

MONTH	BSE		NSE	
	Month's High	Month's Low	Month's High	Month's Low
April, 2021	167.85	91.85	167.60	92.50
May, 2021	183.80	142.60	185.00	148.00
June, 2021	205.30	158.20	205.50	157.65
July, 2021	288.70	188.30	293.00	188.00
August, 2021	274.00	214.55	274.00	214.25
September, 2021	297.95	231.00	299.95	230.05
October, 2021	331.45	262.10	330.80	260.05
November, 2021	314.95	221.55	314.80	222.70
December, 2021	288.00	229.00	288.00	226.20
January, 2022	429.00	274.75	425.00	271.60
February, 2022	422.00	283.50	421.45	282.10
March, 2022	405.55	310.90	404.80	310.00

i. **Performance of the Company's equity shares in comparison to broad-based indices like BSE Sensex**

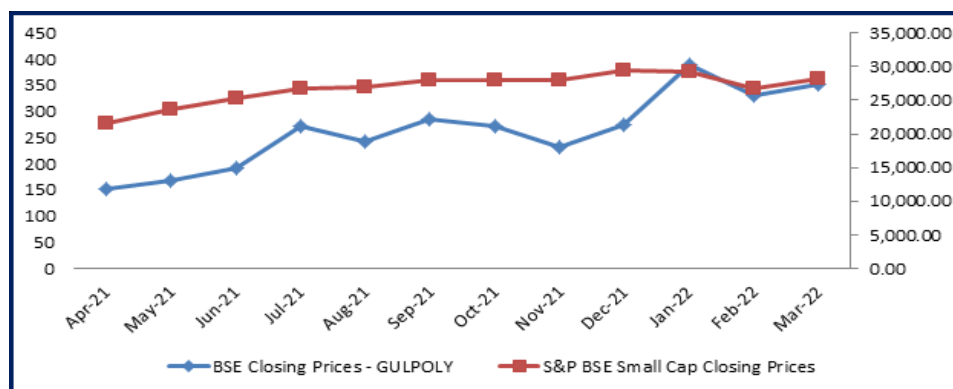
MONTH	BSE	
	Company's Closing Price at BSE	S&P BSE SmallCap Sensex
April, 2021	150.85	21,670.11
May, 2021	169.20	23,595.98
June, 2021	192.15	25,232.17
July, 2021	270.95	26,786.62
August, 2021	243.35	26,919.94
September, 2021	285.30	28,081.74
October, 2021	271.05	27,982.80
November, 2021	231.40	27,937.31
December, 2021	273.80	29,457.76
January, 2022	388.65	29,226.73
February, 2022	330.05	26,662.33
March, 2022	351.25	28,215.65

Stock Price/ Index	As on March 31, 2022*	As on March 31, 2021*	% Increase/ (Decrease)
Gulshan Polyols Limited	351.25	92.20	280.97%
S&P BSE SmallCap	28,215.65	20,649.33	36.64%
S&P BSE Sensex	58,568.51	49,509.15	18.30%
Nifty 50	17,464.75	14,690.70	18.88%

\*Closing price



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:** Alankit Assignments Limited is your Company's Registrar and Share Transfer Agent. For matters related to shares and dividends, members are requested to correspond with the Company's Registrar and Share Transfer Agent i.e. Alankit Assignments Limited by quoting their Folio No. / DP ID & Client ID at the following address:

*Alankit Assignments Limited*

*Alankit House, 4E/2, Jhandewalan Extension,*

*New Delhi-110055, INDIA*

*Fax No: 011-42541201,*

*Phone No: 011-42541234/ 42541951/1955, Mobile: +91-8929 955318*

*E-mail: [rta@alankit.com](mailto:rta@alankit.com), [info@alankit.com](mailto:info@alankit.com), [ramap@alankit.com](mailto:ramap@alankit.com), [kycupdate@alankit.com](mailto:kycupdate@alankit.com)*

- k. Share Transfer System and other related matters:**

Shareholders' requests for duplicate share certificate, transmission of equity shares, updation of KYC and other shareholders' related requests are handled by Registrar and Share Transfer Agent and are effected timely, if all the documents are valid and in order.

As it has been mandated by SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022 that all listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022) while processing the service requests viz. Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition.

The RTA /Company shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

The Company has obtained a 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 (NSDL) and Central Depository Services (India) Limited (CDSL). 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, 2022	
	Shares	Percentage (%)
Physical form	7,79,590	1.58
Electronic form with NSDL	3,36,45,000	68.20
Electronic form with CDSL	1,49,08,430	30.22

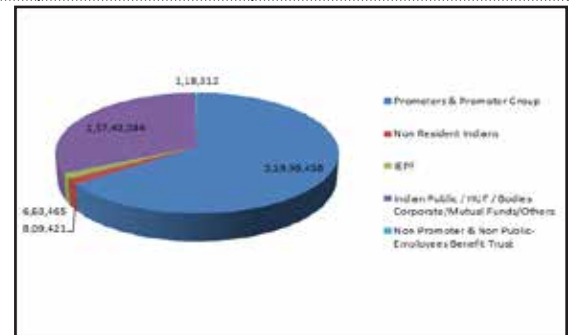
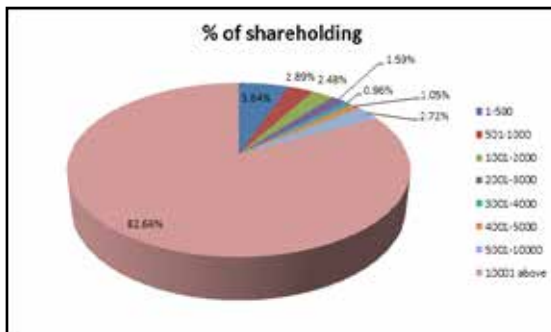
As on March 31, 2022, 98.42% of the Company's total shares representing 4,85,53,430 shares were held in dematerialized form.

**m. Distribution of shareholding as on March 31, 2022:**
**Value Wise:**

No. of shares	Number of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	25822	87.74	2783234	5.64
501-1000	1864	6.33	1425695	2.89
1001-2000	823	2.80	1225198	2.48
2001-3000	305	1.04	785662	1.59
3001-4000	132	0.45	473340	0.96
4001-5000	110	0.37	517653	1.05
5001-10000	190	0.65	1342317	2.72
10001 above	184	0.63	40779921	82.66
<b>Total</b>	<b>29430</b>	<b>100.00</b>	<b>49333020</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	64.86
B	Public Shareholding		
1	Non Resident Indians	809421	1.64
2	IEPF	663465	1.34
3	Indian Public / HUF / Bodies Corporate/Mutual Funds/Others	15743384	31.92
C	Non Promoter & Non Public- Employees Benefit Trust	1,18,312	0.24
	<b>Grand Total</b>	<b>49333020</b>	<b>100</b>


**n. Outstanding GDR/ADR Warrants or any Convertible Instruments, conversion date and likely impact on equity: Not Applicable**
**o. Plant Locations of the Company:**

1	9th K.M., Jansath Road, Muzaffarnagar– 251001, Uttar Pradesh
2	Plot no. 762, Jhagadia GIDC, Bharuch – 393130, Gujarat
3	D-1, Distillery Unit, Plot No.9, 10 & 11, M.P.A.K.V.N., Borgaon-Sausar, Distt. Chhindwara-480108 Madhya Pradesh
4	Village Rampur Majri, Dhaula Kuan , Distt Sirmour -173021 Himachal Pradesh
5	E-21/22, RIICO Growth Centre, Phase - II, Abu Road-307026, Distt. Sirohi- Rajasthan
6	Plant of Ethanol at Plot-B, Industrial Growth Centre Matia, Mornai, Goalpara, Assam-783101
7	On-site plant of PCC at ITC Ltd., PSPD, Tribeni Unit, Chandrahati, Hooghly 712504, West Bengal
8	On-site plant of PCC at Orient Paper Mills, PO- Amlai Paper Mill, Distt. Shadol, Madhya Pradesh-484117
9	Silverton Pulp & Papers P. Ltd., 9th K.M., Bhopa Road, Muzaffarnagar– 251001, Uttar Pradesh

**p. Address for correspondence:**Registered office

Address: 9th K.M. Jansath Road, Muzaffarnagar - 251001, Uttar Pradesh

Phone: +131-3295880/ 3295888,

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

Corporate office & Investor cell

Address: G-81, Preet Vihar, Delhi 110092

Phone no. : 011- 49999200, Fax no. 011-49999202.

You may email at [cs@gulshanindia.com](mailto:cs@gulshanindia.com) and/or [investorsrelation@gulshanindia.com](mailto:investorsrelation@gulshanindia.com) of Company 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 [ramap@alankit.com](mailto:ramap@alankit.com). or [kycupdate@alankit.com](mailto:kycupdate@alankit.com).

**q. Credit Ratings**

The details of the Credit Ratings assigned to the Company as on March 31, 2022 are as under:

Facilities	Amount (₹ Crore)	Ratings	Rating Action
Long term facilities	90.00	CRISIL A+ / Stable	Reaffirmed
Short term facilities	10.00	CRISIL A1	Reaffirmed
Total facilities	100.00		

**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. 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. The details of foreign exchange exposures as on March 31, 2022 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 all Board members and Senior Management including Independent Directors**

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 includes the duties of Independent Directors too and is available on the website of the Company (web link : <https://www.gulshanindia.com/pdf/policy/Code-of-Conduct-for-all-Board-members-and-Senior-Management-including-In.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 is placed before the Board from time to time for its review and amendments, thereon.

The Code has been revised on May 22, 2021 and May 20, 2022. Salient changes in the revised Code includes revised disclosure formats under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015, more stringent and specific provisions for Connected Person and also reviewed the definition of Designation Persons.

The Company has implemented the 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 <https://www.gulshanindia.com/policy.html>.

The Board has reviewed and noted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in their Board Meeting held on February 04, 2022.

**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 <https://www.gulshanindia.com/policy.html>.

**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 <https://www.gulshanindia.com/policy.html>.

**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 <https://www.gulshanindia.com/policy.html>.

**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 and statutory requirements.

The Nomination and Remuneration Policy is in line with the amended Listing Regulations and accordingly it is updated by the Board Members upon the recommendations of Nomination, Remuneration and Compensation Committee Members in their meeting held on February 04, 2022 to strengthen role of committee in appointment of Independent Directors in terms of 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 and a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. 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: <https://www.gulshanindia.com/pdf/policy/nNomination-and-Remuneration-Policy.pdf>.

**viii) Policy on Related Party Transactions**

The Board of Directors has adopted a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions is displayed on the Company's website. The Board of Directors on the recommendations of Audit Committee Members has adopted the revised Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, effective from April 1, 2022, in line with the amended Listing Regulations. Salient changes in the policy includes widening of ambit of related party definition, prior approval in case of subsequent material modification etc. The web-link for the same is same: <https://www.gulshanindia.com/pdf/policy/policy-on-materiality-of-related-party-transactions-and-dealing-with-related-party-transactions.pdf>.

**ix) 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.

Further, the Board has revised the said policy to insert a separate email id created for purpose of raising and reporting genuine concern through the designated email id, on the recommendations of Audit Committee. The Whistle Blower Policy is available on the website of the Company at <https://www.gulshanindia.com/pdf/policy/whistle-blower-policy-vigil-mechanism.pdf>.

**x) Corporate Social Responsibility Policy** is displayed on the website of the Company at <https://www.gulshanindia.com/policy>. The policy has been revised on May 22, 2021 and on August 9, 2022. The policy is in line with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

**xi) Performance Evaluation Policy**

GPL has the Performance Evaluation Policy in place and the same has been revised by the Board based on the recommendations of Nomination, remuneration and Compensation Committee Members on February 04, 2022.

## xii) Policy on Prevention of Sexual Harassment at Work Place

### 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. 44 to the Notes to the Accounts of the Company".

#### 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. The Risk Management Policy is revisited periodically to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are effective. This provides a proactive and value adding independent review process which enables maintaining the risk profile at an acceptable level in a rapidly changing environment.

During the year under review, the Company has constituted the Risk Management Committee and Risk Management Policy in line with the Listing Regulations.

Further, detailed notes on risk management are included in the Management's Discussion Analysis's Section and in the Board's Report.

#### 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) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The compliance with the discretionary requirements as stated under Part E of Schedule II to the 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 any of their concern to the Audit Committee, if any.

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) During the year, the Board of Directors in the Board Meeting held on August 17, 2021 has accorded their approval for raising of funds and Issuance of Securities through Qualified Institutions Placement ("QIP") aggregating to ₹ 250 Crore (Rupees Two Hundred & Fifty Crore only). The same was also approved at the 21st Annual General Meeting held on September 18, 2021 by way of a Special Resolution. Further, the Company has received In-Principal approval from both the Stock Exchanges on March 21, 2022. Consequently, in consonance to the above issuance and approvals, the Company in its Board Meeting held on March 24, 2022 has allotted the 24,16,000 (Twenty Four Lakh and Sixteen Thousand) Equity shares to eligible qualified institutional buyers at the issue price of ₹ 326.48 per Equity Share (including a premium of ₹ 325.48 to the face value of ₹ 1 per Equity Share) which is at a discount of 5 % (i.e., ₹ 17.18 per Equity Share), to the Floor Price of ₹ 343.66 aggregating to ₹ 78,87,75,680 (Rupees Seventy Eight Crore Eighty Seven Lakhs Seventy Five Thousand Six Hundred Eighty Only) and the same was intimated to the concerned Stock Exchanges. The Company has obtained listing approvals from both the Stock Exchanges on March 25, 2022. In addition to this, Company has received Trading approval on March 28, 2022 from the Stock Exchanges and was admitted for dealings with effect from March 29, 2022.

Further, the Company has not raised any funds through preferential allotment 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 2021-2022 to M/s. Rajeev Singal & Co., Chartered Accountants (Firm Registration No. - 008692C), Statutory Auditors aggregate ₹ 10.86 Lakhs (including the fees paid w.r.t. merged companies).

The Statutory Auditors does not have any network firm/ network entity.

#### vii) Disclosure of Accounting Treatment

There have not been any significant changes in accounting policies and practices during the year. Beside this and pursuant to the requirements of Ind AS 103 "Business Combination", the Company has accounted merger by using pooling of interest method in the financial results in line with the Scheme. Accordingly, the financial information presented for the prior periods has been restated as per Ind AS-103, figures for the previous period have been regrouped/ rearranged wherever necessary to make them comparable with current figure.

**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, 2022. Further, no complaint was pending with the Company as at the beginning and end of the Financial Year 2021-2022 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ix) Subsidiary Companies**

The Company has a wholly owned subsidiary Company namely Gulshan Overseas FZCO in terms of the Listing Regulations. However, no capital infusion has been made by the Company yet.

**x) Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'**

There is no such transaction.

**xi) 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. However, in terms of Regulation 23 of the Listing Regulations, the Company has complied with the requirements of regulatory authorities on capital markets. However, there was an inadvertent delay in submitting the disclosure with respect to Related Party Transactions for the Half Year ended March 31, 2021 with the Stock Exchanges as the company has gain understanding and interpreted the law differently and filed the disclosure accordingly on time as per the Company's interpretation of law. However, the fine was levied by concerned Stock Exchanges as per the SEBI SOP Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.

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, 2022, 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, 2022. 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 forms part of this report.

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

Delhi, August 9, 2022

**Dr. Chandra Kumar Jain**  
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 Board Members 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, 2022.

**Ashwani Kumar Vats**

**Delhi, August 9, 2022**

**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 2021-2022:

- 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.
- 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.
- 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.
- 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.
- 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**

**Delhi, August 9, 2022**

**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, 2022** 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)	Designation	Date of Appointment
1.	Mr. Jeewan Jyoti Bhagat	00007743	Director	02/08/2014
2.	Mr. Chandra Kumar Jain	00062221	Managing Director	01/04/2012
3.	Mr. Ashwani Kumar Vats	00062413	Whole Time Director	30/10/2008
4.	Mr. Akhilesh Kumar Maheshwari	00062645	Director	29/10/2007
5.	Mrs. Aditi Pasari	00120753	Managing Director	01/01/2010
6.	Ms. Arushi Jain	00764520	Managing Director	01/01/2010
7.	Ms. Archana Jain	09171307	Director	22/05/2021
8.	Mr. Rakesh Kumar Gupta	06909233	Director	02/08/2014

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

**Place: New Delhi**  
**Date: 09-08-2022**  
**UDIN: F005123D000740033**

**For RMG & Associates**  
**Company Secretaries**  
**Firm Registration No. P2001DE016100**  
**Peer Review No.: 734/2020**

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

## 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, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter collectively referred to as "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) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Listing Regulations for the year ended on March 31, 2022.

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.

**Date: August 9, 2022**  
**Place: Delhi**  
**UDIN: 22077834AQPSR6302**

**For Rajeev Singal & Co.**  
**Chartered Accountants**  
**FRN-008692C**

**CA Rajeev Kumar Singhal**  
**Partner**  
**M. No. 077834**

## Management's Discussion & Analysis Report

### 1. INDUSTRY STRUCTURE & DEVELOPMENT

#### 1.1 Overview on Economic and Business Environment:

##### Global Economy and Outlook

Global growth is estimated at 6.1% in 2021 as per the International Monetary Fund compared to the contraction of 3.1% in 2020 mainly owing to the pandemic (World Economic outlook April 2022). The year 2021 saw economic recovery aided by supportive fiscal policy globally; however, the momentum slowed due to various factors, including subsequent Covid-19 waves (Delta and Omicron variant in Q2 and Q4, respectively), lower vaccine access in developing economies (leading to divergence in rate of recovery) and inflation with the increase in demand, supply disruptions and increase in prices (energy, freight and food).

Global economic growth is projected at 3.6% in 2022 after a strong bounce back in 2021. The outlook is mixed with reopening of economies supporting greater demand coupled with challenges of Eastern Europe conflict having direct and global spillovers through commodity markets. In addition, there is the continued impact of lockdowns with new bottlenecks in global supply chains.

Inflation is expected to remain elevated for longer period driven by commodity price increases and broadening price pressures. For Calendar Year ('CY') 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging markets and developing economies.

We will also see the tightening of monetary policies by various central banks to stabilise inflation, with the US Federal Reserve announcing its intentions to further raise rates and taper asset purchases at a faster pace in 2022. The International Monetary Fund added that the entire global economy would feel the effects with slower growth and faster inflation.

Energy prices have recorded unprecedented increase especially natural gas prices in Europe which rose sharply above baseline in 2022. Growth in the United States ('US') is expected to be 3.7% in CY 2022, moderating to 2.3% in CY 2023 due to faster withdrawal of monetary support as policy tightens to rein in inflation. The European Union ('EU') and the United Kingdom ('UK') economies are expected to grow by 2.8% and 1.2% respectively in CY 2022.

Geopolitical tensions as a result of the Ukraine-Russia war and economic sanctions imposed on Russia are expected to dampen the above outlook (Russia supplies ~10% of the world's energy). These developments have further elevated inflation and are likely to result in aggressive tightening policies by banks and a decline in private demand. There is a higher risk to growth with prolonged conflict.

Among the Emerging Market and Developing Economies ('EMDE'), China is expected to grow by 4.4% in CY 2022. India is expected to grow at the rate of 8.2% for CY 2022 and 6.9% in CY 2023. Growth is forecasted to be 4.6% in Middle East & Central Asia while 3.8% in Sub-Saharan Africa region for CY 2022.

Source: IMF World Economic Outlook April 2022

##### Indian Economy

India's Gross Domestic Product ('GDP') growth is estimated to be 8.2% for CY 2022 as against the real GDP growth rate of 8.9% in CY 2021, the highest among large economies, reflecting a strong recovery led by favourable monetary and fiscal policy, mass vaccinations and significant progress on structural reforms. This growth is despite the impact of higher oil and commodity prices weighing on private consumption and investment.

COVID-19 vaccination has played a critical role in minimizing loss of lives, boosting confidence in the economy towards resumption of activity and containing the sequential decline in output. 96% of the adult population has been inoculated with the first dose, while 82% of the adult population and over 3.4 crore children in the 15 to 18 year age group are fully vaccinated. Vaccination drive has further been extended to the age group from 12 years which has further boosted people's confidence of returning to normal.

In India, Consumer Price Index ('CPI') inflation had moderated to 5.2% in FY 2021-22 (April-December) from 6.6% in the corresponding period of FY 2020-21 but has edged upto 6.1% as recorded in February 2022. Energy and food prices are major contributing factors to headline inflation. Risks are tilted to the upside amidst sanctions from the West and raw material shortages.

Exports registered a growth of 25% on a y-o-y basis. Export growth was broad-based, with ten major commodity groups accounting for around 80% of exports of the expansion above pre-COVID level. The improvement in export performance stemmed from higher value of shipments of engineering goods, petroleum products and chemicals. High import demand was driven by higher demand for petroleum products, electronic goods and gold. Import growth was broad-based, with major commodity groups accounting for more than 75% of imports recording an expansion above their pre-COVID levels. Crude imports increased by 41.7% in February 2022 over COVID levels, reflecting the rise in crude oil prices.

Source: IMF World Economic Outlook April 2022, State of the Economy RBI Bulletin-March 2022.

#### 1.2 Industry Overview

##### Global Chemical Industry

The global chemical industry outlook in 2022 is expected to be cautiously optimistic. The industry grew ~6% in FY 2021-22 driven by strong demand recovery post pandemic and gradual easing of supply chains towards the end of the year. In 2022, the industry faces pressure from

rising inflation (increase in energy and raw material cost), supply chain disruptions, ongoing geopolitical tensions and conflict in Europe.

While risks to the global economy remains, the global chemical industry is expected to grow in 2022 mainly led by Asia and America. Brazil, China, India and South-East Asian countries ('SEA') will emerge as the fastest-growing markets due to the rise in pent-up demand. The US Chemical Industry will continue to recover following the pandemic recovery and supply chain recovery. The European Chemical Council estimates that the output will slow down due to sharp rise in energy prices and continued supply chain disruptions, caused by sanctions. The Association of the German Chemical Industry (VCI) forecasts that in 2022 production of chemicals (excluding pharmaceuticals) in Germany will increase by 1.5%.

The output growth of Chemical Industry is mainly supported by the continued recovery of the global economy and rising demand in downstream sectors. Most forecasts note that the expected recovery in the automotive industry, along with growth in the agriculture, construction, daily consumables, consumer durables and health and nutrition sectors, should underpin global chemical demand. A key feature of the global chemicals market is the shifting nature of its value streams, driven by demand for new products in a range of industries i.e. materials for microelectronics, advanced materials for construction applications, recycling technologies, solar applications and new solvent cleaning technologies.

Most of the sub sectors are expected to grow in 2022 with Agrochemicals at ~2.3%, Consumer Chemicals ~3%, Inorganic Chemicals ~3.9%, Bulk Petrochemicals and Organic Chemicals ~3.8% and Specialty Chemicals at ~4%.

*Source: American Chemical Council, European Chemical Industry Council, Association of German Chemical Industry, Various Industry Reports.*

### Key Global Trends

Sustainability has increasingly and become a focus for the chemical industry and many companies are responding with shift to green chemistry and commitments to decarbonisation, recycling and resource recovery. Large companies are leading the way to net-zero greenhouse gas emission commitments. Initiatives such as European plastic tax and green hydrogen stimulus packages in the US, Canada and Europe are accelerating the adoption of sustainable practices and goals.

Industry players are showing heightened focus on new and innovative technologies such as Carbon Capture and Utilisation (CCU). In addition, companies continue to advance work on chemical recycling, green hydrogen, etc. These will boost usage of renewables, improve energy efficiency, reduce emissions and create new market for carbon and other by-products as part of an increasingly circular economy.

Digital technologies will support the global chemical industry transformation. Chemical companies are exploring the potential of advanced data analytics, automation, connectivity and digital technologies to become more agile, innovative, responsive and efficient. Advances in sensors, cognitive computing and analytics present economically viable solutions for extracting more efficiencies and preventing production failures.

The changing composition and expectations of hyper connected consumers and Government policies will trigger structural industry and consumption shifts towards investment in clean technology. There's a clear upward trend driven by public policies promoting environment friendly technologies. Large number of start-ups were launched with investments in hydrogen as a viable fuel for the industries and processes that need fuel other than electricity.

Chemical companies are likely to focus on repositioning their asset portfolios and balancing trade-offs between different strategic options with critical considerations such as scale, the scope of products and growth opportunities. To deliver strong growth and improve financial performance; firms may consider looking into few activities like investment in high value-added opportunities, consumer preference, etc.

*Source: Various industry reports (Deloitte Chemical Industry Outlook 2022, C&EN World Chemical Outlook, etc.)*

### Indian Chemical Industry

While the Indian chemical industry was adversely affected due to COVID-19 in the first half of CY 2020, demand recovery was seen in CY 2021 and the trend is expected to continue through CY 2022. However, uncertainties exist due to rising costs of energy, unavailability of raw material on account of supply chain disruption and other inflationary pressures by virtue of continued pandemic and recent geopolitical conflict in Europe.

The Indian chemical industry makes up ~3.4% of the global chemicals industry and is expected to grow to US\$ 300 billion by 2025. The domestic chemicals sector is expected to showcase high revenue and volume growth in FY 2022-23, owing to an improvement in domestic demand, increased Government spending and better price realisation of chemicals. Bulk chemicals (Basic Chemistry) constitute 25% of the market, while Specialty chemicals, Petrochemicals, and Agrochemicals have 21%, 19% and 15% of the market, respectively. Biotech and pharmaceuticals (including active pharmaceutical ingredients and others) together constitute 20% of the market.

Specialty chemicals market is expected to increase at a Compound Annual Growth Rate ('CAGR') of 12% to US\$ 64 billion by 2025. Specialty chemical companies are seeking import substitutions while exploring export opportunities to accelerate their businesses. India is the 4th largest producer of agrochemicals globally. The agrochemicals market in India is expected to register 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026.

From April 2021 to February 2022, exports of organic & inorganic chemicals\* increased 15% y-o-y to reach US\$ 38.53 billion. Imports of organic and inorganic chemicals aggregated US\$ 82.68 billion up 52% y-o-y. Nearly 25% of India's imports of chemicals are contributed by China.

Growth opportunities are largely driven by specialty segment due to rise in demand from end-user industries such as food processing, personal care and home care. Supply disruption has caused the global end-user industries to diversify their vendor base including Indian

players. Closure of plants in the EU and China due to increasing environmental concerns have favoured Indian manufacturers to invest further in specialty chemicals.

The Indian Government aims to boost manufacturing share in GDP to 20% by 2025. The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) Policy has the ability to attract an investment of ₹ 20 Lakh Crore (US\$ 276.46 billion) by 2035. The Government plans on production-linked incentive (PLI) schemes to promote domestic manufacturing of agrochemicals, advanced cell batteries, etc. An added advantage of skilled and low-cost labour, world-class engineering and strong R&D set-up has the potential to further boost growth.

*Source: Various reports – IBEF Chemicals Industry Report February 2022, India: Global Chemicals & Petrochemicals Manufacturing Hub Report by Department of Chemicals & Petrochemicals, November 2021.*

### 1.3. Company overview and recent developments:

Gulshan Polyols Limited (GPL or Gulshan or the Company) is a multi-location, multi product manufacturing company and is a leading manufacturer of grain and mineral based specialty chemical in India with global presence in 42+ countries, across 3 continents. GPL is an industrial house, older, more than four decades, engaged in manufacturing of specialty chemicals from grain and minerals, from multiple facilities set up across India.

The roots of the Company was incorporated by Promoters in the 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 Stock Exchanges. In March 26, 2022 and January 28, 2015, your Company was listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) respectively.

Its business portfolio covers Sorbitol, Fructose & Sweetener, Starch, Ethanol, Calcium Carbonate, Ethyl Neutral Alcohol, Agro based Animal Feed and its by Products. On- Site PCC plants on multiple production facilities/locations at Muzaffarnagar in Uttar Pradesh, Bharuch in Gujarat, Chhindwara in Madhya Pradesh, Dhaula Kuan in Himachal Pradesh, Abu Road in Rajasthan, Patiala in Punjab, Tribeni in West Bengal, Amlai in Madhya Pradesh, Golpara, Assam.

*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 everyone's everyday life, across the world.*

Gulshan provides the know-how to set up an On-site PCC plant and maintains the supply of the raw materials 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.

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. More than four 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, ethanol etc. Gulshan has an impressive clientele comprising of the nation's top FMCG's, leading paint manufactures and many reputed brands. Gulshan was recognized by Government of India as Star Export House since year 2016, for consistent export of products to various parts of the world. Gulshan caters the top notch 500 fortunate Companies.

The COVID-19 pandemic has posed significant unforeseen challenges for all businesses, including **GULSHAN POLYOLS LIMITED**. However, we driven by the dedication of our employees and the trust of our customers, we have grown and growing ahead at the fastest pace ever in a decade, constantly.

## 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. Having facilities with a combined capacity of 1,81,800 MTPA for producing starch sugars and for Sorbitol with capacity of 72,000 MTPA with leading market share.

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. Maize starch is the second major product after sorbitol, is used by the semi kraft paper industry for making corrugated boxes (demand supported by e-commerce boom). The company's plant is situated in and around the paper belt in Muzaffarnagar which gives us strategic locational advantage.

**Fructose Syrup** which is naturally found in fruits, corn syrup and molasses. Commercially, Fructose Syrup is used as a sweetener in flavored and unflavored syrups, energy drinks, processed food, bakery products. It is serving the food and beverage industry is showing a very high growth rate.



**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.

**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.

Company has grain processing units in Bharuch, Gujarat and Muzaffarnagar, Uttar Pradesh. Currently grain processing is the main revenue generator for the company with the contribution of 75% (approx.) to the total revenue among segments.

*Company is focusing on Green Energy*

## 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.

Company has mineral processing units in Muzaffarnagar, Uttar Pradesh, Dhaula Kuan in Himachal Pradesh and Abu Road in Rajasthan.

**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.

Company provides the raw materials and expertise to set up and maintain an on-site PCC plant. This reduces energy consumption and drying time for users. Company has Onsite PCC plants in West Bengal, Uttar Pradesh, Punjab and Madhya Pradesh.

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 is successfully supplying Ethanol to BPCL, HPCL and other Oil Marketing Companies (OMCs), Reliance and Nyara Energy for **Ethanol Blending Petroleum Program** and Company is working at more than 100% capacity utilization. Company has entered into 10 years' long offtake agreement with OMCs for more than 50% of capacity.

The Company is planning to expand its footprints in Ethanol production segment and has embarked on a significant capex plan for manufacturing ethanol using damaged food grains.

Company has Ethanol Production Units in Chhindwara, Bargaon, Madhya Pradesh and Golpara, Assam (in the process of setting up).

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

**Segment wise Revenue & Profits for the year ended March 31, 2022**

(₹ in Lakhs)

Segments	Revenue for the year ended 31st March		Profits before Interest and Tax for the year ended 31st March	
	2022	2021	2022	2021
Mineral Processing	9,409.62	9,237.46	1,278.55	1,729.13
Grain Processing	80,915.33	54,080.63	8,140.83	6,631.03
Ethanol (Bio-Fuel)/Distillery	19,729.30	13,269.60	2,453.27	1,579.25
Unallocated	18.38	15.75	102.96	107.72
<b>Total</b>	<b>1,10,072.64</b>	<b>76,603.44</b>	<b>11,975.61</b>	<b>10,047.13</b>

## 3. OPPORTUNITIES & THREATS

Manufacturing has emerged as one of the highest 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, Higher energy costs is the most significant risk to our business performance. The Company continues to remain focused towards keeping fixed costs low and controlling variable costs including grain, fuel, coal, lime stone and other raw materials' costs and continuous improvement programs to help mitigate the adverse impact of these risks including working on changing fuel mix and different contracting strategies.

Adherence to more stringent environmental norms, packaging and improving safety performance in a sustainable manner are other key areas that the Company continues to focus on during FY 2022-23.

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.

#### 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. Your company's focus has always been on expanding its business horizons in the bioeconomy by leveraging its technology led innovative solutions.

Further, as the chemical industry moves into 2022, strong demand for both commodity and specialty chemicals should keep demand robust throughout the year. The industry shall also experience increased capital expenditure as leading industry players focus on building capacity and expanding into growing end markets through both organic and inorganic routes. However, the industry could face margin pressures amid raw material cost inflation, which will likely remain high through the first half of 2022.

The global trade tensions, fast inflation, hike in energy, fuel and raw material prices, credit squeeze in global and domestic market have played a major role in driving down profit margins and growth expectations. Just when the markets were recovering from Covid, an unprecedented geopolitical tensions in form of Ukrain-Russia war, affecting the world's supply chain 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 due to COVID-19 and during this global tensions and fast inflation. Indeed, your Company has marked effervescent growth and achieved many milestones throughout the year in FY 2021-22. 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. Whereas, the Company has successfully obtained Environment Clearance of 750KLPD along with CO GEN Power Plant for the proposed project activity i.e Grain Based distilleries for Ethanol Blended Petrol.

The Company has also signed and executed a Long Term Offtake Agreement for setting up of upcoming Standalone dedicated ethanol plants of 500 KLPD and 250 KLPD at Chhindwara, Bargaon, Madhya Pradesh and Goalpara, Assam respectively in ethanol deficit states for supply of Indigenous Denatured Anhydrous Ethanol to Oil Marketing Companies (OMCs) under 'Ethanol Blending Petroleum Program' to meet ethanol requirements for 20 % blending by year 2023 by using corn/maize and rice combination, for supply of quantity of 12.87 Crores Litres per annum for 10 years.

#### *Company is on track of Setting up of largest single stream grain based plant in ASIA.*

land and ordered for major Plant and Machineries. Company is looking at a total capex of ₹ 45,000 Lakhs over the next 12 months, out of which ₹ 30,000 Lakhs will be required to set up the 500 KLPD Ethanol plant in the state of Madhya Pradesh and ₹ 15,000 Lakhs will be required for expanding the aggregate capacities across the grain processing division. The planned Capex for this project is ~ ₹ 15,000 Lakhs, out of which the company has deployed ~ ₹ 6,000 Lakhs already towards upgradation of the power plant and existing capabilities. The company expects ~ 20% increase in total combined capacities of the plants. The upgraded capacities will be utilized towards the production of Sorbitol 70% Solution and Starch Derivatives like Dextrose Monohydrate & Maltodextrin Powder. Further, an estimated capex of ₹ 18,500 Lakhs is to be deployed for ethanol plant in Assam over next 24 months.

The Capex is financing through a loan of ₹ 17,000 Lakhs from HSBC Bank for the Ethanol facility in Madhya Pradesh, proceeds of the Qualified Institutions Placement and internal accruals.

The decision of advancing 20% blending target by 2023 has created huge opportunities in the ethanol sector. Ethanol plants based on Starchy feedstock are going to drive the new capacities. As we go forward some further favorable developments are likely in form of flex fuel policy, ethanol blending in diesel, expansion of biofuels basket and feedstock differentiated pricing for ethanol.

Notwithstanding the external challenging environment, your company remains cautiously optimistic about the outlook based on the preparedness to deliver future ready offerings across the value chain, strong momentum for climate actions solution and diversified market portfolio in addition to resilient home market.

Your Company for the purpose of expanding the current business of the Company and exploring the business opportunities globally has incorporated a wholly owned subsidiary of the Company in International Free Zone Authority (IFZA), Dubai Silicon Oasis, Dubai, United Arab Emirates. However, no capital is infused yet.

Your Company has always strived towards nation building, through its business endeavors which focuses on creating excellent environment. 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.

Company has formed Risk Management Committee and policy thereon to cater and mitigate various risks after necessary identification and evaluation.

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 to control fixed and variable costs related to raw materials, crude oil, energy, coal, fuel, lime stone, etc. and mitigation measures, required to be taken thereon. 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.

#### **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 could not be passed through entirely.

#### **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.

#### **Strategic Risks**

**Risk:** It includes the range of external events and trends (like Government policy) that can adversely impact the Company's strategic growth trajectory and destroy stakeholder value. It also includes the risks arising out of the choices the Company has made in defining its strategy.

**Concern:** Company has ensured mitigation and took prevention measures to the extent and wherever possible.

### **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. The Company has an independent Internal Audit function with an established risk management framework. 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, 2022 on a comparable consolidated basis.

(₹ in Lakhs)

Particulars	2021-22	2020-21
Revenue from operations	1,10,072.64	76,603.44
Profit before Interest, Tax & Depreciation (EBITDA)	15,216.52	13,304.14
Profit/(Loss) before tax for the year	11,479.65	9,367.82
Profit/(Loss) after tax for the year	8,524.89	6,211.66

## 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 in 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:

Particulars	2021-22	2020-21	%	Comments
Current Ratio	2.08	2.34	-11.32	
Debt Equity Ratio	0.17	-	-	
Debt Service Coverage Ratio	27.71	16.58	67.16	DSC ratio is higher as compared to last year due to increase in Revenue from operation resulting into higher EBIT and reduction in Interest cost due to lower borrowings.
Return on Equity Ratio	0.13	0.12	6.01	
Inventory Turnover Ratio	9.21	6.99	31.81	Ratio is improved due to better Inventory management resulting in to higher revenue from operation
Trade Receivables Turnover Ratio	10.10	8.48	19.14	
Trade Payables Turnover Ratio	10.05	8.73	15.11	
Operating Profit Margin	0.11	0.13	-16.86	
Net Capital Turnover Ratio	1.68	1.51	10.99	
Net Profit Ratio	0.08	0.08	-4.49	
Return on Capital Employed	0.17	0.20	-14.52	
Return on Investment	0.09	0.10	-5.47	

## 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.

Simultaneously, we continue to strengthen employee's value proposition including health and wellness measures, re-skilling programs, appropriate compensation interventions, ESOPs and enhanced career growth opportunities. Our recent priority has been to vaccinate our employees with agility and we have been holding various booster vaccination drives at our plants across the country, towards this endeavor.

As at the financial year ended March 31, 2022, there were total 458 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, geopolitical tensions as a result of war, global inflation, 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

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

Delhi , August 9, 2022

## ANNEXURE-G TO BOARD'S REPORT

### Business Responsibility Report

Committed to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG – SEERB), Gulshan Polyols Limited (Company/GPL/Gulshan) reports on the nine principles of the guidelines as its Business Responsibility Report (BRR/BR), in its annual report. Our Business Responsibility Report includes our responses regarding our practices and performances on key principles defined by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

As pioneer of sustainable urbanisation in India, Gulshan Polyols Limited has continued its effort to develop green, innovative, and customer-focused solutions that are rooted in a legacy of trust and transparency. Its developments are characterized by thoughtful design and a welcoming environment that enhance overall quality of life for both individuals and industries.

The Company focusses on efficient deployment of resources, including people, processes and materials for the production of safe products, with a view to create value for all its stakeholders. This ensures that the Company embeds balance in its engagement with all stakeholders, keeping the community at the core of whatever the Company does.

#### SECTION A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24231UP2000PLC034918								
2.	Name of the Company	Gulshan Polyols Limited								
3.	Registered address	9th KM Jansath Road, Muzaffarnagar, Uttar Pradesh-251001, India								
4.	Website	<a href="http://www.gulshanindia.com">www.gulshanindia.com</a>								
5.	E-mail id	<a href="mailto:gscldelhi@gulshanindia.com">gscldelhi@gulshanindia.com</a> ; <a href="mailto:csr@gulshanindia.com">csr@gulshanindia.com</a>								
6.	Financial Year reported	April 01, 2021 - March 31, 2022								
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Manufacturing Group: 107, 110 Class: 1062, 1102 Sub-Class: 10621, 10623, 10629, 11012, 11019								
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> <li>• Sorbitol</li> <li>• Fructose &amp; Sweetener</li> <li>• Starch</li> <li>• Ethanol</li> </ul> (Please refer to Note No. 41 of the Financial Statements)								
9.	Total number of locations where business activity is undertaken by the Company									
	a) Number of International Locations (Provide details of major 5)	Exporting to 34 countries globally to international clients.								
	b) Number of National Locations	9 plant locations including registered office; and 1 corporate office location (Please refer to Page no. 40 of Corporate Governance Report)								
10.	Markets served by the Company – Local / State /National / International	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Local</td> <td style="text-align: right;">Yes</td> </tr> <tr> <td>State</td> <td style="text-align: right;">Yes</td> </tr> <tr> <td>National</td> <td style="text-align: right;">Yes</td> </tr> <tr> <td>International</td> <td style="text-align: right;">Yes</td> </tr> </table> Company global presence in 42 countries, across 3 continents	Local	Yes	State	Yes	National	Yes	International	Yes
Local	Yes									
State	Yes									
National	Yes									
International	Yes									

#### SECTION B: Financial Details of the Company (On Consolidated basis)

1.	Paid up capital (INR)	51975489
2.	Total Turnover (INR)	110072.64 Lakhs
3.	Total profit after taxes (INR)	8524.89 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (INR)	85.66 Lakhs
5.	List of activities in which expenditure in 4 above has been incurred	Please refer to Annexure-A to Board's Report i.e. Annual Report on Corporate Social Responsibility Activities.



**SECTION C: Other Details**

1.	Does the Company have any Subsidiary Company/Companies?	Yes, the Company has incorporated a wholly owned subsidiary company i.e. Gulshan Overseas FZCO in Dubai, United Arab Emirates. However, till date, there has been no capital infusion done by the Gulshan Polyols Limited in the Gulshan Overseas FZCO.
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable as the Company has not infused capital yet, since incorporation.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Yes, less than 30%.

**SECTION D: BR Information**

## 1. Details of Director(s) responsible for BR

**a. Details of the Director responsible/ BR head for implementation of the BR policy/policies**

DIN No.	00062221	00120753
Name	Dr. Chandra Kumar Jain	Ms. Aditi Pasari
Designation	Chairman and Managing Director	Joint Managing Director
Telephone number	011-49999200	
e-mail id	gscldelhi@gulshanindia.com; csr@gulshanindia.com	

## 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines ('NVGs') on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y/N)**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy /policies for?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		At GPL, we currently directly and indirectly have policies in place, which address applicable NVG Principles.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		All of GPL policies are formulated after careful consideration and after consultation with management and relative functional heads/representatives of our stakeholders groups, who acts in the best interest of the Company.								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
		Most of GPL's polices are formulated as per ethical and statutory guidelines or regulations mandated/advisory under SEBI (Listing Obligations and Disclosure Requirements) Regulations, Companies Act, 2013 and other various applicable statutes, acts and laws.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		Yes, the Board of Directors has formulated and reviewed the polices in their Board Meeting.								

5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y	All the policies are implemented under the directions of Board of Directors, however, few of the Policies are recommended by the Board's Committees.
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	NA	Y	Y	GPL's policies relating to our external stakeholders can be viewed on the website at <a href="http://www.gulshanindia.com">www.gulshanindia.com</a> . The same can be accessed via the weblink: <a href="https://www.gulshanindia.com/policy.html">https://www.gulshanindia.com/policy.html</a> .
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y	GPL's policies relating to our external stakeholders can be viewed and accessed at the weblink: <a href="https://www.gulshanindia.com/policy.html">https://www.gulshanindia.com/policy.html</a> . Policies relating to our employees, internal stakeholders are available on Company's intranet.
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?										At GPL, we have a Stakeholders Relationship Committee, Audit Committee and Corporate Social Responsibility Committee at the Board level, which addresses the grievance of all stakeholders. Additionally, we also have a Whistle Blower Mechanism, and POSH Policy which covers all our stakeholders' grievances.
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y	GPL's Secretarial auditors review majority of the policies which are formulated as per SEBI requirements and also check for compliance. Further, GPL's Internal auditor reviews the processes, policies and implementation thereon and makes notes of any deviations from the policies, if any.

Here, NA means Not Applicable.

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

Not Applicable.

3.	Governance related to BR									
a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	GPL Board assesses its BR performance annually or periodically and its framed policies are reviewed, amended and approved as per the statutory requirements by the Board of Directors on the recommendations of the Board's Committee, as applicable.								
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Report can be access at Company's website: <a href="http://www.gulshanindia.com">www.gulshanindia.com</a> and forming part of this Annual Report for the Financial Year 2021-22 as Annexure G to Board's Report.								

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The Company is committed to the highest standards of integrity and behavior and ensures compliance and adherence to law and internal policies through its compliance systems. The Board of Directors of the Company has adopted a Code of Conduct. These are set of regulations, policies, principles and guidelines to help and maintain a lawful, honest and ethical, confidentiality environment throughout the Company. The policies, rules and guidelines in the Code of Conduct apply to all employees, associates, vendors, contractual employees of the Company and its subsidiaries etc.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No complaint was received during the financial year 2021-22 related to ethics, bribery and corruption. Further, please refer to page no 33 for status of investor complaints.

### PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

**1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**

Not applicable. However, treatment of effluents through ETPs in all plants.

**2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**

**(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company understands its obligations on social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing process of its products, in a manner taking care of its obligations. The Company has deployed best in class technology and processes to manufacture its products. All the manufacturing units continue to put their best efforts to reduce the specific energy consumption.

**(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

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 realign the existing power consuming sections and to remove bottleneck and to ensure the uninterrupted and quality power supply at the minimum cost.

The details are given in Annexure-B relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo to Board's Report.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**

Yes, the Company has procedures in place for sustainable sourcing. Major inputs of the Company are grain, coal, packing materials, other chemicals for all these we have multiple vendors and transporters; and at any time company maintains inventory for 30-45 days. Thereby, mitigating any kind of short terms fluctuations for inputs.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company procures some goods and services from local and small producers which are nearer to our factories approximately upto 15%-20% as Company has majorly associated with fixed vendors in long term association as the nature of requirement is such that the sourcing has to be necessarily done from supply chain partners with specific competencies and makes as specified by customers. However, wherever feasible, Company ensures procurement of goods and services from local & small producers. These smaller producers are regularly given feedback on their quality of goods as well delivery performance.

**5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

Yes, the Company has a mechanism to recycle products and waste generated from the products enabling majorly plant almost zero discharge facilities.

**PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES**

**1. Please indicate the total number of employees**

458 employees

**2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

709 employees

**3. Please indicate the number of permanent women employees.**

15 employees

**4. Please indicate the number of permanent employees with disability.**

None

**5. Do you have an employee association that is recognized by management?**

Yes

**6. What percentage of your permanent employees are a member of this recognized employee association?**

16%

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

During the year, no complaint relating to child labour, forced labour, involuntary, labour and sexual harassment was received by the Company.

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

At GPL, we place high importance on the safety of our employees and to ensure this, we extent training to all of our employees on health, safety and technical training.

**PRINCIPLE 4: ENGAGING STAKEHOLDERS - SUSTAINING VALUE**

Ours is an inclusive model where we value each and every stakeholder and their opinion matters to us. At Gulshan, we believe in transparent dialogue where anyone should be able to voice their opinions; that they should be listened to; and that they can expect a considered and constructive response.

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has conducted a mapping exercise, from which we have classified our stakeholders into the following categories - Investors, Shareholders, Employees, Local Communities (including vulnerable groups such as indigenous communities, women and persons with disabilities), Civil society (including Non-Governmental Organisations) NGOs, legal institutions, trade associations, media, suppliers, business partners, customers, dealers, regulatory bodies and competitors. Engagement responsibility for each stakeholder group is entrusted with specific teams in our Company. We all ensure to maintain KYC of all stakeholders of Companies and update it on regular basis.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Yes, we have identified disadvantaged, vulnerable and marginalised stakeholders and it is an on-going process. Through our CSR programs we are focusing on the development of underprivileged people from low income group in our nearby locations and communities.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

Yes, we are engaged with the disadvantaged, vulnerable and marginalised stakeholders through various programs. Focus has been given to people from low-income group and special skill training programs have been developed for them by the Company to make it effective and fruitful. Company offers relative support as and when required to its disadvantaged, vulnerable and marginalised stakeholders in the form of credit, delivery and volume support.

**PRINCIPLE 5: PROMOTING HUMAN RIGHTS****1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

Yes, the policy extends to the company. Efforts are extended to implement the policy with company's Suppliers, Contractors, our own and associated vendors and others within our sphere of influence.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received during the reporting period.

**PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT****1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.**

We have established & implemented Environment policy to safe guard Environmental damage. A process is maintained for improving Environment Management System to ensure complete satisfaction & value creation to all stake holders. We take every step to measure possible in managing environment related activities as per ISO: 14001:2015.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, Company's business is also related to Ethanol which is used as additive to petrol thus reducing the CO2 emissions. Bio-Gas Plants built by us convert bio waste in to clean fuel that replaces fossil based fuels. GPL supplied more than thousands of saplings on Environment Day which are instrumental in reducing CO2 emissions and doing sapling at a regular interval & encouraging for plantation at the free space to safeguard environment as well as global warming.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes, risks, mitigation strategies and contingency measures are reviewed and revised every year. Health, Safety and Environment team organizes multiple workshops for various functions.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company has undertaken internal processes related to Clean Development Mechanism during the reporting period. Risks, mitigation strategies and contingency measures are reviewed and revised every year. Health, Safety and Environment team organizes multiple workshops for various functions.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

The Company has not taken any initiative via any project; however, Company is efficiently saving the energy during day time by proper utilisation of sunlight and Company is also moving towards green energy by making use of Solar Power Plants for energy use.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/ hazardous waste generated at plant/factory is within the permissible limits as per Central/State Pollution Control Boards.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No such case.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER****1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes, your Company is a Member of the following trade associations:

- a. PHD Chamber of Commerce and Industry
- b. AISMA-All India Station Masters' Association

- c. AIDA-All India Distillers' Association
- d. VPO Global-Grain and Feed Trade Association (GAFTA)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Not Applicable

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof**

At Gulshan, we believe in inclusive growth of the marginalized stakeholders. We are committed to add value to the local stakeholders wherever we operate. This may be through employment, trade development, enhanced infrastructure, or greater well-being and empowerment. Our community investment strategy focuses on health, education, livelihoods and environment. We are constantly working towards the developmental needs of the underprivileged communities through our CSR programs to create an inclusive and equitable society. Education, skills development, women's empowerment, water, and health continue to be our priority areas. We firmly believe in the power of partnerships and follow a Public-Private- People-Partnership (4P's) model. As a responsible corporate citizen, the Company focusses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives. The focus of our community investment initiatives is on upliftment of underprivileged, especially integrated development, which impacts the overall socio-economic growth and empowerment of people, in keeping with the national and international development agendas.

**2. Are the programs/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?**

We implement our programs through all the following modes – directly through our Corporate Social Responsibility team and in partnership with registered associations, society or trust or organizations. We also actively encourage our own employees to contribute towards these social initiatives and make them participative too.

**3. Have you done any impact assessment of your initiative?**

No

**4. What is your Company's direct contribution to community development projects- Amount in and the details of the projects undertaken?**

A brief detailed of contribution is provided in Annexure A to the Board's Report i.e Annual Report on Corporate Social Responsibility (CSR) Activities.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Most of our programs emerge from a community needs assessment and are delivered in close partnership with them. For the successful implementation and adoption of our initiatives, we consult and engage with all appropriate stakeholders, right from the inception of the projects. Communities are also involved at every step of these programs. Our role is chiefly that of a catalyst in the whole process.

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No such complaints.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**

Not Applicable.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

No such case.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, periodically.

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

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

**Aditi Pasari**  
Joint Managing Director  
DIN: 00120753

Delhi, August 9, 2022



## 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 2022, 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 2022, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Emphasis of Matter**

- (i) We draw kind attention to the Standalone Financial Statements wherein, during the current year the company has opted for option to exercise switch over to new tax regime from old tax regime.
- (ii) We draw kind attention to the Standalone Financial Statements, during the current year the company has issued fresh 2416000 Number of equity shares at the rate of Rs.326.48 under Qualified Institutional Placement.
- (iii) We draw kind attention to the Standalone Financial Statements, the Board of Directors of the Company in its meeting held on August 06, 2020 approved a scheme of arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst the Company (Transferee Company), Gulshan Holdings Private Limited (erstwhile holding company) (Transferor Company 1), East Delhi Importers and Exporters Private Limited (Transferor Company 2) and their respective creditors and shareholders ("the Scheme"). The Scheme provides for the amalgamation of Transferor Company 1 and Transferor Company 2 into Transferee Company. The Scheme has been approved by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("NCLT") vide its order dated March 09, 2022 certified copy of which has been filed with "The Registrar of Companies, Uttar Pradesh, Kanpur" on March 30, 2022, the Scheme has come into effect on the said date

Our opinion on the Standalone Financial Statements, and our Report on Legal and Regulatory Requirements, is not modified in respect of matters described above.

### **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, 2020 ("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 read with rule 7 of the companies(account) rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
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.

**Date : 20<sup>th</sup> May, 2022**  
**Place : Delhi**  
**UDIN: 22077834AJIBEY7301**

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

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

## **ANNEXURE 'A' TO THE AUDITORS' REPORT**

### **(Referred to in Para 1 under 'Report on Other Legal Regulatory Requirements' section of our Report of even date)**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2022.

We report that:

- i. In respect of Fixed Assets
    - a. A. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets (property plant and equipment)
    - B. The company has maintained proper records showing full particulars of its intangible assets.
  - b. The company has a program of physical verification of its fixed assets (property, plant and equipment) by which fixed assets are verified at reasonable intervals. In accordance with this program fixed assets were verified and discrepancies which were noticed on such verification were properly dealt with in the books of accounts.
  - 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 which are disclosed in financial statements (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
  - d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - e. According to the information and explanations given to us and on the basis of our examination of the record of the company, any proceedings have not been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of Inventory and Working Capital Limits
    - a. (i) The physical verification of inventory has been conducted at reasonable intervals by the Management
    - (ii) The coverage and procedure of physical verification of inventory followed by the management is reasonable, adequate and appropriate in relation to the size of company and the nature of its business.
    - (iii) The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and book stocks were not material for each class of inventory and the same have been properly dealt with in the books of accounts.
  - b. The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the record of the company during the year the company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 Therefore, requirement of clause (iii) of paragraph 3 of the order is not applicable to the company.
  - iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been compiled with as applicable.
  - v. The company has not accepted any deposits or amounts which are deemed to be deposits during the year as per the directives issued by the Reserve Bank of India and within the meaning of the provisions of sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable. Thus, the clause (v) of paragraph 3 of the order is not applicable to the company.
  - vi. In pursuant to the order made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, the company has made and maintained the prescribed accounts and records. We have however, not made a detailed examination of the Cost Records with a view to determine whether they are accurate and complete.
  - vii. In respect of statutory dues
    - a. According to the information and explanations given to us, and on the basis of our examination, the company is generally regular in depositing undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Sales Tax, ~~Wealth Tax~~, Service Tax, Duty of Excise, Duty of Customs, Value Added Tax, Cess and any other Statutory dues with appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.
    - b. According to the information and explanations given to us, no undisputed amount is payable in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess as at March 31, 2022.
  - viii. According to the information and explanations given to us, and on the basis of our examination of the record of the company, there are no such instances noticed where transactions are not recorded in the books of account have been surrendered or disclosed as income during

- the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). There is no previously unrecorded income which has been required to be properly recorded in the books of account during the year.
- ix. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
  - x. a. The Company has not raised any monies by way of initial public offer or further public offer including debt instruments during the year.
  - xi. a. 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.
    - b. There is no Audit Report in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed by the auditors with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act.
    - c. According to the information and explanations given to us, there is no whistle blower complaint has been received by the company during the year.
  - xii. The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to Company.
  - xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the standalone Financial Statements etc. As required by the applicable Indian Accounting Standards.
  - xiv. a. The Company has an Internal Audit system commensurate with the size and nature of its business.
    - b. The Reports of the Internal Auditors for the period under audit were considered.
  - 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 them during the year.
  - xvi. According to information and explanations given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.
  - xvii. According to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
  - xviii. There has not been any resignation of the statutory auditors during the year.
  - xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, Plans of the Board of Directors and management we are of the opinion that no material uncertainty exists as on the date of the audit report, that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
  - xx. a. According to information and explanation given to us, in respect of other than ongoing projects, the company has spent the entire amount hence there is no unspent amount which is required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
    - c. There is no such amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which has been required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act;
  - xxi. The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

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

**Date : 20<sup>th</sup> May, 2022**  
**Place : Delhi**  
**UDIN: 22077834AJIBEY7301**

**(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 2022 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 2022, 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 : 20<sup>th</sup> May, 2022**  
**Place : Delhi**  
**UDIN: 22077834AJIBEY7301**

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

## Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	23,715.71	24,083.87
(b) Capital Work-in-Progress	3	9,128.12	303.11
(c) Investment Property	4	273.15	274.63
(d) Intangible Assets	5	7.21	8.81
(e) Financial Assets			
(i) Investments	6	2,585.67	90.23
(ii) Other Financial Assets	7	1,039.38	1,303.71
(f) Other Non-Current Assets	8	1,386.04	208.07
<b>Total Non-Current Assets</b>		<b>38,135.29</b>	<b>26,272.43</b>
<b>Current Assets</b>			
(a) Inventories	9	10,789.87	9,045.07
(b) Financial Assets			
(i) Trade Receivables	10	11,962.07	9,838.15
(ii) Cash and Cash equivalents	11	11,260.83	1,803.48
(iii) Other Bank Balance	12	1,047.24	189.57
(c) Other Current Assets	13	7,213.84	3,558.81
<b>Total Current Assets</b>		<b>42,273.85</b>	<b>24,435.08</b>
<b>Total Assets</b>		<b>80,409.14</b>	<b>50,707.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	519.75	495.59
(b) Other Equity	15	53,019.23	37,152.70
<b>Total Equity</b>		<b>53,538.99</b>	<b>37,648.30</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	4,731.22	1,053.00
(ii) Other Financial Liabilities			
Lease Liabilities	17	450.10	133.48
(b) Deferred Tax Liabilities (Net)	18	1,336.91	1,441.17
<b>Total Non-Current Liabilities</b>		<b>6,518.23</b>	<b>2,627.65</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	6,464.37	-
(ii) Trade payables	20		
(a) Outstanding dues of micro and small enterprises		585.00	231.74
(b) Outstanding dues of creditors other than above		5,195.17	5,399.04
(iii) Other Financial Liabilities	21	1,455.26	739.55
(iv) Lease Liabilities		43.51	13.37
(b) Other Current Liabilities	22	2,726.01	1,707.55
(c) Provisions	23	693.56	512.20
(d) Liabilities for current Tax (Net)		3,189.03	1,828.11
<b>Total Current Liabilities</b>		<b>20,351.91</b>	<b>10,431.56</b>
<b>Total Equity and Liabilities</b>		<b>80,409.14</b>	<b>50,707.51</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: 22077834AJIBEY7301

Date: **May 20, 2022**

Place : **Delhi**

For and on behalf of the Board of Directors

**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

## Statement of Profit and Loss for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>REVENUE</b>			
Revenue from Operations	24	1,10,072.64	76,603.44
Other Income	25	204.75	260.98
<b>Total Income (I)</b>		<b>1,10,277.39</b>	<b>76,864.42</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	56,434.35	36,055.47
Purchase of Stock in Trade	27	930.80	471.74
Changes in Inventories of Finished goods, Work in progress and Stock in Trade	28	(15.39)	664.69
Employee Benefits Expenses	29	3,630.10	2,870.68
Finance Cost	30	495.97	679.31
Depreciation & amortisation Expenses	31	3,240.90	3,257.01
Other Expenses	32	34,081.01	23,497.70
<b>Total Expenses (II)</b>		<b>98,797.74</b>	<b>67,496.60</b>
<b>Profit Before Tax (III) (I-II)</b>		<b>11,479.65</b>	<b>9,367.82</b>
Tax Expense:	33		
Current Tax Expense		3,079.67	1,843.89
Add: Mat Credit ( Utilised)		-	1,305.68
Deferred Tax Expense/(Gain)		(124.91)	6.59
<b>Total Tax Expenses (IV)</b>		<b>2,954.76</b>	<b>3,156.16</b>
<b>Profit/(Loss) for the year (V) (III-IV)</b>		<b>8,524.89</b>	<b>6,211.66</b>
<b>Other Comprehensive Income</b>			
<b>Item that will not to be reclassified to Profit and Loss:</b>			
(Gain)/loss on equity instruments		(19.28)	(5.37)
(Gain)/Loss of defined benefit obligation		15.74	(77.07)
Income Tax relating to item that will not be reclassified to profit or loss		(2.29)	15.49
<b>Total Other Comprehensive (Income)/Loss (VI)</b>		<b>(5.84)</b>	<b>(66.95)</b>
<b>Total Comprehensive Income for the year (VII) (V - VI)</b>		<b>8,530.73</b>	<b>6,278.61</b>
Earning per equity share of face value of ₹ 1 each Basic and diluted (in ₹ )	34		
Basic		16.40	12.53
Diluted		16.40	12.53

The accompanying notes form an integral part of the financial statements

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

For and on behalf of the Board of Directors

(RAJEEV KUMAR SINGHAL)  
Partner  
Membership no: 077834  
UDIN: 22077834AJIBEY7301

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

ASHWANI KUMAR VATS  
Whole Time Director and CEO  
DIN : 00062413

Date: May 20, 2022  
Place : Delhi

ASHA MITTAL  
Company Secretary

RAJIV GUPTA  
Chief Financial Officer

## Statement of Cash Flow for the Year ended 31st March, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Profit before Tax</b>	<b>11,479.65</b>	<b>9,367.82</b>
Adjustment for :		
Depreciation and Amortization Expenses	3,240.90	3,257.01
Dividend income	(0.72)	(1.22)
Provision/(write back) for doubtful debts and advances (net)	-	98.32
(Gain) / Loss on disposal of property, plant and equipment	(7.20)	(82.02)
(Gain) / Loss on disposal of Investment	(105.81)	(13.04)
Interest income	(87.40)	(140.50)
Interest expenses	495.97	679.31
<b>Cash generated from operations before working capital changes</b>	<b>15,015.40</b>	<b>13,165.66</b>
Adjustment for :		
Decrease/(increase) in other assets	(2,471.77)	(1,398.37)
Decrease/(increase) in trade receivables	(2,123.92)	(1,699.57)
Decrease/(increase) in inventories	(1,744.81)	(395.01)
(Decrease)/increase in other current liabilities	(673.79)	552.16
(Decrease)/increase in provisions	181.36	331.64
(Decrease)/increase in trade and other payables	1,211.86	841.42
<b>Cash generated from operating activities</b>	<b>(5,621.07)</b>	<b>(1,767.71)</b>
Direct taxes paid (net of refunds)	(2,954.56)	(1,647.20)
<b>Cash flows before exceptional items</b>	<b>6,439.77</b>	<b>9,750.74</b>
<b>Net Cash flow generated from operating activities (A)</b>	<b>6,439.77</b>	<b>9,750.74</b>
<b>B. Cash Flow from Investing activities</b>		
Sale proceeds from property, plant and equipment	14.40	208.40
Purchase of property, plant and equipment	(11,701.05)	(1,465.30)
Purchase of intangibles	(0.83)	-
Investment Property acquired under amalgamation scheme	-	(276.27)
Adjustment of non cash item on account of amalgamation	-	958.08
Net Sale/ (Purchase) proceeds of from non-current investments and current investments	(2,389.62)	(35.24)
Interest income	87.40	140.50
Dividend income	0.72	1.22
<b>Net Cash Flow Generated from investing activities (B)</b>	<b>(13,988.99)</b>	<b>(468.60)</b>
<b>C. Cash flow from Financing activities</b>		
Interest expenses	(495.97)	(679.31)
Proceeds/(Repayment) of long-term borrowings	3,678.22	(963.47)
Proceeds/(Repayment) of short-term borrowings	6,464.37	(5,960.93)
Proceeds from issue of Equity share capital (net of transaction costs)	7,634.04	-
Dividend paid	(274.08)	(117.46)
<b>Net Cash flow Generated from financing activities (C)</b>	<b>17,006.57</b>	<b>(7,721.17)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>9,457.36</b>	<b>1,560.98</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,803.48</b>	<b>242.50</b>
<b>Cash and cash equivalents at year end</b>	<b>11,260.83</b>	<b>1,803.48</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: 22077834AJIBEY7301

Date: May 20, 2022  
Place: Delhi

For and on behalf of the Board of Directors

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

## Statement Of Change In Equity For The Year Ended 31st March, 2022

### A. Equity Share Capital

Particulars	(₹ in Lakhs)
	Amount
<b>Opening Balance as at April 01, 2020</b>	<b>469.17</b>
Cancellation of shares held by Gulshan Holding Private Limited ("GHPL") (refer note 46)	(263.75)
Cancellation of shares held by East Delhi Importers and Exporters Private Limited ("EDIEPL") (refer note 46)	
Shares Issued to GHPL Shareholders on acquisition of GHPL (refer note 46)	
Shares Issued to EDIEPL Shareholders on acquisition of EDIEPL (refer note 46)	
<b>Closing balance as at March 31, 2021</b>	<b>495.59</b>
Change during the year (refer note 47)	24.16
<b>Closing balance as at March 31, 2022</b>	<b>519.75</b>

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

(₹ in Lakhs)

Particulars	RESERVES AND SURPLUS						Other comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	Other comprehensive Income			
						Equity Instrument through Other Comprehensive Income	Defined Benefit Obligation		
<b>Balance as at April 01, 2020</b>	132.35	3,701.57	4,986.24	50.00	21,211.77	-	(22.03)	30,059.90	
Profit for the year	-	-	-	-	6,211.66			6,211.66	
Dividend on equity shares	-	-	-	-	(117.46)			(117.46)	
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	4.83	62.12	66.95	
Acquisition of GHPL (refer note 46)	(13,518.56)	13,243.91	313.62		4,061.29			4,100.26	
Cancellation of shares held by GHPL (refer note 46)	(3,366.90)	-			-			(3,366.90)	
Acquisition of EDIEPL (refer note 46)	(867.98)	850.88	72.00		597.04			651.94	
Cancellation of shares held by EDP-DL (refer note 46)	(453.65)	-						(453.65)	
<b>As at March 31, 2021</b>	<b>(18,074.73)</b>	<b>17,796.36</b>	<b>5,371.86</b>	<b>50.00</b>	<b>31,964.29</b>	4.83	40.09	<b>37,152.70</b>	
<b>Balance as at 1st April 01, 2021</b>	<b>(18,074.73)</b>	<b>17,796.36</b>	<b>5,371.86</b>	<b>50.00</b>	<b>31,964.29</b>	4.83	40.09	<b>37,152.70</b>	
Profit for the year	-	-	-	-	8,524.89			8,524.89	
Amount Transfer to Capital Redemption Reserve	-	-	-	975.00	(975.00)			-	
Dividend on equity shares	-	-	-	-	(274.08)			(274.08)	
Change during the year (refer note 47)	-	7,863.60	-	-	-			7,863.60	
Transaction costs on issue of shares (refer note 47)	-	(253.72)	-	-	-			(253.72)	
Other comprehensive income for the year, net of income tax	-	-	-	-	-	17.36	(11.52)	5.84	
Amount Transfer to General Reserve	-	-	2.00	-	(2.00)	-	-	-	
<b>As at March 31, 2022</b>	<b>(18,074.73)</b>	<b>25,406.24</b>	<b>5,373.86</b>	<b>1,025.00</b>	<b>39,238.10</b>	22.19	28.57	<b>53,019.23</b>	

The accompanying notes from an integral part of the financial statements

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

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

**(RAJEEV KUMAR SINGHAL)**  
 Partner  
 Membership no: 077834  
 UDIN: 22077834AJIBEY7301

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

**ASHWANI KUMAR VATS**  
 Whole Time Director and CEO  
 DIN : 00062413

**ASHA MITTAL**  
 Company Secretary

**RAJIV GUPTA**  
 Chief Financial Officer

**Date: May 20, 2022**  
**Place : Delhi**

## NOTES TO FINANCIAL STATEMENTS

### 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 received from the government authorities.

Export entitlement from government authorities under Duty Draw Back scheme is recognised in the statement of profit and loss based on receipt 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 40)

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

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

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an

asset or its cash-generating unit is lower than it is carrying amount.

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

### **1.16 Provisions, Contingent Liabilities and Contingent Assets**

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



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

### Contingent Liabilities

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

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

### Contingent Assets

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

## 1.17 Business Combinations

Business combinations involving entities under common control are accounted for using the pooling of interest's method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity (refer note 46).

## 1.18 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.

## 1.19 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.

### **1.20 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**

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 April 01, 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 March 31, 2021	258.72	1,087.09	4,099.09	34,764.57	221.40	775.18	41,206.04
Additions	-	1,190.31	1.14	1,574.18	36.13	89.83	2,891.59
Disposals	-	-	-	15.75	-	40.98	56.73
Balance as at March 31, 2022	258.72	2,277.39	4,100.22	36,323.01	257.53	824.03	44,040.90
<b>Accumulated Depreciation</b>							
Balance as at April 01, 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 March 31, 2021	-	75.03	1,332.99	15,262.46	138.73	312.95	17,122.17
Additions	-	34.92	262.79	2,772.36	27.97	154.50	3,252.54
Disposals	-	-	-	10.44	-	39.08	49.52
Balance as at March 31, 2022	-	109.95	1,595.79	18,024.38	166.71	428.37	20,325.18
<b>Net Block</b>							
Balance as at March 31, 2022	258.72	2,167.45	2,504.44	18,298.63	90.82	395.66	23,715.71
Balance as at March 31, 2021	258.72	1,012.06	2,766.09	19,502.11	82.67	462.22	24,083.87
Balance as at March 31, 2020	258.72	922.52	3,056.46	21,384.79	100.04	256.26	25,978.79

Note: Refer note 46

**3. CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Projects in Progress	9,128.12	303.11
<b>Total</b>	<b>9,128.12</b>	<b>303.11</b>

Ageing of capital work-in-progress as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Amount in C WIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in Progress	9,067.05	61.07	-	-	9,128.12
<b>Total</b>	<b>9,067.05</b>	<b>61.07</b>	-	-	<b>9,128.12</b>

Ageing of capital work-in-progress as at March 31, 2021 is as follows:

(₹ in Lakhs)

Particulars	Amount in C WIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in Progress	303.11	-	-	-	303.11
<b>Total</b>	<b>303.11</b>	-	-	-	<b>303.11</b>

Note: The Company do not have any Overdue Completion of Capital WIP

**4. INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	Land	Building	Total
<b>Gross Block</b>			
<b>Balance as at April 01, 2020</b>	<b>259.04</b>	<b>28.51</b>	<b>287.55</b>
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2021</b>	<b>259.04</b>	<b>28.51</b>	<b>287.55</b>
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2022</b>	<b>259.04</b>	<b>28.51</b>	<b>287.55</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at April 01, 2020</b>	-	<b>11.29</b>	<b>11.29</b>
Additions	-	1.63	1.63
Disposals	-	-	-
<b>Balance as at March 31, 2021</b>	-	<b>12.92</b>	<b>12.92</b>
Additions	-	1.48	1.48
Disposals	-	-	-
<b>Balance as at March 31, 2022</b>	-	<b>14.40</b>	<b>14.40</b>
<b>Net Block</b>			
<b>Balance as at March 31, 2022</b>	<b>259.04</b>	<b>14.11</b>	<b>273.15</b>
<b>Balance as at March 31, 2021</b>	<b>259.04</b>	<b>15.59</b>	<b>274.63</b>
<b>Balance as at April 01, 2020</b>	<b>259.04</b>	<b>17.21</b>	<b>276.25</b>

Note: Refer note 46

**Fair Market Value of Investment Property**

As on March 31, 2022	297.59
As on March 31, 2021	287.62
As on April 01, 2020	279.51

Note: The Company has not revalued the investment Property. Fair market value is based on the valuation report from a Registered valuer as defined under Companies Act, 2013

**5. INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2022
<b>Gross Block (Software)</b>	
<b>Balance as at April 01, 2020</b>	<b>23.00</b>
Additions	-
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>23.00</b>
Additions	0.83
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>23.83</b>
<b>Accumulated Depreciation</b>	
<b>Balance as at April 01, 2020</b>	<b>11.11</b>
Additions	3.08
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>14.19</b>
Additions	2.42
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>16.61</b>
<b>Net Block</b>	
<b>Balance as at March 31, 2022</b>	<b>7.21</b>
<b>Balance as at March 31, 2021</b>	<b>8.81</b>
<b>Balance as at March 31, 2020</b>	<b>11.88</b>

Note: The Company do not have any Intangible Asset under Development

**6. INVESTMENTS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>(1) Investment in Equity instruments (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 ( formally named as Bharuch Eco-Aqua Infrastructure Ltd.)	40.90	40.90
<b>(2) Investment in Equity instruments(Quoted) at fair value through OCI (Fully paid up)</b>		
(i) 50000 (PY 50000) equity shares in Genus Power Infrastructure Limited of Re.1 each	35.85	24.00
(ii) 50000 (PY 50000) equity shares in Genus Paper and Boards Limited of Re.1 each	7.00	3.58
(iii) 1500 (PY 1500) equity shares in J.P. Associates Limited of Re. 1 each	0.12	0.10
(iv) 25000 (PY 25000) equity shares in Rashtriya Chemical and Fertilizers Limited of ₹ 10 each	22.29	19.35
(v) 25000 (PY 25000) equity shares in Suzlon Energy Limited of ₹ 2 each	2.30	1.25
<b>(3) Investment in Mutual Fund</b>	2,476.15	-
<b>Total</b>	<b>2,585.67</b>	<b>90.23</b>

Note: Refer note 46

**7. OTHER FINANCIAL ASSETS (NON CURRENT)**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Security Deposits	691.85	506.93
Bank Deposits with maturity of more than 12 months as Margin Money	347.53	796.78
<b>Total</b>	<b>1,039.38</b>	<b>1,303.71</b>

Bank Deposits in form of FDR having maturity period of more than 12 months is kept as margin money against Bank guarantees

**8. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Capital Advances	1,151.93	-
Other Loans & Advances	212.31	136.00
Balance with Gratuity fund	21.80	44.08
Advance tax	-	27.99
<b>Total</b>	<b>1,386.04</b>	<b>208.07</b>

Note: Refer note 46

**9. INVENTORIES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(i) Raw Materials	5,886.40	4,648.21
(ii) Work in Progress	1,012.00	749.80
(iii) Finished Goods	1,520.96	1,898.08
(iv) Stock in Traded Goods	165.40	35.08
(v) Stores, Spares & Packing	564.13	523.24
(vi) Coal, Fuel & Chemicals	1,640.98	1,190.65
<b>Total</b>	<b>10,789.87</b>	<b>9,045.07</b>

**10. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Un-secured and Considered Good	11,962.07	9,838.15
Considered Doubtful	94.80	98.31
<b>Total</b>	<b>12,056.87</b>	<b>9,936.46</b>
Less:- Allowance for doubtful trade receivables	(94.80)	(98.31)
<b>Total</b>	<b>11,962.07</b>	<b>9,838.15</b>

**Ageing of trade receivables as at March 31, 2022 is as follows:**

(₹ in Lakhs)

Particulars	Not due	Less than 6 months	6 month-1 year	1-2 years	2-3 years	more than 3 years	Total
Undisputed Trade Receivables-Considered Good	10,308.82	1,363.63	157.93	-	154.51	41.73	12,026.62
Undisputed Trade Receivables-which have significant increase in credit risk	-	-	0.18	-	-	-	0.18
Undisputed Trade Receivables-credit impaired	-	-	-	-	22.57	-	22.57
Disputed Trade Receivables-Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	7.50	7.50
Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>10,308.82</b>	<b>1,363.63</b>	<b>158.11</b>	<b>-</b>	<b>177.08</b>	<b>49.23</b>	<b>12,056.87</b>
Less:- Allowance for doubtful trade receivables							(94.80)
<b>Trade receivables (Net)</b>							<b>11,962.07</b>

**Ageing of trade receivables as at March 31, 2021 is as follows:**

(₹ in Lakhs)

Particulars	Not due	Less than 6 months	6 month-1 year	1-2 years	2-3 years	more than 3 years	Total
Undisputed Trade Receivables-Considered Good	7,330.75	1,954.92	80.92	372.97	163.41	3.42	9,906.39
Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	22.57	-	-	22.57
Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	7.50	-	7.50
Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>7,330.75</b>	<b>1,954.92</b>	<b>80.92</b>	<b>395.54</b>	<b>170.91</b>	<b>3.42</b>	<b>9,936.46</b>
Less:- Allowance for doubtful trade receivables							(98.32)
<b>Trade receivables (Net)</b>							<b>9,838.14</b>

**11. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Cash in hand	2.66	8.82
Balance with Banks		
-In Current accounts	11,258.17	1,794.66
<b>Total</b>	<b>11,260.83</b>	<b>1,803.48</b>

Note: Refer note 46

**12. OTHER BANK BALANCE**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Unclaimed dividend Account	72.31	66.95
Term deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	974.93	122.62
<b>Total</b>	<b>1,047.24</b>	<b>189.57</b>

Note: Refer note 46

**13. OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Unsecured and Considered Good</b>		
Advance to Employees	14.30	11.19
Advance to suppliers and service providers	2,450.39	1,350.97
Advance/Current Taxes	3,189.03	1,714.75
Balance with Govt. Authorities	1,242.79	304.03
Other Advances	317.33	177.86
<b>Total</b>	<b>7,213.84</b>	<b>3,558.81</b>

Note: Refer note 46

**14. EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Authorised Equity Share Capital:</b>		
28,06,00,000 (PY 28,06,00,000) Equity shares of ₹ 1 each	2,806.00	2,806.00
<b>Authorised Preference Share Capital:</b>		
2,50,000 (PY 2,50,000) Preference shares of ₹ 10 each	25.00	25.00
14,50,000 (PY 14,50,000) Preference shares of ₹ 100 each	1,450.00	1,450.00
<b>Total</b>	<b>4,281.00</b>	<b>4,281.00</b>
<b>Issued, Subscribed and Paid up:</b>		
5,19,75,489 (PY 4,95,59,489) Equity shares of ₹ 1 each	519.75	495.59
<b>Total</b>	<b>519.75</b>	<b>495.59</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	
	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Equity Shares</b>		( 1 Rs Each)		( 1 Rs Each)
Shares outstanding at the beginning of the year	4,95,59,489	495.59	4,69,17,020	469.17
Cancellation of shares held by GHPL (refer note 46)	-	-	(2,63,75,047)	(263.75)
Cancellation of shares held by EDIEPL (refer note 46)	-	-	(9,65,020)	(9.65)
Add: Issued during the year (refer note 47)	24,16,000	24.16	-	-
Shares Issued to GHPL Shareholders (refer note 46)			2,81,72,536	281.73
Shares Issued to EDIEPL Shareholders (refer note 46)			18,10,000	18.10
<b>Closing balance</b>	<b>5,19,75,489.00</b>	<b>519.75</b>	<b>4,95,59,489.00</b>	<b>495.59</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 during the Financial year 2021-2022 a Final dividend of ₹ 0.40/- per equity share at face value of ₹ 1/- each (40%) for Financial Year 2020-2021 declared in Annual General Meeting held on 18-09-2021 and also paid an interim dividend of ₹ 1/- per equity share at face value of ₹ 1/- each (100%) for the financial year 2021-2022 declared in Board meeting held on 09-11-2021. The Company declares and pays dividend in Indian Rupees.

**(b) Details of Shares held by each Shareholder, holding more than 5% Shares in the Company**

Name of Shareholder	As at		As at	
	March 31, 2022		March 31, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
(i) Dr. Chandra Kumar Jain	1,18,85,326	22.87%	1,18,85,326	23.98%
(ii) Mrs. Mridula Jain	77,15,809	14.85%	77,15,809	15.57%
(iii) Mrs. Arushi Jain	50,46,129	9.71%	50,46,129	10.18%
(iv) Mrs. Aditi Pasari	50,13,751	9.65%	50,13,751	10.12%
(v) Mrs. Anubha Gupta	49,79,892	9.58%	49,79,892	10.05%

**(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	
	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Preference Shares		( 100 Rs Each)		( 100 Rs Each)
Shares outstanding at the beginning of the year	9,75,000	975.00	9,75,000	975.00
Add: Issued during the year	-	-	-	-
Less: Redeemed during the year	9,75,000	975.00		
<b>Closing balance</b>	-	-	<b>9,75,000</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 Rs 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	
	March 31, 2022		March 31, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
Dr. Chandra Kumar Jain	-	-	9,75,000	100.00%

**(e) Shareholding of Promoter/Promoter Group**

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Dr. Chandra Kumar Jain	1,18,85,326	22.87%	1,18,85,326	23.98%	-1.11%
Mrs. Mridula Jain	77,15,809	14.85%	77,15,809	15.57%	-0.72%
Mrs. Arushi Jain	50,46,129	9.71%	50,46,129	10.18%	-0.47%
Mrs. Aditi Pasari	50,13,751	9.65%	50,13,751	10.12%	-0.47%
Mrs. Anubha Gupta	49,79,892	9.58%	49,79,892	10.05%	-0.47%

Refer note 46



## 15. OTHER EQUITY

(₹ in Lakhs)

RESERVES AND SURPLUS								
Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	Other comprehensive Income		Total
						Equity Instrument through Other Comprehensive Income	Defined Benefit Obligation	
<b>Balance as at April 01, 2021</b>	(18,074.73)	17,796.36	5,371.86	50.00	31,964.29	4.83	40.09	37,152.70
Profit for the year	-	-	-	-	8,524.89	-	-	8,524.89
Amount Transfer to Capital Redemption Reserve	-	-	-	975.00	(975.00)	-	-	-
Dividend on equity shares for the year (refer note 46)	-	-	-	-	(274.08)	-	-	(274.08)
Change during the year (refer note 47)	-	7,863.60	-	-	-	-	-	7,863.60
Transaction costs on issue of shares (refer note 47)	-	(253.72)	-	-	-	-	-	(253.72)
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	17.36	(11.52)	5.84
Amount Transfer to General Reserve	-	-	2.00	-	(2.00)	-	-	-
<b>Balance as at March 31, 2022</b>	<b>(18,074.73)</b>	<b>25,406.24</b>	<b>5,373.86</b>	<b>1,025.00</b>	<b>39,238.10</b>	<b>22.19</b>	<b>28.57</b>	<b>53,019.23</b>

(₹ in Lakhs)

RESERVES AND SURPLUS								
Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	Other comprehensive Income		Total
						Equity Instrument through Other Comprehensive Income	Defined Benefit Obligation	
<b>Balance as at April 01, 2020</b>	132.35	3,701.57	4,986.24	50.00	21,211.77	-	(22.03)	30,059.90
Profit for the year	-	-	-	-	6,211.66	-	-	6,211.66
Dividend on equity shares for the year (refer note 46)	-	-	-	-	(117.46)	-	-	(117.46)
Other comprehensive income for the year, (net of tax)	-	-	-	-	-	4.83	62.12	66.95
Acquisition of GHPL (refer note 46)	(13,518.56)	13,243.91	313.62	-	4,061.29	-	-	4,100.26
Cancellation of shares held by GHPL (refer note 46)	(3,366.90)	-	-	-	-	-	-	(3,366.90)
Acquisition of EDIEPL (refer note 46)	(867.98)	850.88	72.00	-	597.04	-	-	651.94
Cancellation of shares held by EDIEPL (refer note 46)	(453.65)	-	-	-	-	-	-	(453.65)
<b>Balance as at March 31, 2021</b>	<b>(18,074.73)</b>	<b>17,796.36</b>	<b>5,371.86</b>	<b>50.00</b>	<b>31,964.29</b>	<b>4.83</b>	<b>40.09</b>	<b>37,152.70</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans</b>		
(i) Term Loan from bank measured at Amortised Cost	4,687.50	-
(ii) Long term maturities of Finance Lease obligations/ hire purchase finance	43.72	-
<b>Total</b>	<b>4,731.22</b>	<b>-</b>
<b>Unsecured</b>		
9,75,000, 8% Redeemable Preference shares of ₹ 100 each (refer note below)*	-	1,053.00
<b>Total</b>	<b>-</b>	<b>1,053.00</b>
<b>Grand Total</b>	<b>4,731.22</b>	<b>1,053.00</b>
<b>Notes:</b>		
<b>(i) Term Loans from HSBC Bank</b>	4687.50	-
Rate of Interest: MCLR linked at mutually accepted rate During the year bank sanctioned a Term Loan of Rs 17,000 lakhs for setting up 500 KLPD Grain based Ethnol Producing Plant at Borgaon, District Chhindwara (M.P) for a Door-to-door tenor of 5 years including 1 year moratorium repayable in 16 quarterly installments. Till March 31, 2022 Rs 5,000 lakhs is disbursed by the bank. The above loan is secured by first charge on movable fixed assets of the company (plant and machinery) as well as Equitable Mortgage over entire Land & Building located at a) Company new plant on Plot No 8,9(Part), 26, 5, 4, 3 and D16 to D20. b) Company's existing plant (Distillery and Bottling unit) on Plot No. -10, 11 & part of 9. Both Plants are located at Borgaon Industrial Growth centre, Tehsil Sausar Dist. Chhindwara, M.P. c) Company's existing plant at Village Rampur Majri, Tehsil Paonta Sahib, Dhaula Kuan 173001, Dist. Sirmour, Himachal Pradesh (except assets already mortgaged to hire purchase companies) d) Above term loans are secured by personal guarantee of a Promoter Director.		
<b>(ii) Long term maturities of Finance Lease</b>	43.72	-
Above loans are secured by hypothecation of vehicles purchased through Banks under hire purchase agreements.		

\*Redeemable Preference Share capital includes interest of 78 Lakhs.

**17. Other Financial Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	450.10	133.48
<b>Total</b>	<b>450.10</b>	<b>133.48</b>

**18. DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation and amortisation	1,351.00	1,475.91
Deferred tax asset on OCI items	(22.77)	(43.42)
Others	8.68	8.68
<b>Total</b>	<b>1,336.91</b>	<b>1,441.17</b>

Note: Refer note 46

**19. SHORT TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Secured loans</b>		
Working Capital Loan	6,141.13	-
Current maturities of long term debt (refer note 16)	323.24	-
<b>Total</b>	<b>6,464.37</b>	<b>-</b>
Rate of Interest:		
SBI - 0.75% above MCLR linked bank rate.		
HSBC - MCLR linked at mutually accepted rate.		
(a) The Working Capital Loans are secured by		
(i) First pari-passu charge over entire current assets of the Company (both present and future) including stock, receivables and other current assets except vehicles.		
(ii) Second charge on pari passu basis on the entire movable fixed assets of the company, present and future.		
(iii) Negative Lien charge on pari passu basis on the following properties:-		
- Land and building located at plot no - 762, 762/1 and 762/2 Jhagadia Industrial Estate . Bharuch, Gujrat - 393110.		
- Land and building located at 769/1 and 769/2 G I D C industrial estate, Bharuch, Gujrat - 393110 and Land and building located at E-21 & E-22, RICO Growth Centre phase-II , Abu Road, Dist-Sirohi, Rajasthan		
(iv) Second pari passu charge (EM) on the following properties:		
- Company's existing plant at Village Rampur Majri, Tehsil Paonta Sahib, Dhaura Kuan 173001, Dist. Sirmour, Himachal pradesh (except assets already mortgaged to hire purchase companies)		
- Company's existing plant at Chhindwara, Madhya pradesh (Distillery and Bottling unit) at Plot No. -10, 11 & part of 9, Bargaon Industrial Growth centre, Tehsil Sausar Dist. Chhindwara, M.P.		
(b) Above term loans are secured by personal guarantee of a Promoter Director.		

**Note: Company has not used the borrowings from banks & financial institutions other than the specific purpose for which it was taken at the balance sheet.**

**20. TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Trade Payables consist of the following:</b>		
(a) Micro and small enterprises (refer note 39)	585.00	231.74
(b) Outstanding dues of creditors other than above	5,195.17	5,399.04
<b>Total</b>	<b>5,780.17</b>	<b>5,630.78</b>

**Ageing of trade payables outstanding as at March 31, 2022 is as follows:**

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 year	
MSME	585.00	(0.00)	-	-	-	<b>585.00</b>
Others	2,381.04	2,802.47	11.50	0.16	-	<b>5,195.17</b>
Disputed Dues -MSME	-	-	-	-	-	-
Disputed Dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>2,966.04</b>	<b>2,802.47</b>	<b>11.50</b>	<b>0.16</b>	-	<b>5,780.17</b>

**Ageing of trade payables outstanding as at March 31, 2021 is as follows:**

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 year	
MSME	231.74	-	-	-	-	231.74
Others	5,215.17	180.03	0.74	3.10	-	5,399.04
Disputed Dues -MSME	-	-	-	-	-	-
Disputed Dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>5,446.91</b>	<b>180.03</b>	<b>0.74</b>	<b>3.10</b>	-	<b>5,630.78</b>

**21. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) Unclaimed dividends	72.31	66.95
(b) Capital liabilities	742.41	5.00
(c) Expenses payable	640.54	667.59
<b>Total</b>	<b>1,455.26</b>	<b>739.55</b>

Note: Refer note 46

**22. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) Advance from Customers	1,009.99	324.15
(b) Other liabilities	1,716.01	1,383.39
<b>Total</b>	<b>2,726.01</b>	<b>1,707.55</b>

Note: Refer note 46

**23. PROVISIONS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Employee Benefits	693.56	512.20
<b>Total</b>	<b>693.56</b>	<b>512.20</b>

Note: Refer note 46

**24. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
<b>Revenue</b>		
(a) Sale of Product	1,06,837.13	74,438.99
(b) Freight and Handling Charges recovered	1,308.42	606.59
<b>(I)</b>	<b>1,08,145.55</b>	<b>75,045.58</b>
<b>Other Operating Revenues</b>		
(i) Export and Other Incentives	495.00	204.14
(ii) Miscellaneous Receipts & claims	6.22	60.85
(iii) Sales- Scrap & Waste Material	272.70	153.13
(iv) Foreign Exchange Fluctuations	98.29	83.93
(v) Lease Rent, Operation & Maintenance Charges	1,054.88	1,055.81
<b>(II)</b>	<b>1,927.09</b>	<b>1,557.86</b>
<b>REVENUE FROM OPERATIONS (I+II)</b>	<b>1,10,072.64</b>	<b>76,603.44</b>

<b>(A) Revenue from contracts with customers disaggregated based on nature of products or services.</b>		
<b>Revenue from sale of products</b>		
i) Mineral Processing	8,338.77	8,118.46
ii) Grain Processing	80,077.89	53,657.52
iii) Ethanol (Bio-Fuel)/Distillery	19,728.89	13,269.61
<b>Other Operating Revenues</b>		
(i) Export and Other Incentives	495.00	204.14
(ii) Miscellaneous Receipts & claims	6.22	60.85
(iii) Sales- Scrap & Waste Material	272.70	153.13
(iv) Foreign Exchange Fluctuations	98.29	83.93
(v) Lease Rent, Operation & Maintenance Charges	1,054.88	1,055.81
<b>Total</b>	<b>1,10,072.64</b>	<b>76,603.44</b>
<b>(B) Revenue from contracts with customers disaggregated based on geography</b>		
Domestic	1,00,028.84	68,758.38
Export	6,808.29	5,680.61
<b>Total</b>	<b>1,06,837.13</b>	<b>74,438.99</b>
<b>(C) Reconciliation of gross revenue with the revenue from contracts with customers</b>		
Gross revenue #	1,06,948.38	74,482.81
Less: discounts	(111.25)	(43.82)
<b>Total</b>	<b>1,06,837.13</b>	<b>74,438.99</b>
# Revenue is 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.		
<b>(D) Receivables, contract assets and contract liabilities from contracts with customers</b>		
Trade receivables*	11,962.07	9,838.15
Contract balances		
– Advances from customers **	(1,009.99)	(324.15)
<b>Total</b>	<b>10,952.07</b>	<b>9,514.00</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.

Note: Refer note 46

## 25. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
(a) Interest Income		
On Bank Deposits & Others	87.40	140.50
(b) Dividend Income		
On Investments	0.72	1.22
(c) Gain / (Loss) on sale of investments (Net)		
On Investments	105.81	13.04
(d) Profit/ (Loss) on property, plant and equipment sold / discarded (Net)	7.20	82.02
(e) Other Non-Operating income	3.63	24.19
<b>Total</b>	<b>204.75</b>	<b>260.98</b>

Note: Refer note 46

**26. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Material	56,434.35	36,055.47
<b>Total</b>	<b>56,434.35</b>	<b>36,055.47</b>

**27. PURCHASE OF GOODS TRADED**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of Stock in Trade	930.80	471.74
<b>Total</b>	<b>930.80</b>	<b>471.74</b>

**28. CHANGE IN INVENTORIES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) Opening inventories</b>		
(a) Traded Goods	35.08	94.77
(b) Work in progress	749.80	695.18
(c) Finished Goods	1,898.08	2,557.71
	<b>2,682.97</b>	<b>3,347.66</b>
<b>(b) Less: Closing Inventories</b>		
(a) Traded Goods	165.40	35.08
(b) Work in progress	1,012.00	749.80
(c) Finished Goods	1,520.96	1,898.08
	<b>2,698.36</b>	<b>2,682.97</b>
<b>Total</b>	<b>(15.39)</b>	<b>664.69</b>

**29. EMPLOYEE BENEFITS EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and Wages	3,363.50	2,590.05
(b) Contribution to Provident and Other Funds	82.83	122.76
(c) Employee Welfare	183.77	157.87
<b>Total</b>	<b>3,630.10</b>	<b>2,870.68</b>

Note: Refer note 46

**30. FINANCE COST**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest on working Capital loans and Bank Charges	424.29	433.00
(b) Interest on Term and Other Loans	5.44	168.31
(c) Interest Expenses recognised on Redeemable Preference Shares	66.25	78.00
<b>Total</b>	<b>495.97</b>	<b>679.31</b>

Note: Refer note 46

**31. DEPRECIATION AND AMORTIZATION EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Depreciation on Property, Plant and Equipment	3,238.48	3,253.93
(b) Amortisation on Intangible Assets	2.42	3.08
<b>Total</b>	<b>3,240.90</b>	<b>3,257.01</b>

Note: Refer note 46



**32. OTHER EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
(a) Process Chemicals & Consumables	7,189.27	5,393.81
(b) Stores, Spare Parts & Packing	4,290.41	2,864.37
(c) Power and Fuel	13,806.46	8,310.81
(d) Repair & Maintenance:		
-Building	14.69	4.51
-Plant & Machinery	1,347.57	1,263.21
(e) Rates and Taxes	401.12	336.24
(f) Rent	119.84	109.55
(g) Printing and Stationary	32.10	26.51
(h) Advertisement and Publicity	11.88	4.83
(i) Subscription and Membership fees	12.65	9.62
(j) Travelling Expenses	150.91	114.59
(k) Legal and Professional Expenses	249.86	227.98
(l) Payment to Auditors*	8.86	8.55
(m) Communication Charges	51.45	46.73
(n) Repair and Maintenance	31.04	56.36
(o) Insurance	116.15	92.28
(p) Donation	5.37	0.63
(q) Corporate Social Responsibility expenses**	85.66	218.09
(r) Miscellaneous Expenses	17.92	17.95
(s) Allowance for Doubtful trade receivables	-	98.32
(t) Commission & Discount	186.10	125.38
(u) Freight and Forwarding Expenses	5,864.25	4,099.14
(v) Others Selling Expense	87.43	68.24
<b>Total</b>	<b>34,081.01</b>	<b>23,497.70</b>
<b>*Details of Auditors Remuneration are as follows:</b>		
(i) Statutory Audit Fees	7.11	6.80
(ii) Limited Review Fee	1.25	1.25
(iii) Reimbursement of expenses		
(iv) Other Management Services, Consultancy and certification Charges	0.50	0.50
	<b>8.86</b>	<b>8.55</b>

Note: Refer note 46

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

Particulars	2021-22	2020-21
Gross amount required to be spent by the Company during the year	97.95	51.99
Amount Spent during the year	85.66	218.09*
Less:- Excess spent towards CSR in FY 2020-21	12.29	-
Amount available for set off in succeeding financial years	5.66	17.95
Amount Unspent during the year	-	-

\* 218.09 includes accumulated unspent amount of ₹ 148.15 Lakhs from previous financial years

### 33. INCOME TAX

#### A. Amounts recognized in profit or loss

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>Tax Expense</b>		
Current year	3,079.67	1,843.89
Add: MAT Credit utilized	0.00	1,305.68
<b>Deferred Tax (Expense)/Gain</b>	3,079.67	3,149.56
Property, plant and equipment	(124.91)	6.59
<b>Total Tax Expense</b>	<b>2,954.76</b>	<b>3,156.16</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 March 31, 2021	Recognized in P&L	Recognized in OCI	As at March 31, 2022
<b>Deferred Tax Assets</b>				
Property, plant and equipment and Investment	43.42	124.91	-	168.33
<b>Total Deferred Tax Assets</b>	<b>43.42</b>	<b>124.91</b>	-	<b>168.33</b>

Particulars	As at March 31, 2021	Recognized in P&L	Recognized in OCI	As at March 31, 2022
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment and Investment	1,484.59	0	20.65	1,505.24
<b>Total Deferred Tax Liabilities</b>	<b>1,484.59</b>	<b>0</b>	<b>20.65</b>	<b>1,505.24</b>
<b>Net Deferred Tax (Liability)</b>	<b>(1,441.17)</b>	<b>124.91</b>	<b>(20.65)</b>	<b>(1,336.91)</b>

Note: Refer note 46

### 34. Earning Per Share

(₹ in Lakhs)

Particulars	2021-22	2020-21
1 Net Profit After Tax	8,524.89	6,211.66
2 Weighted Average of number of Equity Share outstanding during the year	519.75	495.59
3 Basic Earning Per Share of ₹ 1/- each	16.40	12.53
4 Diluted Earning Per Share of ₹ 1/- each	16.40	12.53

### 35. 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 42.56 Lakhs (Previous year INR 36.73 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 contribution to gratuity plan for the year 2022-23 is ₹ 46.51 Lakhs

## Reconciliation of present value of defined benefit obligation

(₹ in Lakhs)

A	Particulars	Gratuity (Funded)	
		March 31, 2022	March 31, 2021
	<b>Change in the Present value of obligation</b>		
	<b>Balance at the beginning of the year</b>	<b>308.39</b>	<b>330.85</b>
	Benefits paid	(30.22)	-
	Current service cost	40.51	33.44
	Interest cost	20.94	22.66
	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	-	-
	-Changes in financial assumptions	(18.94)	1.72
	-Experience adjustments	33.36	(80.29)
	<b>Balance at the end of the year</b>	<b>354.04</b>	<b>308.39</b>
B	<b>Particulars</b>	<b>Gratuity (Funded)</b>	
		<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Change in the fair value of plan asset</b>		
	<b>Balance at the beginning of the year</b>	<b>352.04</b>	<b>332.02</b>
	Contributions paid into the plan	31.44	1.32
	Benefits paid	(30.22)	-
	Expected Return on Plan Asset Opening Adjustment	22.58	24.46
	Mortality Charges	-	(2.39)
		-	(3.38)
	Actuarial Gain/(Loss) on Planned Assets	-	-
	<b>Balance at the end of the year</b>	<b>375.84</b>	<b>352.04</b>
	<b>Net Defined Benefit Asset/(Liability)</b>	<b>21.80</b>	<b>43.65</b>
C	<b>Particulars</b>	<b>Gratuity (Funded)</b>	
		<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Expense recognized in profit or loss</b>		
	Current service cost	40.51	33.45
	Interest cost	(2.96)	0.08
	Actuarial (Gain)/Loss	-	-
	<b>TOTAL</b>	<b>37.55</b>	<b>33.53</b>
D	<b>Particulars</b>	<b>Gratuity (Funded)</b>	
		<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Expense recognized in OCI</b>		
	Actuarial (gains) / losses		
	- change in demographic assumptions	-	-
	- change in financial assumptions	(18.94)	1.72
	- experience variance (i.e. Actual experience vs assumptions)	33.36	(80.29)
	- return on plan assets, excluding amount recognized in net interest expense	1.32	1.50
	<b>TOTAL</b>	<b>15.74</b>	<b>(77.07)</b>

## E Plan Assets

Plan Assets comprise of the following:

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Equities	0%	0%
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>

## F

Actuarial Assumptions	Gratuity (Funded)	
	March 31, 2022	March 31, 2021
<b>Economic assumptions:</b>		
Discount Rate (Per annum) Future Salary increase	7.22%	6.79%
	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 17.49 years (31<sup>st</sup> March 2021: 13.42 years).

## G Sensitivity Analysis

Particulars	Gratuity (Funded)	
	March 31, 2022	March 31, 2021
<b>Present Value of Obligation at the end of the period</b>	354.04	308.39
a) Discount rate-100 basis points	44.13	29.96
b) Discount rate+100 basis points	(40.73)	(27.78)
c) Salary Growth Rate -100 basis points	(41.29)	(27.97)
d) Salary Growth Rate+100 basis points	44.33	29.90

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 recognized 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 in not therefore offset by increased in value of bonds, hence may pose a risk.

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

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

**I Maturity profile of defined benefit obligation**

(₹ in lakhs)

Actuarial Assumptions	Gratuity (Funded)	
	March 31, 2022	March 31, 2021
Year 1	34.97	24.47
Years 2-5	45.70	67.34
Years 6-10	22.92	81.86
Beyond 10	250.46	134.74

**36. Financial instruments and risk management****I. Financial instruments by category**

(₹ in Lakhs)

	As at 31.03.2022				As at 31.03.2021			
	FVT PL	FVT OCI	Amortized Cost	Total Carrying Value	FVTPL	FVT OCI	Amortized Cost	Total Carrying Value
<b>Financial assets</b>								
Investments								
- in equity instruments	-	109.52	-	109.52	-	90.23	-	90.23
- mutual funds	2,476.15	-	-	2,476.15	-	-	-	-
Trade Receivable	-	-	11,962.07	11,962.07	-	-	9,838.15	9,838.15
Security deposits	-	-	691.85	691.85	-	-	506.93	506.93
Term deposit with banks	-	-	347.53	347.53	-	-	796.78	796.78
Cash and cash equivalents	-	-	11,260.83	11,260.83	-	-	1,803.48	1,803.48
Bank balances other than above	-	-	1,047.24	1,047.24	-	-	189.57	189.57
<b>Total financial assets</b>	<b>2,476.15</b>	<b>109.52</b>	<b>25,309.52</b>	<b>27,895.19</b>	<b>-</b>	<b>90.23</b>	<b>13,134.91</b>	<b>13,225.14</b>
<b>Financial liabilities</b>								
Term loans from bank	-	-	4,687.50	4,687.50	-	-	-	-
Obligations under finance leases and hire purchase contracts	-	-	43.72	43.72	-	-	-	-
Redeemable preference shares	-	-	-	-	-	-	1,053.00	1,053.00
Lease liability	-	-	493.61	493.61	-	-	146.86	146.86
Working capital loans	-	-	6,141.13	6,141.13	-	-	-	-
Trade payables	-	-	5,780.17	5,780.17	-	-	5,630.78	5,630.78
Current maturities of long-term debt	-	-	323.24	323.24	-	-	-	-
Unclaimed dividends	-	-	72.31	72.31	-	-	66.95	66.95
Capital liabilities	-	-	742.41	742.41	-	-	5.00	5.00
Expenses payable	-	-	640.54	640.54	-	-	667.59	667.59
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>18,924.63</b>	<b>18,924.63</b>	<b>-</b>	<b>-</b>	<b>7,570.18</b>	<b>7,570.18</b>

Note: Refer note 46

**II. Fair value hierarchy**

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

As at 31 March 2022	Note No	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Financial instruments at FVTPL					
Investments in mutual funds	6	2,476.15	-	-	2,476.15
Financial instruments at FVTOCI					
Quoted equity instruments	6	67.56	-	-	67.56
Unquoted equity instruments	6	-	-	41.96	41.96
<b>Total financial assets</b>		<b>2,543.71</b>	<b>-</b>	<b>41.95</b>	<b>2,585.67</b>

As at 31 March 2021	Note No	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Financial instruments at FVTPL					
Investments in mutual funds	6	-	-	-	-
Financial instruments at FVTOCI					
Quoted equity instruments	6	48.28	-	-	48.28
Unquoted equity instruments	6	-	-	41.95	41.95
<b>Total financial assets</b>		<b>48.28</b>	<b>-</b>	<b>41.95</b>	<b>90.23</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 mutual funds, quoted equity shares etc.

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

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

**Note:**

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

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

**Investments in 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.

**Quoted equity investments:** Fair value is determined by reference to quotes from the active market.

**Unquoted equity investments:** Fair value is the book value of the instrument.

**Reconciliation of Level 3 fair value measurement**

(₹ in Lakhs)

	Unlisted equity instruments
<b>As at 01 April 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>
Acquisition/(Dispose of)	-
Gains/(losses) recognized	-
- in other comprehensive income	-
<b>As at 31 March 2022</b>	<b>41.95</b>

Note: Refer note 46

**37. 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 aging of such receivables. The Company computes an allowance for impairment of trade receivables for unrelated parties based on a simplified approach that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted with scalar factors to reflect differences between current and historical economic conditions and the management's view of economic conditions over the expected lives of the receivables.

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

#### 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, 2022

(₹ 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	11,440.52	231.93	158.11	-	177.08	49.23	12056.87
Expected loss rate	0.19%	0.19%	0.19%	-	26.94%	50.00%	
Expected credit loss (Loss allowance provision)	21.74	0.44	0.30	-	47.71	24.61	94.80
Carrying amount of trade receivables (net of impairment)	11,418.78	231.49	157.81	-	129.37	24.62	11,962.07

#### 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

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Opening balance	98.31	0.00
Provision made/(reverse) during the year	(3.51)	98.31
Trade receivables written off during the year	-	-
Provision reversed during the year / collection	-	-
<b>Closing balance</b>	<b>94.80</b>	<b>98.31</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.

## 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.

(₹ in Lakhs)

	Contractual cash flows			
	March 31, 2022	< 1 year	2 to 5 Years	5 years <
<b>Non-derivative financial liabilities</b>				
Borrowings (Long Term)	5,054.46	323.24	4,731.50	-
Borrowings (Short Term)	6,141.13	6,141.13	-	-
Trade Payables	5,780.17	5,780.17	-	-
Other financial liabilities	1,948.86	1,498.77	6.49	443.60
<b>Total non-derivative liabilities</b>	<b>18,924.62</b>	<b>13,743.28</b>	<b>4,737.99</b>	<b>443.60</b>

	Contractual cash flows			
	March 31, 2021	< 1 year	2 to 5 Years	5 years <
<b>Non-derivative financial liabilities</b>				
Borrowings (Long Term)	1,053.00	-	1,053.00	-
Trade Payables	5,630.78	5,630.78	-	-
Other financial liabilities	886.40	752.92	36.81	96.67
<b>Total non-derivative liabilities</b>	<b>7,569.58</b>	<b>6,383.10</b>	<b>1,089.81</b>	<b>96.67</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 carrying amounts of the company's foreign exchange monetary items as at the end of reporting period are as follows:

	As at March 31, 2022 USD (in Lakhs)	Conversion rates	As at March 31, 2021 USD (in Lakhs)	Conversion rates
<b>Transaction currency</b>		INR		INR
<b>--&gt; Financial assets</b>				
Trade receivables	11.67	75.67	12.00	73.50
<b>Net statement of financial position Exposure</b>	<b>11.67</b>		<b>12.00</b>	

**Note:** Foreign currency assets and liabilities are natural hedged as at the year end.

### Sensitivity analysis

The Company's currency exposures in respect of foreign currency monetary items at each period end presented that result in net currency gains and losses in the income statement and equity arise principally from movement in INR exchange rates. At each period end, if INR had weakened by 10% against the USD, with all other variables held constant, the changes in profit or loss will be as summarized in the following table. 10% is the sensitivity rate used when reporting to foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis has been carried out without considering the hedged items. A positive number below indicates an increase in profit or equity and vice-versa.

(₹ in Lakhs)

	Profit/ (loss)	
	Strong (USD)	Weak (USD)
<b>31<sup>st</sup> March 2022</b>		
USD (10% movement)	88.33	(88.33)
<b>31<sup>st</sup> March 2021</b>		
USD (10% movement)	88.20	(88.20)

**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 effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analyzed for mitigation measure.

**Exposure to interest rate risk:**

Particulars	Nominal Amount	
	March 31, 2022	March 31, 2021
<b>Financial Assets/Liabilities</b>		
<b>Variable-rate instruments</b>		
Long term borrowings	5054.46	-
Short Term Borrowings	6,141.13	-
<b>Fixed-rate instruments</b>		
Long Term Borrowings	-	1,053.00

**(Profit) or loss**

Particulars	50 bp increase	50 bp decrease
<b>March 31, 2022</b>		
Variable-rate instruments		
Long term borrowings	25.27	25.27
Short Term Borrowings	30.71	30.71
<b>March 31, 2021</b>		
Variable-rate instruments	-	-

**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.

**38. 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.

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Interest-bearing loans and borrowings (Note No 16 & 19)	11,195.58	1,053.00
Trade and other payables (Note 17, 20, 21 & 22)	10,455.04	8,224.73

Less: cash and short-term deposits (Note 11)	11,260.83	1,803.48
<b>Net debt</b>	<b>10,389.79</b>	<b>7,474.25</b>
Reserve & Surplus (Note 15)	53,019.23	37,152.70
Equity (Note 14)	519.75	495.59
<b>Total Capital</b>	<b>53,538.98</b>	<b>37,648.29</b>
Capital and net debt	63,928.77	45,122.54
<b>Gearing ratio</b>	<b>16.25%</b>	<b>16.56%</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 2022 and 2021.

Note: Refer note 46

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

SNO	Particulars	March 31, 2022		March 31, 2021	
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	585.00	-	231.74	-
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	-	-	-	-

### 40. 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 recognizing right-of-use assets and corresponding lease liabilities.

Recognition and Carrying value of right-of-use assets during the year:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance as at beginning of the period</b>	<b>1,012.06</b>	<b>922.52</b>
Right of use asset recognized during the period	1,190.31	118.21
Depreciation charged during the period	34.92	28.68
<b>Total</b>	<b>2,167.45</b>	<b>1,012.06</b>

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	43.51	13.37
Non-current lease liabilities	450.10	133.49
<b>Total</b>	<b>493.61</b>	<b>146.86</b>

The following is the movement in lease liabilities during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the period	146.86	41.69
Lease liability recognized during the period	349.31	107.94
Finance cost accrued during the period	19.85	10.60
Lease rent paid/payable during the period	22.41	13.37
Lease liability at the end of the period	<b>493.61</b>	<b>146.86</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	43.51	13.37
Later than one year and not later than five years	174.04	53.50
Later than five years	2,167.95	400.82

The Company has incurred Rs. NIL for the period ended March 31, 2022 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. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

#### 41. Detail of sales, raw material consumption, inventories, etc. under broad heads are given below:

##### A. Raw Materials Consumed:

(₹ in Lakhs)

Products	2021-22	2020-21
Rice	20,815.05	14,451.40
Corn/Starch	33,750.31	19,580.02
Lime & Lime Stone	1,868.99	2,024.05
<b>TOTAL</b>	<b>56,434.35</b>	<b>36,055.47</b>

##### B. Traded Goods

(₹ in Lakhs)

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Calcium Carbonate	930.80	471.74	1,401.12	1,022.63	35.08	94.77	165.40	35.08
<b>TOTAL</b>	<b>930.80</b>	<b>471.74</b>	<b>1,401.12</b>	<b>1,022.63</b>	<b>35.08</b>	<b>94.77</b>	<b>165.40</b>	<b>35.08</b>

##### C. Manufactured Goods

(₹ in Lakhs)

Products	Sales		Opening Stock		Closing Stock	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1.Sorbitol	25,687.38	21,287.26	498.70	535.00	190.69	498.70
2.Fructose & Sweetner	19,412.66	13,289.36	335.19	310.65	423.38	335.19
3.Starch	16,762.96	8,895.79	97.57	810.01	45.65	97.57
4.Calcium Carbonate	6,937.65	7,095.89	273.02	275.14	162.64	273.02
5.By Products	21,491.57	11,820.22	285.74	388.47	320.68	285.74
6.Liquor/CL and HS	2,742.42	2,718.57	201.90	238.44	122.27	201.90
7.Ethanol	13,709.78	8,915.87	205.96	0.00	255.65	205.96
<b>TOTAL</b>	<b>106,744.42</b>	<b>74,022.96</b>	<b>1,898.08</b>	<b>2,557.71</b>	<b>1,520.96</b>	<b>1,898.08</b>

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

(₹ in Lakhs)

Particulars	2021-22	2020-21
Raw Materials, Stores, Components and Finished goods	1,669.98	1,615.65
Capital Goods	1,262.93	107.62

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

(₹ in Lakhs)

Particulars	2021-22	2020-21
Interest	0.00	19.67
Commission	41.07	36.87
Travelling	30.69	19.67
Technical Service Expenses	60.84	66.59
Legal & Professional Fee	3.02	5.39
Subscription & Membership fee	0.22	0.00

**C. Earnings in Foreign Exchange:**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Export of Goods on F.O.B. basis	6,808.29	5,680.61

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

Particulars	Value (₹ in Lakhs)			
	2021-22	2020-21	2021-22	2020-21
<b>Raw Materials:</b>				
Imported	0.00	0.00	0.00	0.00
Indigenous	56,434.35	36,055.47	100.00%	100.00%
	<b>56,434.35</b>	<b>36,055.47</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Coal and Fuel:</b>				
Imported	0.00	0.00	0.00	0.00
Indigenous	10,604.04	5,449.53	100.00%	100.00%
	<b>10,604.04</b>	<b>5,449.53</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Stores and Spares:</b>				
Imported	48.18	60.82	10.94%	20.73%
Indigenous	392.19	232.56	89.06%	79.27%
	<b>440.37</b>	<b>293.38</b>	<b>100.00%</b>	<b>100.00%</b>

Note: Refer note 46

**43. a. Contingent Liabilities in respect of:**

(i) Claims against the Group not acknowledged as debts

- Tax matters in dispute under appeal of ₹ 733.15 Lakhs.

(ii) 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.

**b. Commitments**

(i) Estimated amounts of contracts remaining to be executed on capital account and not provided for ₹ 10640.47 Lakhs (Previous year ₹ 6252.25 Lakhs).

(ii) Bank guarantees of ₹ 839.09 Lakhs (Previous Year 715.38 Lakhs) includes Financial and Performance guarantees issued in favor of Statutory Authorities, PSU, Government bodies and Corporates.

Note: Refer note 46

**44. Related Party Transactions:**

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

(a) Name of related party and nature of related party relationship where control exist:

- (i) Holding Company : Gulshan Holding Private Limited (merged with Gulshan Polyols Limited from appointed date April 01, 2020 and effective date March 30, 2022)
- (ii) Subsidiary Company : Gulshan overseas FZCO

(b) Name of related party and nature of related party relationship other than those referred to in (a) above having transaction with the company:

- (i) Joint Ventures etc. : Nil



## (ii) Key Management Personnel :

Dr. Chandra Kumar Jain, Chairman and Managing Director

Mrs. Arushi Jain, Joint Managing Director

Mrs. Aditi Pasari, Joint Managing Director

Mr. Ashwani Kumar Vats, CEO & Whole Time Director

Mr. Rajiv Gupta, CFO

Ms. Asha Mittal, CS

## (iii) Relative of KMP : Mrs. Mridula Jain

## (iv) Non-Executive/Independent Directors :

Mr. Akhilesh Kumar Maheshwari

Mr. Jeevan Jyoti Bhagat

Mr. Rakesh Kumar Gupta

Ms. Archana Jain

## (v) Entities over which key Management personnel are able to exercise significant influence:

S. No.	Name of Related Parties - Entities
1	Gulshan Sugars and Chemicals Ltd.
2	Gulshan Lamee Pack Private Limited
3	Gulshan Family Benefit Trust
4	Chandra Holding Trust
5	Mridula Family Trust (Formerly Known as Gulshan Holding Trust)
6	Lotus Holding Trust
7	Daara Commercials LLP
8	A Cube Impex
9	Reliance Expovision Private Limited
10	ARP Developers Private Limited
11	Gulshan Care Foundation
12	Daara Commercials
13	Houzilla Interiors Pvt. Ltd.

## (vi) Transactions with related parties of the period 01.04.2021 to 31.03.2022

(₹ in Lakhs)

(a) Key Managerial Personnel	2021-22	2020-21
<b>Remuneration to Key Personnel:</b>		
- Salaries & Perks	599.31	351.43
- Commission on Profits to executive Directors	690.00	400.00
- Commission on Profits and Conveyance to Non-executive Directors	20.12	20.18
- Sitting Fees	4.70	2.40
<b>Rent Paid - Dr. Chandra Kumar Jain</b>	108.00	114.70
- Mrs. Mridula Jain, Relative	9.60	9.60
<b>Preference Share Dividend/Interest- Dr. Chandra Kumar Jain</b>	66.25	78.00
<b>(b) Others</b>		
Gulshan Lamee Pack Pvt. Ltd.- Product Sales	46.21	37.22
<b>(c) Gulshan Lamee Pack Pvt. Ltd- Outstanding balance as on 31.03.2022 (Dr.)</b>	8.62	2.58

**45. Information on segment reporting pursuant to Ind AS 108 – Operating Segments Operating segments:**

- Mineral Processing
- Grain Processing
- Distillery

**Identification of Segments:**

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is

measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products.

#### Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as 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	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue								
External sales	9,409.62	9,237.46	80,915.33	54,080.63	19,729.30	13,269.60	110,054.26	76,587.69
Unallocated							18.38	15.75
<b>Total Revenue</b>	<b>9,409.62</b>	<b>9,237.46</b>	<b>80,915.33</b>	<b>54,080.63</b>	<b>19,729.30</b>	<b>13,269.60</b>	<b>110,072.64</b>	<b>76,603.44</b>
Results								
Segment results before interest and Finance cost	1,278.55	1,729.13	8,140.83	6,631.03	2,453.27	1,579.25	11,872.66	9,939.41
Un-allocable Income	-	-	-	-	-	-	102.96	107.72
<b>Operating Profit</b>	<b>1,278.55</b>	<b>1,729.13</b>	<b>8,140.83</b>	<b>6,631.03</b>	<b>2,453.27</b>	<b>1,579.25</b>	<b>11,975.61</b>	<b>10,047.13</b>
Interest Expenses							495.97	679.31
Current Tax (Net of MAT)							3,079.67	3,149.57
Deferred Tax Charge							(124.91)	6.59
<b>Net Profit</b>							<b>8,524.89</b>	<b>6,211.66</b>

#### Other Information

	Mineral Processing		Grain Processing		Distillery		Others		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Segment Assets	5,635.45	6,553.61	34,325.09	28,242.84	25,432.33	12,810.90	-	-	65,392.88	47,607.35
Unallocated Assets	-	-	-	-	-	-	15,016.26	3,100.16	15,016.26	3,100.16
<b>Total Assets</b>	<b>5,635.45</b>	<b>6,553.61</b>	<b>34,325.09</b>	<b>28,242.84</b>	<b>25,432.33</b>	<b>12,810.90</b>	<b>15,016.26</b>	<b>3,100.16</b>	<b>80,409.14</b>	<b>50,707.51</b>
Segment Liabilities	1,385.90	1,488.72	11,636.46	5,214.88	9,171.32	1,447.27	-	-	22,193.68	8,150.88
Unallocated Liabilities & Provisions	-	-	-	-	-	-	4,676.46	4,908.34	4,676.46	4,908.34
<b>Total Liabilities</b>	<b>1,385.90</b>	<b>1,488.72</b>	<b>11,636.46</b>	<b>5,214.88</b>	<b>9,171.32</b>	<b>1,447.27</b>	<b>4,676.46</b>	<b>4,908.34</b>	<b>26,870.14</b>	<b>13,059.21</b>

Note: Refer note 46

#### 46. Business combination (merger)

(a) The Board of Directors of the Company in its meeting held on August 06, 2020 had approved a Amalgamation Scheme of arrangement under section 230 to 232 and other applicable provisions of the Companies Act 2013 and the provisions of other applicable laws, amongst Company (Transferee Company), Gulshan Holdings Private Limited (erstwhile holding company) (Transferor Company 1), East Delhi Importers and Exporters Private Limited (Transferor Company 2) and their respective creditors and shareholders ("the Scheme"). The Scheme provides for the amalgamation of Transferor Company 1 and Transferor Company 2 into Transferee Company. The Scheme has been approved by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("NCLT") vide its order dated March 09, 2022. The certified copy of the order has been filed with "The Registrar of Companies, Uttar Pradesh, Kanpur" on 30 March 2022 and the Scheme has come into effect on the said date. The Audited financial statements of the Company for the year ended March 31, 2021 were approved by shareholders in its Annual General Meeting held on September 18, 2021 but subsequently to give effect of the Scheme, the comparative financial statements for the year ended March 31, 2021 have been restated and approved by the Board of Directors in their meeting held on May 20, 2022. The same are pending approval in the ensuing Annual General Meeting. From the date scheme become effective, the Company does not have any holding company.

In terms of the Scheme, the Company has issued and allotted 2,99,82,536 equity shares (2,81,72,536 and 18,10,000 equity shares to the shareholders of Transferor company 1 and Transferor Company 2 respectively) whose names appear in the register of members as on record date, April 14, 2022. Consequently, 2,73,40,067 equity shares of the Transferee Company held by the Transferor Company 1 and Transferor Company 2 shall be deemed to be extinguished and are in the process of cancellation.

As stated above, pursuant to the requirements of Ind AS 103 "Business Combination", the Company has accounted merger by using pooling of interest method in the financial results in line with the Scheme. Accordingly, the financial information presented for the prior periods has been restated as per Ind AS-103.

(b) The certain necessary steps and formalities in respect of transfers of properties, investments, trademark & licenses, approvals and modification of charges in pursuant to the Scheme are under process.

(c) The details of total purchase consideration and net assets purchased at the appointed date i.e. April 01, 2020 are as follows:

(₹ In Lakhs)

Particulars	Gulshan Holdings Private Limited	East Delhi Importers and Exporters Private Limited
Investment Property	139.52	136.73
Investments	2,984.33	463.30
Cash and Cash equivalents	1,079.60	76.56
Other assets less other liabilities	154.43	(6.55)
General Reserve	(313.62)	(70)
Retained earnings	(4,037.19)	(599.04)
<b>Total net assets at book value</b>	<b>7.07</b>	<b>1.00</b>
Purchase consideration	(13525.63)	(868.98)
<b>Capital reserve on business combination</b>	<b>(13518.56)</b>	<b>(867.98)</b>

The Company recognized the excess of purchase consideration over net assets acquired as capital reserve arising from business combination under common control under shareholders' equity in the financial statements.

(d) Following assets which are acquired under scheme of merger are under process of transfer on the name of Company:

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Is title deed holder, promoter, director or relative of Promoter/ Director or employee of Promoter/ Director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Land and Buildings remaining idle at Muzaffarnagar	139.52	Gulshan Holdings Private Limited	NA	March 30, 2022	Refer note "b" above
Investment Property	Land and Buildings remaining idle at Muzaffarnagar	136.73	East Delhi Importers and Exporters Private Limited	NA	March 30, 2022	Refer note "b" above

47. The Company has issued and allotted 24,16,000 equity shares of Re. 1 each to Qualified Institutional Buyers on March 24, 2022 at an issue price of 326.48 (including 325.48 securities premium per equity share) which is at a discount of 5 % (i.e. ₹17.18 per Equity Share), to the Floor Price of ₹343.66 per Equity Share determined, as per the formula prescribed under Regulations 176(1) of the SEBI Regulations, aggregating to ₹ 78,87,75,680. Pursuant to the allotment of equity shares under Qualified Institutional Placement, the paid up share capital of the Company stands increased by ₹ 24.16 Lakhs. In line with Ind AS, the Company has also recognized direct issue expenses for the placement in other equity as share issue expenses. The proceeds of QIP is being utilized as per the objects of the placement.

**48. Ratios**

Particulars	2021-22	2020-21	%	Comments
Current Ratio	2.08	2.34	-11.32%	
Debt Equity Ratio	0.17	-	-	
Debt Service Coverage Ratio	27.71	16.58	67.16%	DSC ratio is higher as compared to last year due to increase in Revenue from operation resulting into higher EBIT and reduction in Interest cost due to lower borrowings.
Return on Equity Ratio	0.13	0.12	6.01%	
Inventory Turnover Ratio	9.21	6.99	31.81%	Ratio is improved due to better Inventory management resulting in to higher revenue from operation
Trade Receivables Turnover Ratio	10.10	8.48	19.14%	
Trade Payables Turnover Ratio	10.05	8.73	15.11%	
Net Capital Turnover Ratio	1.68	1.51	10.99%	
Net Profit Ratio	0.08	0.08	-4.49%	
Return on Capital Employed	0.17	0.20	-14.52%	
Return on Investment	0.09	0.10	-5.47%	

Note 1: above ratio are calculated as per below:

Current Ratio	Current Assets/Current Liabilities
Debt equity ratio	(Long term Debts + short term Debts)/Net Worth
Debt service coverage ratio	EBIT/Interest cost
Return on equity ratio	PAT/Net Worth
Inventory turnover ratio	Cost of Goods Sold / ((Beginning Inventory + Ending Inventory) / 2)
Trade receivables turnover ratio	Revenue from Operations / Average Accounts Receivable.
Trade payables turnover ratio	(Total Purchases) / Average Accounts payables
Net capital turnover ratio	Revenue from Operations / Net Worth
Net profit ratio	PAT/Revenue from operation
Return on capital employed	PBIT/Capital Employed (Net Worth +LTD)
Return on Investment	PAT/Net Worth + Liabilities)

Net worth is calculated as per Section 2(57) of Companies act 2013, which excludes reserve created out of amalgamation hence amount carried in general reserve and retained earnings due to amalgamation is not considered.

Refer note 46

**49.** Figures for the previous period have been regrouped/ rearranged wherever necessary to make them comparable with current figure.

**50. 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.

**51. Additional Regulatory Information**

- (i) The Company has not revalued any of its Property, Plant & Equipment and Intangible assets.
- (ii) The Company has not given any Loans or Advances in the nature of loans to promoters, directors, KMP's, & related parties.
- (iii) The Company does not have any Benami Property.
- (iv) Quarterly returns or statements of current assets filed by the Company with banks or financial Institution are in agreement with the books of accounts.
- (v) The Company is not declared as a willful defaulter by Banks or financial Institution or any other lender.
- (vi) The Company do not have any transaction with struck off companies.
- (vii) There are no charges or satisfaction pending for registration with ROC beyond the statutory period.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

- (ix) There is no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as Income during the year in the tax assessment under the Income Tax act 1961.
- (x) The Company has not traded or invested in Crypto currency during the financial year.

## 52. Corporate Social Responsibility

- (i) Amount required to be spent by the company during the year: 80,00,000
- (ii) Amount of expenditure incurred: 85,66,298.20
- (iii) Shortfall at the end of the year: NIL
- (iv) Total of previous years shortfall : Nil
- (v) Reason of shortfall: NA
- (vi) Nature of CSR Activities: Multiple activities as per Schedule VII of Companies Act 2013
- (vii) Details of Related party transaction: Nil
- (viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: Nil

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

**(RAJEEV KUMAR SINGHAL)**  
Partner  
Membership no: 077834  
UDIN: 22077834AJIBEY7301

**Date: May 20, 2022  
Place : Delhi**

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

**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

## NOTICE

(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)

Dear Member,

**NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND (22<sup>ND</sup>) ANNUAL GENERAL MEETING ('AGM') OF THE MEMBERS OF GULSHAN POLYOLS LIMITED (the 'Company') WILL BE HELD ON WEDNESDAY ON 28<sup>TH</sup> DAY OF SEPTEMBER, 2022 AT 1.00 P.M (IST) AT THE SOLITAIRE INN HOTEL, 6 MILE STONE, MEERUT ROAD, NATIONAL HIGHWAY 58, MUZAFFARNAGAR, UTTAR PRADESH-251001 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, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Ms. Arushi Jain (DIN:00764520), who retires by rotation, and being eligible, offers herself for reappointment as a Director.
3. To declare a Final Dividend of ₹ 1 per equity share of the face value of ₹ 1 each (100%) on Equity Shares for the financial year ended March 31, 2022.
4. **TO REAPPOINT AND FIX THE REMUNERATION OF AUDITORS**

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

**"RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Audit and Auditors) Rules, 2014 (Rules), (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Rajeev Singal & Co. (ICAI Firm Registration No. 008692C), a Firm of Chartered Accountants, who have confirmed their eligibility for reappointment as Statutory Auditors in terms of Section 141 of the Act and applicable Rules, be and are hereby reappointed as Auditors of the Company for their second term to hold office, for a term of 5 (Five) consecutive years from Financial year 2022-23 to 2026-27, from the conclusion of this 22<sup>nd</sup> Annual General Meeting (AGM) till the conclusion of 27<sup>th</sup> AGM to be held in the Year 2027.

**RESOLVED FURTHER THAT** a remuneration of ₹ 9,00,000/- (Rupees Nine Lakh Only) plus goods and services tax as applicable and reimbursement of reasonable out-of-pocket expenses incurred be paid to M/s Rajeev Singal & Co., Chartered Accountants (ICAI Firm Registration No. 008692C) as the Auditors of the Company, to examine and conduct the audit of the accounts of the Company and the limited review including usual certifications for FY 2022-23, with the power to the Board of Directors to alter and vary the terms and conditions of their appointment, revision including upward revision in the remuneration for remaining tenure of 4 (Four) years, in such manner and to such extent as may be mutually agreed with the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

### SPECIAL BUSINESS:

5. **RATIFICATION OF REMUNERATION OF COST AUDITORS APPOINTED BY THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2022-2023**

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 (the 'Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 Auditors to conduct the audit of the cost records of the Company, as applicable, for the financial year 2022-2023, amounting to ₹ 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes as approved by the Board of Directors be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. **APPOINTMENT OF MR. RAKESH KAPOOR (DIN:00015358) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Section 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 (Rules) 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 amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and the Nomination and Remuneration Policy of the Company, Mr. Rakesh Kapoor (DIN:00015358) who was appointed as an Additional Director in the category of Independent Director of the Company with effect from August 9, 2022 by the Board of Directors based on recommendations 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 he meets the criteria for independence as provided under the Act and Listing Regulations and who is eligible for appointment and whose period of office shall not be 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 his candidature for the office of Director of the Company, be and is hereby appointed as a **Non-Executive Independent Director** to hold office for a term, effective from **August 9, 2022 to September 30, 2024**.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Kapoor shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in the capacity of Non-Executive Independent Director under the Act and Listing Regulations, as recommended by the Nomination, Remuneration and Compensation Committee and approved by the Board of Directors, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

#### 7. REAPPOINTMENT OF MS. ARCHANA JAIN (DIN:09171307) AS A NON-EXECUTIVE WOMAN INDEPENDENT DIRECTOR OF THE COMPANY

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), the Companies (Appointment and Qualification of Directors) Rules, 2014 (Rules) 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 amendment(s), statutory modification(s) and/or re enactment(s) thereof for the time being in force), the Articles of Association of the Company and the Nomination and Remuneration Policy of the Company and based on recommendations of Nomination, Remuneration and Compensation Committee and of the Board of Directors, Ms. Archana Jain (DIN:09171307), who has submitted a declaration that she meets the criteria of independence as provided under the Act and Listing Regulations and who is eligible for reappointment as a Non-Executive Woman Independent Director of the Company and whose period of office shall not be 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 reappointed as a **Non-Executive Woman Independent Director** to hold office for the second term, effective from **April 1, 2023 to September 30, 2027**.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Ms. Jain shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in the capacity of Non-Executive Woman Independent Director under the Act and Listing Regulations, as recommended by the Nomination, Remuneration and Compensation Committee and approved by the Board of Directors, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

#### 8. REAPPOINTMENT OF DR. CHANDRA KUMAR JAIN (DIN:00062221) AS A CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) and the rules framed thereunder read with Schedule V to the Act and Regulation 17 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and the Board of Directors based on the recommendations by the Nomination, Remuneration and Compensation Committee (NRC) of the Company and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, approval of the members of the Company be and is hereby accorded to reappoint Dr. Chandra Kumar Jain (DIN:00062221) as Chairman and Managing Director of the Company, who has attained the age of Seventy Four (74) Years, for a period effective from **April 1, 2023 to September 30, 2027** and shall not be liable to retire by rotation, on such terms and conditions, inclusive of the following:



**1. Gross Salary per month:**

Gross Salary: ₹ 25,00,000/- per month (Rupees Twenty Five Lakh Only) (with such annual/ special increments within stipulated limits as may be decided by the Board, on the recommendations of NRC as per applicable provisions of law).

**2. Commission on Profits**, as decided by the Board of Directors upon the recommendations of NRC, subject to the overall ceiling stipulated in Section 197 and 198 read with Schedule V of the Act and Regulation 17 of the Listing Regulations for each financial year calculated with reference to net profits of the Company.

**3. Perquisites & Other Benefits**

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

**RESOLVED FURTHER THAT** the Board of Directors on the recommendations of the NRC be and are hereby severally authorised to revise, amend, alter and vary such terms of reappointment and remuneration including upward revision so as to not exceed the limits specified in Schedule V of the Act and Regulation 17 of the Listing Regulations, as may be agreed to by the Board of Directors and Dr. Chandra Kumar Jain, on the recommendations of NRC, without any further reference to the members in the 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 for the period of his abovementioned tenure ending on September 30, 2027 and in case where in any financial year, during the said tenure of Dr. Chandra Kumar Jain as Chairman and Managing Director, if the Company has no profits or its profits are inadequate, then subject to the limits and conditions prescribed under Schedule V of the Act as may be amended from time to time.

**RESOLVED FURTHER THAT** any of the Board of Director(s), Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**9. CHANGE IN DESIGNATION OF MS. ARUSHI JAIN (DIN: 00764520) FROM WHOLE TIME DIRECTOR TO JOINT MANAGING DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** in partial modification of the earlier resolution(s) approved by the members in their meeting held on September 19, 2020 and based on the recommendations of Nomination, Remuneration and Compensation Committee and approved by the Board of Directors in their meeting held on November 9, 2021 and pursuant to applicable provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) and other rules framed under the Act read with Schedule V of the Act (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, Ms. Arushi Jain (DIN:00764520), who was reappointed as Whole Time Director for a period commencing from **January 01, 2021 till March 31, 2024**, be and is hereby redesignated as Joint Managing Director of the Company, for her remaining tenure upto March 31, 2024.

**RESOLVED FURTHER THAT** except for change in designation mentioned above, all the other existing terms and conditions of her

reappointment & remuneration as approved by the members shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

#### 10. CHANGE IN DESIGNATION OF MS. ADITI PASARI (DIN: 00120753) FROM WHOLE TIME DIRECTOR TO JOINT MANAGING DIRECTOR OF THE COMPANY

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

**"RESOLVED THAT** in partial modification of the earlier resolution(s) approved by the members in their meeting held on September 19, 2020 and based on the recommendations of Nomination, Remuneration and Compensation Committee and approved by the Board of Directors in their meeting held on November 9, 2021 and pursuant to applicable provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) and other rules framed under the Act read with Schedule V of the Act (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, Ms. Aditi Pasari (DIN: 00120753), who was reappointed as Whole Time Director for a period commencing from **January 01, 2021 till March 31, 2024**, be and is hereby redesignated as Joint Managing Director of the Company, for her remaining tenure upto March 31, 2024.

**RESOLVED FURTHER THAT** except for change in designation mentioned above, all the other existing terms and conditions of her reappointment & remuneration as approved by the members shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

#### 11. AMENDMENT IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION 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 Section 4, 13 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions of statutory authorities, if as may be required in this behalf, the consent of the members of the Company be and is hereby accorded for alteration by way of modification, substitution, addition, deletion in the Main Object clause of the Memorandum of Association of the Company by replacing the existing 'Sub Clauses to the Main Objects under 'Clause III (A)' with the following new Clauses:

**Clause III (A) (1)-** *To carry on the business as manufacturer, dealer, importer, exporter, and generally to deal in Starch made from all type of grains and topioca, Starch Derivatives like Sorbitol, DMH, Mannitol, Maltodextrin, Dextrose, Fructose, Liquid Glucose, Sweetener, all allied products and by products thereof.*

**Clause III (A) (3)-** *To carry on the business as manufacturer, bottler, dealer, exporter, importer in all type of alcohol made from molasses & grains including Ethanol, IMFL, ENA, ATA, Country Liquor, Wine, all allied products, by products and downstream products thereof.*

**RESOLVED FURTHER THAT** necessary replacement(s) of quoted section as stipulated in Companies Act 1956 with the new section as stipulated in Companies Act, 2013 in the clauses given under 'Matters which are necessary for furtherance of the objects specified in under Clause III (B)' of the Memorandum of Association of the Company shall be carried out.

**RESOLVED FURTHER THAT** any of the Board of Director(s) and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval from the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

#### 12. 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, (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 upto ₹ 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 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 having 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;
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 members 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 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**  
**Asha Mittal**

Company Secretary  
Membership No.:A32348

Delhi, August 9, 2022

#### 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.(s) 2, 6 to 10 in respect of Directors seeking appointment/reappointment/redesignation at the ensuing 22<sup>nd</sup> Annual General Meeting (AGM) are annexed as **Annexure A** to this notice. Requisite declarations have been received from Directors for seeking appointment/reappointment/redesignation, as applicable.

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. 5 to 12 of this Notice, is provided herein. The Board of Directors of the Company at its meeting held on November 9, 2021, May 20, 2022 and August 9, 2022, considered special businesses mentioned under Item Nos. 5 to 12 and recommending to the members to transact at the 22<sup>nd</sup> AGM of the Company. Further, material information and facts concerning the business under item 4, Ordinary Business, pursuant to Regulations 36(5) of the Listing Regulations and Secretarial Standard-2 on "General Meetings" issued by 'The Institute of Company Secretaries of India', in respect of Statutory Auditors' reappointment at the AGM are provided under Explanatory Statement.

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 (48) BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS / PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING.**

Pursuant to the 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 (10%) of the total Share Capital of the Company carrying voting rights. However, a member holding more than ten percent (10%) of the total Share Capital of the Company, carrying voting rights, may appoint a single person as a

proxy and such person shall not act as a proxy for any other person or member.

3. Corporate members/Institutional Investors (i.e. other than Individuals, HUF's, NRI's, etc.) 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/ Power of Attorney/Authority Letter authorizing their representative(s) with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email at [scrutinizer.dmk@gmail.com](mailto:scrutinizer.dmk@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and to the Company at [investorsrelation@gulshanindia.com](mailto:investorsrelation@gulshanindia.com) and/or [cs@gulshanindia.com](mailto:cs@gulshanindia.com) for attending and voting on their behalf at the Meeting. Corporate Members/ Institutional investors (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
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. Members of the Company under the category of Corporate members/ Institutional Investors are encouraged to attend and participate in the AGM.
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 26, 2022**. 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 (as applicable) are being sent through permitted mode. In case member wish to get a physical copy of the Annual Report, member may send their request at [investorsrelation@gulshanindia.com](mailto:investorsrelation@gulshanindia.com) and/or [cs@gulshanindia.com](mailto:cs@gulshanindia.com) and/or [ramap@alankit.com](mailto:ramap@alankit.com) mentioning their Folio No./DP ID and Client ID. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, requirement of sending Annual Report to members holding shares in physical form has been dispensed and relaxed upto December 31, 2022, stipulated under Regulation 36 (1) (b) of the Listing Regulations which requires sending hard copy of annual report containing salient features of all the documents prescribed in Section 136 of the Act to the members who have not registered their email addresses.
7. **Members may note that the Notice of the 22<sup>nd</sup> AGM and Annual Report for 2021-22 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 National Securities Depository Limited ('NSDL') at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**
8. 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 in the duration of the meeting. Further, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act the Register Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and Certificate received from the Secretarial Auditors of the Company certifying that GPL Employees Stock Option Scheme 2018 have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available for inspection by the members at the AGM.
9. 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.
10. Members are encouraged to submit their queries in advance concerning the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address at [cs@gulshanindia.com](mailto:cs@gulshanindia.com) and/or [investorsrelation@gmail.com](mailto:investorsrelation@gmail.com), a week before the date of AGM i.e. by **Wednesday, September 21, 2022**. Queries that remain unanswered at the AGM will be appropriately responded to the members by the Company at the earliest, post conclusion of the AGM. The members are requested to bring their attendance slip at the meeting.
11. The Company has a dedicated E-mail address(s) i.e. [investorsrelation@gulshanindia.com](mailto:investorsrelation@gulshanindia.com) and [cs@gulshanindia.com](mailto:cs@gulshanindia.com) for members to mail their queries or lodge grievances, if any via email or at the address of Corporate Office of the Company. We will endeavor to reply the queries at the earliest. The Company's website i.e. [www.gulshanindia.com](http://www.gulshanindia.com) has a dedicated section for Investors under the tab of Investors relations. It also answers your Frequently Asked Questions (FAQs).
12. All the share(s) and dividend(s) 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

Mobile: +91-89 29 955318 Phone: +91-11-42541234/ 42541951/955; Fax: +91-11-42541201, +91-11-2355 2001  
 E-mail(s): [rta@alankit.com](mailto:rta@alankit.com), [ramap@alankit.com](mailto:ramap@alankit.com), [info@alankit.com](mailto:info@alankit.com)  
 In all correspondence, please quote your DP ID & Client ID or Folio Number.

### 13. Book Closure and Dividend:

- i. **The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, September 21, 2022 to Wednesday, September 28, 2022, both days inclusive, for the purpose of Dividend and AGM.**

The dividend of ₹ 1.00/- per share (i.e. 100%) on the Equity Shares of the Company of ₹ 1 each, if declared by the Members at the 22<sup>nd</sup> AGM, will be paid subject to deduction of income tax at source ('TDS') on or after **Monday, October 3, 2022** as under:

Shares held in electronic form	Shares held in physical form
To all the Beneficial Owners as at the end of the day on <b>Wednesday, September 21, 2022</b> in the list of beneficial owners to be furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL')	To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company at the close of business hours on <b>Wednesday, September 21, 2022.</b>

Members who are unable to receive the dividend(s) 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 dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members.

- ii. 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 12, 2022** to determine the appropriate TDS / withholding tax rate applicable. 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).
- iii. **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	Shares held in electronic form
Members are requested to send the following documents in original to RTA latest by <b>Monday, 12<sup>th</sup> day of September, 2022:</b>	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 by <b>Monday, 12<sup>th</sup> day of September, 2022.</b>
<p>a) Form ISR-1 duly filled and signed by the holders stating their name, folio number, complete address with Pin code, details relating to the bank account, etc. along with the supporting documents. The said form is available on the website of the Company at <a href="https://www.gulshanindia.com/shareholders-other-form.php">https://www.gulshanindia.com/shareholders-other-form.php</a>;</p> <p>b) Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly. In case, name of the holder is not available on the cheque, kindly submit the following documents:- i) cancelled cheque in original. ii) bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holder, address, with same bank account number and type as on the cheque leaf and the full address of the Bank branch;</p> <p>c) Self-attested copy of the PAN Card of all the holders; and</p> <p>d) Self-attested copy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.</p>	

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.

### 14. Unpaid/Unclaimed Dividend

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (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 the 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 2014-15 is due for transfer to the IEPF



fund.

The due date to transfer unpaid/unclaimed dividend amount on shares is **on or before October 25, 2022**. Members are requested to claim their unpaid/unclaimed dividends on shares before such transfer. In case valid claim is not received, the Company will proceed to transfer the unclaimed/unpaid dividends alongwith the 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 June 30, 2022 are available on the website of the Company i.e. [www.gulshanindia.com](http://www.gulshanindia.com).

The Company has transferred the unpaid/unclaimed dividend declared for financial years upto 2013-14, to the designated Demat Account of 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 and pursuant to the provisions of IEPF Rules, the Company has also transferred the equity shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more on or before the due date of transfer, within the 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. For smooth process, members are requested to email copy of documents before dispatching the original set of documents for verification at dedicated email ID's as mentioned above for successful filing and approval of claim. 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 RTA. No claims shall lie against the Company for the amounts transferred to IEPF.

## 15. Updation of PAN and other details

SEBI vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at <https://www.gulshanindia.com/shareholders-other-form.php> and furnish the requisite details.

Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile number, PAN, registration of nomination, power of attorney registration, bank mandate details, etc. to their DPs in case the shares are held in electronic form and to the RTA at [kycupdate@alankit.com](mailto:kycupdate@alankit.com) and [ramap@alankit.com](mailto:ramap@alankit.com) in case the shares are held in physical form, quoting their folio number. Changes intimated to the DP will then be automatically reflected in the Company's records maintained with RTA.

Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.

16. In accordance with Regulation 40 of the Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialisation. Further, Members may note that SEBI vide its Circular dated January 25, 2022 mandated listed companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company at <https://www.gulshanindia.com/pdf/Form-ISR-4-Request-for-issue-of-Duplicate-Certificate-and-other-Servic....pdf>.
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates and self-attested copies of the PAN card of the holders for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes. The consolidation will be processed in demat form.

## 18. Nomination facility

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form SH-14. Members who are either not desiring to register Nomination or would want to opt out, are requested to fill and submit Form No. ISR-3. The said forms can be downloaded from the website of the Company at <https://www.gulshanindia.com/shareholders-other-form.php>. Members are requested to submit the requisite form to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.

19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the RTA/Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

### A. GENERAL INSTRUCTIONS AND GUIDELINES FOR ACCESSING AND PARTICIPATING IN THE 22<sup>ND</sup> AGM

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 Listing Regulations, the Company is providing Remote e-Voting facility to its Members in respect of the business to be transacted at the 22<sup>nd</sup> AGM and facility for those Members participating in the 22<sup>nd</sup> AGM to cast vote through ballot paper/poll paper during the 22<sup>nd</sup> AGM.

For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), 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 paper 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. Wednesday, September 21, 2022**, shall be entitled to avail the facility of remote e-voting before 22<sup>nd</sup> 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 period begins on **Sunday, September 25, 2022 at 9:00 A.M.** and ends on **Tuesday, September 27, 2022 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Wednesday, September 21, 2022**, may cast their vote electronically.
- 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. **Wednesday, September 21, 2022**,
- VI. The facility for voting through Poll would be made available at the AGM and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise 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 through poll paper 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.
- VIII. The Board of Directors of the Company has appointed CS Monika Kohli, Practicing Company Secretary (Membership No. F5480 & CP No. 4936) and/or CS Deepak Kukreja, Practicing Company Secretary (Alternate Scrutinizer) (Membership No. F4140 & CP No. 8265) Partners of M/s. DMK 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.
- IX. The Scrutinizer shall after the conclusion of voting at the 22<sup>nd</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.
- X. 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.
- XI. 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).

com and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.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.

## B. OTHER INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Login method for Remote e-Voting for Individual Members ("You") holding securities in Demat mode (NSDL/ CDSL) is given below:

### How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

#### Step 1: ACCESS TO NSDL E-VOTING SYSTEM

##### A) Login method for e-Voting for Individual members holding securities in demat mode

Pursuant to above said SEBI Circular on e-Voting facility provided by Company, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email address in their demat accounts in order to access e-Voting facility.

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

Type of Members	Login Method
Individual members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer, Laptop or on a Mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value Added Services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>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, Laptop or on a Mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder'/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user 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>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your 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 Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Members 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.
Individual Members 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 or 022-23058542-43.

**B) Login Method for e-Voting for members other than Individual Members holding securities in demat mode and members holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
- Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for members other than Individual members are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

- In case shares are held in **physical mode** please provide Folio No., Name of members, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- In case shares are held in **demat mode**, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If you are an Individual members holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e. **Login method for e-Voting for Individual members holding securities in demat mode**.

**Step 2: Cast your vote electronically on NSDL e-Voting system**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines:**

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Abhishek Mishra, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## EXPLANATORY STATEMENT

### **Item No. 4**

#### **(Disclosure Pursuant to Regulation 36(5) of Listing Regulations and Secretarial Standard (SS-2) on General Meetings)**

M/s Rajeev Singal & Co., Chartered Accountant (Firm Registration No. 008692C), had been appointed as Statutory Auditors of the Company by members of the Company for a period of five years to hold office till conclusion of the AGM to be held in the year 2022. Their 1<sup>st</sup> term is expiring in the ensuing AGM.

M/s Rajeev Singal & Co., is a multi-disciplinary Audit Firm catering to various clients in diverse sectors, the firm was founded in 1998 with the team of Chartered Accountants. The firm has varied exposure in the area of Accounts, Auditing, Taxation, Financial & Legal Consultancy. The firm has a valid Peer Review certificate.

The Board considered various parameters like capability to serve a diverse business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge, relevant experience etc., and found M/s Rajeev Singal & Co. to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. 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 Act. They have confirmed that their reappointment, if made, will be within the limits specified under Section 141(3)(g) of the Act.

On the recommendations of Audit Committee, the Board of Directors ('the Board') at its meeting held on August 9, 2022 has recommended the reappointment of M/s Rajeev Singal & Co., (ICAI Firm Registration No. 008692C) (hereinafter referred as 'Auditors'), a Firm of Chartered Accountants as Auditors of the Company to hold office for second term of 5 (Five) consecutive years from Financial year 2022-23 to 2026-27, from the conclusion of this 22<sup>nd</sup> Annual General Meeting (AGM) till the conclusion of 27<sup>th</sup> AGM to be held in the Year 2027.

The present remuneration of the Auditors for conducting the audit and the limited review including usual certifications for the financial year 2022-23 as approved by the Board on the recommendations of Audit Committee in their meeting held on May 20, 2022, is ₹ 9,00,000/- (Rupees Nine Lakh Only) plus goods and services tax as applicable, and reimbursement of reasonable out-of-pocket expenses incurred. The Board has recommended the same remuneration/fee for the Auditors as mentioned above and as set out in the Resolution on their reappointment, for the approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends this Ordinary Business to be passed as Ordinary Resolution as set out at Item No. 4 of the Notice of the AGM for approval of the members.

### **ITEM NO. 5**

#### **(Disclosure Pursuant to Section 102 of the Act and Secretarial Standard (SS-2) on General Meetings)**

As per the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 (Rules), as amended from time to time, the Company is required to maintain cost records as specified by the Central Government as per Section 148(1) of the Act and the rules framed thereunder, and the Company has made and maintained such cost accounts and records.

Accordingly, the Board had, at its Meeting held on May 20, 2022, on the recommendations of the Audit Committee, appointed M/s MM & Associates, Cost Accountants (Firm Registration No. 000454), being eligible, to conduct Cost Audit for the products covered under section 148 of the Act read with rules framed thereunder as the Cost Auditors of the Company for auditing the cost accounts of your Company for the financial year 2022-2023 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes.

In accordance with the provisions of Section 148(3) of the Act read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration as mentioned above, payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

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 Auditors for approval of the members through Ordinary Resolution set out at Item No. 5 of the Notice.

**ITEM NO. 6****(Disclosure Pursuant to Section 102 of the Act, Regulation 36(3) of Listing Regulations and Secretarial Standard (SS-2) on General Meetings)**

Mr. Rakesh Kapoor (DIN:00015358) has been appointed by the Board as an Additional Director in the capacity of Non-Executive Independent Director of the Company in the Board Meeting dated August 9, 2022 on the recommendations of Nomination, Remuneration and Compensation Committee with immediate effect in terms of provisions of the Act rules made thereunder. As per the provisions contained under Section 161 of the Act 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, Mr. Rakesh Kapoor, as an Additional Director, holds office upto the date of this 22<sup>nd</sup> Annual General Meeting i.e. September 28, 2022.

In terms of provisions contained under Section 160 of the Act and the rules made thereunder, a person who is not a retiring director in terms of Section 152 of the Act shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him 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 his candidature as a Director, or the intention of such member to propose him 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 of the Act, the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since, Mr. Kapoor is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

The Company has received a notice from a member proposing candidature of Mr. Kapoor for the office of Director in terms of Section 160 of the Act. Mr. Kapoor has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Act read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant Listing Regulations. He does not hold any shares in the Company.

In the opinion of the Board, Mr. Kapoor is a person of integrity, possesses the relevant expertise/experience and balance of skills, and fulfills the conditions specified in the Act and the Listing Regulations for appointment as a Non-Executive Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Kapoor has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

Accordingly, the Board of directors proposing his candidature for the office of Director of the Company in the capacity of Non-Executive Independent Director to hold office for a term of five years, effective from August 9, 2022 to September 30, 2024.

Mr. Kapoor is not disqualified from being appointed as a Director under provisions of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his 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** to this Notice.

Except Mr. Kapoor 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 Mr. Rakesh Kapoor (DIN:00015358) effective from August 9, 2022 to September 30, 2024 for approval of the members through Special Resolution set out at Item No. 6 of the Notice.

**ITEM NO. 7****(Disclosure Pursuant to Section 102 of the Act, Regulation 36(3) of Listing Regulations and Secretarial Standard (SS-2) on General Meetings)**

Ms. Archana Jain (DIN: 09171307), was appointed as a Non-Executive Woman Independent Director of the Company at the 21<sup>st</sup> Annual General Meeting held on September 18, 2021, for a period effective from May 22, 2021 upto March 31, 2023, and since her 1<sup>st</sup> term will be expired on March 31, 2023, she is eligible for reappointment for the second term.

Based on the recommendations of the Nomination, Remuneration and Compensation Committee and her performance during her first term, the Board of Directors at its meeting held on August 9, 2022 has recommended the reappointment of Ms. Archana Jain, for the second term, be effective from April 1, 2023 to September 30, 2027 subject to the approval of the Members in the ensuing 22<sup>nd</sup> Annual General Meeting.



In terms of provisions contained under Section 160 of the Act and the rules made thereunder, a person who is not a retiring director in terms of Section 152 of the Act shall, subject to the provisions of this Act, be eligible for reappointment 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 of the Act, the requirements of deposit of amount shall not apply in case of reappointment of Independent Director. Since, Ms. Jain is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

The Company has received a notice from a member proposing candidature of Ms. Jain for the office of Director in terms of Section 160 of the Act. Ms. Jain has also given a declaration to the company that she meets criteria of independence as prescribed under Section 149 (6) of the Act read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant Listing Regulations. She does not hold any shares in the Company, and she has also confirmed that she is neither disqualified from being reappointed as a director under provisions of Section 164 of the Act, 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 for second term. In the opinion of the Board, Ms. Jain is a person of integrity, possesses the relevant expertise/experience and balance of skills, and fulfills the conditions specified in the Act and the Listing Regulations for reappointment as a Non-Executive Woman Independent Director and she is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Ms. Jain has confirmed that she is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge her duties with an objective independent judgment and without any external influence.

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** to this 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.

Given her experience and contribution, the Board considers it desirable and in the interest of the Company to continue Ms. Jain on the Board of the Company and accordingly the Board recommends the reappointment of Ms. Archana Jain (DIN: 09171307) effective from April 1, 2023 to September 30, 2027 for approval of the members through Special Resolution set out at Item No. 7 of the Notice.

#### **ITEM NO. 8**

#### **(Disclosure Pursuant to Section 102 of the Act, Regulation 36(3) of Listing Regulations and Secretarial Standard (SS-2) on General Meetings)**

Dr. Chandra Kumar Jain (DIN: 00062221), was appointed as a Chairman and Managing Director of the Company in the Annual General Meeting of the Company (AGM), held on September 19, 2020, for a period effective from April 01, 2020 upto March 31, 2023. His tenure will be expired on March 31, 2023. Consequently, the Board of Directors of the Company at their meeting held on August 9, 2022, based on the recommendations of the Nomination, Remuneration and Compensation Committee (NRC), has approved the proposal of reappointment of Dr. Chandra Kumar Jain as the Chairman and Managing Director of the Company for a period effective from April 1, 2023 to September 30, 2027 upon such terms and conditions as approved by the Board of Directors on the recommendations of NRC in mutual consent with Dr. Jain, subject to the approval of the members in the ensuing AGM of the Company.

Further, Section 196(3) of the Act, inter alia, provides that no Company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole Time Director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation. Dr. Jain has attended the age of 74 years and hence his reappointment as the Chairman and Managing Director requires the approval of members by way of a special resolution.

Dr. Jain's continued efforts being Chairman and Managing Director is immensely benefitting in the growth of the Company. He always been the guiding force behind the growth of the company since its inception. He has invaluable experience in the grain and mineral processing segment and balance of varied skills and expertise. Given his rich, varied and relative experience, contribution and keen efforts, the Board considers it is requisite and in the interest of the Company to reappoint him.

In terms of provisions contained under Section 160 of the Act and the rules made thereunder, a person who is not a retiring director in terms of Section 152 of the Act shall, subject to the provisions of this Act, be eligible for reappointment to the Office of Director at any General Meeting, if he or some member intending to propose him 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 his candidature as a Director, or the intention of such member to propose him 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 of the Act, the requirements of deposit of amount shall not apply in case of reappointment of a Director if place before the NRC. Accordingly, there is no requirement of submission of requisite deposit. The Company has received a notice from a member proposing candidature of Dr. Jain for

the office of Director in terms of Section 160 of the Act.

In terms of provisions contained under Section 160 of the Act and the rules made thereunder, a person who is not a retiring director in terms of Section 152 of the Act shall, subject to the provisions of this Act, be eligible for reappointment to the Office of Director at any General Meeting, if he or some member intending to propose him 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 his candidature as a Director, or the intention of such member to propose him 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 of the Act, the requirements of deposit of amount shall not apply in case of reappointment of a Director if place before the NRC. Accordingly, there is no requirement of submission of requisite deposit. The Company has received a notice from a member proposing candidature of Dr. Jain for the office of Director in terms of Section 160 of the Act.

Dr. Jain has confirmed that he is neither disqualified from being reappointed as a director under provisions of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his 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** to this notice.

Except Dr. Jain being appointee and Ms. Arushi Jain and Ms. Aditi Pasari, Directors of the Company, being in blood relation, none of the other 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 reappointment of Dr. Chandra Kumar Jain (DIN: 00062221) effective from April 1, 2023 to September 30, 2027 for approval of the members through Special Resolution set out at Item No. 8 of the Notice.

#### **ITEM NO. 9**

##### **(Disclosure Pursuant to Section 102 of the Act, Regulation 36(3) of Listing Regulations and Secretarial Standard (SS-2) on General Meetings)**

The members vide special resolution passed in the Annual General Meeting of the Company, held on September 19, 2020, approved the reappointment of Ms. Arushi Jain (DIN:00764520) as a Whole Time Director of the Company for a period commencing from January 01, 2021 to March 31, 2024. The terms and conditions of her reappointment, including remuneration were approved by the members in accordance with the provisions contained in Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Act.

Given her experience, contribution and keen efforts, the Board considers it desirable and in the interest of the Company to redesignate, Ms. Arushi Jain as Joint Managing Director of the Company for her remaining tenure upto March 31, 2024, on the recommendations by the Nomination, Remuneration and Compensation Committee at their meeting held on November 9, 2021. Except for the change in designation, all the other existing terms and conditions of her reappointment & remuneration as approved by the members, shall remain unchanged.

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, in abundant caution.

Except Ms. Jain being appointee and Dr. Chandra Kumar Jain and Ms. Aditi Pasari, Directors of the Company, being in blood relation, none of the other 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 redesignation of Ms. Arushi Jain (DIN:00764520) from Whole Time Director to Joint Managing Director of the Company, effective from November 9, 2021 to March 31, 2024 for approval of the members through Special Resolution set out at Item No. 9 of the Notice.

#### **ITEM NO. 10**

##### **(Disclosure Pursuant to Section 102 of the Act, Regulation 36(3) of Listing Regulations and Secretarial Standard (SS-2) on General Meetings)**

The members vide special resolution passed in the Annual General Meeting of the Company, held on September 19, 2020, approved the reappointment of Ms. Aditi Pasari (DIN: 00120753) as a Whole Time Director of the Company for a period commencing from January 01, 2021 to March 31, 2024. The terms and conditions of her reappointment, including remuneration were approved by the members in accordance with the provisions contained in Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Act.

Given her experience, contribution and keen efforts, the Board considers it desirable and in the interest of the Company to redesignate, Ms. Aditi Pasari as Joint Managing Director of the Company for her remaining tenure upto March 31, 2024, on the recommendations by the Nomination, Remuneration and Compensation Committee at their meeting held on November 9, 2021. Except for the change in designation, all the other existing terms and conditions of her reappointment & remuneration as approved by the members, shall remain unchanged.

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, in abundant caution.

Except Ms. Pasari being appointee and Dr. Chandra Kumar Jain and Ms. Arushi Jain, Directors of the Company, being in blood relation, none of the other 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 redesignation of Ms. Aditi Pasari (DIN: 00120753) from Whole Time Director to Joint Managing Director of the Company, effective from November 9, 2021 to March 31, 2024 for approval of the members through Special Resolution set out at Item No. 10 of the Notice.

#### **ITEM NO. 11**

##### **(Disclosure Pursuant to Section 102 of the Act and Secretarial Standard (SS-2) on General Meetings)**

The Board of Directors at its meeting held on August 9, 2022 decided and proposed to amend the object clause of Memorandum of Association of the Company to widen the scope of existing product line of the Company.

The main objects are proposed to be amended as the Company looks towards widening the sphere of its main business, product line and activities to cover and compete with new and emerging areas of business and technology.

In view of the said requirements of widening the sphere for the strategic expansions of the Company, the Objects Clause is proposed to be amended in following manner:

##### **Existing Clauses:**

**Clause III (A) (1)-** To carry on the business as manufacturer, dealer, importer, exporter, and generally to deal in Starch made from all type of grains and topioca, Starch Derivatives like Sorbitol, DMH, Mannitol, Maltodextrin, Dextrose, Lysine, Fructose, Liquid Glucose and all allied products and by products thereof.

**Clause III (A) (3)-** To carry on the business as manufacturer, bottler, dealer, exporter, importer in all type of alcohol made from molasses & grains including IMFL, ENA, ATA, Country Liquor, Wine, and all allied products and by products thereof.

##### **Proposed Modified Clauses:**

**Clause III (A) (1)-** To carry on the business as manufacturer, dealer, importer, exporter, and generally to deal in Starch made from all type of grains and topioca, Starch Derivatives like Sorbitol, DMH, Mannitol, Maltodextrin, Dextrose, Fructose, Liquid Glucose, Sweetener, all allied products and by products thereof.

**Clause III (A) (3)-** To carry on the business as manufacturer, bottler, dealer, exporter, importer in all type of alcohol made from molasses & grains including Ethanol, IMFL, ENA, ATA, Country Liquor, Wine, all allied products, by products and downstream products thereof.

In terms of the provisions of Section 13 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, the consent of the members by way of special resolution is required for amendment of the Memorandum of Association of the Company. Copies of the existing and amended Memorandum of Association will be available for inspection by members at the registered office and corporate office of the Company and can also be viewed on the Company's website at [www.gulshaniindia.com](http://www.gulshaniindia.com).

The amendment in the objects clause of the Memorandum of Association is an item required to be transacted by means of postal ballot under the provisions of section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014. However, in terms of the proviso to section 110 of the Companies Act, 2013 introduced as per the Companies (Amendment) Act, 2017, read with Rule 20 and 22 of the Companies (Companies Management and Administration) Rules, 2014 including any statutory modifications and amendments thereto, approval of members for any item of business required to be transacted by means of postal ballot may be transacted at a general meeting by a company which is required to provide the facility of voting by electronic means to its members. The Company, being a listed Company is required to provide the facility of voting by electronic means to its members and hence, may obtain the approval of its members to the alteration of the objects clause of the Memorandum of Association at the Annual General Meeting.

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 amendment in the Memorandum of Association for approval of the members through Special Resolution set out at Item No. 11 of the Notice.

## **ITEM NO. 12**

### **(Disclosure Pursuant to Section 102 of the Act and Secretarial Standard (SS-2) on General Meetings)**

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, ongoing and future capital expenditure requirements of our Company, working capital requirements 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 in their meeting dated August 9, 2022. As Company is continuously moving towards its expansion plans, hence to meet the expenditure requirements pertaining to expansions, the company may require to raise the funds again.

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 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 9, 2022, 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 Section 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 members 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. 12 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 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. 12 of the Notice.

The proposed Issue is in the interest of the Company and the Board recommends the resolution set out at Item no. 12 of the notice for the approval of the members as a special resolution.

**By the order of the Board of Directors**  
**Asha Mittal**

Company Secretary  
Membership No.:A32348

Delhi, August 9, 2022

## Annexure A to this Notice

### ADDITIONAL INFORMATION OF DIRECTOR(S) SEEKING APPOINTMENT/REAPPOINTMENT/ 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>	2 & 9	6
<b>Name of Director</b>	Ms. Arushi Jain	Mr. Rakesh Kapoor
<b>Director Identification Number(DIN)</b>	00764520	00015358
<b>Designation</b>	Joint Managing Director	Non-Executive and Independent Director
<b>Age</b>	45 years	67 years
<b>Nationality</b>	Indian	Indian
<b>Date of First Appointment on the Board (DD/ MM/YYYY)</b>	01/10/2010	09/08/2022
<b>Qualification</b>	She holds a degree of master of science from City University of New York, United States of America.	Mr. Rakesh Kapoor is a B.Sc. (Hons. in Chemistry) from Delhi University, Post graduate Diploma in Sugar Technology from National Sugar Institute, Kanpur.
<b>Brief resume including experience, expertise in specific functional areas</b>	Ms. Jain is having more than two decades of core experience in matter related to Operations, Marketing, Production etc. She has been a director on our Board since January 1, 2010. She is having a dedicated experience in the sector and industry, the GPL works in. She has been associated with the Company over two decades and manage business policies, strategic decisions making, business development, day-to-day affairs, operations etc. She also has experience in market research and baking industry.	Mr. Kapoor is a Techno-financial professional with over four decades of varied and rich experience in the Corporate Sector, Financial sector, Project Financing etc. Formerly he was on Board of Governing Members of SME Council of India. He was associated with IFCI in project financing and Represented IFCI on various High Level Committees set up by Government of India relating to Sugar/Co-generation/ ethanol and the textile sector and also he was formerly Managing Director of IFCI. He empanelled as Industry Specialist (Sugar, Ethanol & Co-generation of power) with ICICI Bank and Standard Chartered Bank since 2014.
<b>Number of Equity Shares held (including shareholding as a beneficial owner by Non- Executive Director(s))</b>	5046129 (9.71%)	Nil
<b>Terms and Conditions of Appointment</b>	Redesignate as Joint Managing Director effective from November 9, 2021 until remaining tenure upto March 31, 2024. The other existing terms of her reappointment shall remain unchanged.	As an Independent Director of the Company to hold office for a period starting from August 09, 2022 to September 30, 2024 and shall not be liable to retire by rotation
<b>Number of Board Meetings attended during the F.Y 2021-22</b>	Ms. Jain attended seven out of nine meetings of Board of Directors of the Company.	Not Applicable
<b>Directorships held in other Companies</b>	She is currently on the board of directors of companies including Gulshan Sugars and Chemicals Limited, Houzilla Interiors Private Limited and Gulshan Care Foundation.	He is currently on the board of directors of companies i.e The Ugar Sugar Works Limited and Home Credit India Finance Private Limited.
<b>Chairmanships of Committees</b>	Risk Management Committee of Gulshan Polyols Limited	Audit Committee of The Ugar Sugar Works Limited
<b>Memberships of Committees</b>	Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Allotment of Share Committee of Gulshan Polyols Limited	None
<b>Relationships with other Directors and KMPs</b>	Dr. Chandra Kumar Jain, Ms. Arushi Jain & Ms. Aditi Pasari are the Promoters and Executive Directors 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.	None
<b>Remuneration last drawn</b>	₹ 8 Lakh p.m. plus yearly profit linked variable commission subject to prescribed limit. However, salary drawn for FY 2021-22 is mentioned in the Annual Report under section of Corporate Governance Report.	Not Applicable

Resolution No.	7	8	10
<b>Name of Director</b>	Ms. Archana Jain	Dr. Chandra Kumar Jain	Ms. Aditi Pasari
<b>Director Identification Number(DIN)</b>	09171307	00062221	00120753
<b>Designation</b>	Non-Executive Woman Independent Director	Chairman and Managing Director	Joint Managing Director
<b>Age</b>	48 years	74 years	43 years
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of First Appointment on the Board (DD/ MM/ YYYY)</b>	22/05/2021	20/10/2000	01/10/2010
<b>Qualification</b>	She is a fellow member of the 'Institute of Chartered Accountant of India ('ICAI')	He holds a Doctorate Degree of philosophy in Chemistry.	She holds a degree of master of business administration from University of Wales, United Kingdom.
<b>Brief resume including experience, expertise in specific functional areas</b>	Ms. Archana Jain is a Qualified Chartered Accountant and a Law Graduate, 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.	Dr. Jain is an industrialist of repute with more than five decades of rich and varied experience in the chemical and sugar industry with rich business experience and has been the guiding force behind the growth of the company since its inception. He has invaluable experience in the grain and mineral processing segment. Apart from business activities, Dr. Jain is a Sugar Technologist and an active philanthropist. having more than two decades of core experience in matter related to Operations, Marketing, Production etc.	Ms. Pasari is having more than two decades of core experience in matter related to Finance, Stakeholders Relations and Operations etc. She has been a director on our Board since January 1, 2010. She has the experience of setting up a packaging unit in Haridwar, under the umbrella of GPL. She has supervisory responsibilities for Finance and Human Resources functions and leads various strategic and fund raising initiatives in the smooth operation of the company.
<b>Number of Equity Shares held (including shareholding as a beneficial owner by Non- Executive Director(s))</b>	NIL	11885326 (22.87%)	5013751 (9.65%)
<b>Terms and Conditions of Appointment</b>	Reappointment as an Independent Director of the Company for second term to hold office for a period effective from April 1, 2023 to September 30, 2027 and shall not be liable to retire by rotation.	Reappointment as a Chairman and Managing Director of the Company to hold office for a period effective from April 1, 2023 to September 30, 2027 and shall not be liable to retire by rotation.	Redesignate as Joint Managing Director effective from November 9, 2021 until remaining tenure upto March 31, 2024. The other existing terms of her reappointment shall remain unchanged.
<b>Number of Board Meetings attended during the F.Y 2021-22</b>	Ms. Jain attended seven out of nine meetings of Board of Directors of the Company.	Dr. Jain attended nine out of nine meetings of Board of Directors of the Company.	Ms. Pasari attended nine out of nine meetings of Board of Directors of the Company.



<b>Directorships held in other Companies</b>	None	He is currently on the board of directors of companies including Gulshan Sugars and Chemicals Limited.	She is currently on the board of directors of companies including Gulshan Sugars and Chemicals Limited, Gulshan Lamee Pack Private Limited, Reliance Expovision Private Limited, ARP Developers Private Limited, PHD Chamber of Commerce and Industry and Gulshan Care Foundation.
<b>Chairmanships of Committees</b>	Corporate Social Responsibility Committee of Gulshan Polyols Limited	Finance Committee of Gulshan Polyols Limited.	Allotment of Share Committee of Gulshan Polyols Limited
<b>Memberships of Committees</b>	Audit Committee and Nomination, Remuneration and Compensation Committee of Gulshan Polyols Limited.	Audit Committee and Allotment of Share Committee of Gulshan Polyols Limited	Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Finance Committee of Gulshan Polyols Limited.
<b>Relationships with other Directors and KMPs</b>	None	Dr. Chandra Kumar Jain is father of Ms. Arushi Jain & Ms. Aditi Pasari who are the Promoters and Executive Directors of the Company. Except these, there are no other inter-se relationships among the Directors.	Dr. Chandra Kumar Jain, Ms. Arushi Jain & Ms. Aditi Pasari are the Promoters and Executive Directors 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.
<b>Remuneration last drawn</b>	Sitting Fee, Profit linked variable commission subject to prescribed limit and reimbursements for attending meetings is being paid. However, for FY 2021-22 is mentioned in the Annual Report under section of Corporate Governance Report.	₹ 25 Lakh p.m. plus yearly profit linked variable commission subject to prescribed limit. However, salary drawn for FY 2021-22 is mentioned in the Annual Report under section of Corporate Governance Report.	₹ 8 Lakh p.m. plus yearly profit linked variable commission subject to prescribed limit. However, salary drawn for FY 2021-22 is mentioned in the Annual Report under section of Corporate Governance Report.

Delhi, August 9, 2022

By the order of the Board of Directors

**Asha Mittal**

Company Secretary

Membership No.:A32348

## 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 22<sup>nd</sup> Annual General Meeting of the Company to be held on Wednesday, September 28, 2022 at 1.00 P.M (IST) at The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251001 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, 2022 together with the Reports of the Board of Directors and Auditors thereon
2. To appoint Ms. Arushi Jain (DIN:00764520), who retires by rotation, and being eligible, offers herself for reappointment as a Director
3. To declare a Final Dividend of ₹ 1 per equity share of the face value of ₹ 1 each (100%) on Equity Shares for the financial year ended March 31, 2022.
4. To reappoint and fix the remuneration of Auditors

### Special Business:

5. Ratification of remuneration of Cost Auditors appointed by the Board of Directors for the Financial Year 2022- 2023
6. Appointment of Mr. Rakesh Kapoor (DIN:00015358) as a Non-Executive Independent Director of the Company
7. Reappointment of Ms. Archana Jain (DIN:09171307) as a Non-Executive Woman Independent Director of the Company
8. Reappointment of Dr. Chandra Kumar Jain (DIN:00062221) as a Chairman and Managing Director of the Company
9. Change in designation of Ms. Arushi Jain (DIN: 00764520) from Whole Time Director to Joint Managing Director of the Company
10. Change in designation of Ms. Aditi Pasari (DIN: 00120753) from Whole Time Director to Joint Managing Director of the Company
11. Amendment in the Object Clause of the Memorandum of Association of the Company
12. To approve raising of funds and issuance of securities by the Company.

Signed this ..... day of .....2022.

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 22<sup>nd</sup> Annual General Meeting

Full name of the member attending.....

Full name of the joint-holder .....

(To be filled, if first named Joint- holder does not attend meeting)

Name of Proxy .....

(To be filled, if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting held at The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251001 on Wednesday, September 28, 2022 at 1.00 PM IST.

Folio No \_\_\_\_\_ DP ID No. \* \_\_\_\_\_ Client ID No.\* \_\_\_\_\_

*\*Applicable for members holding shares in electronic form.*

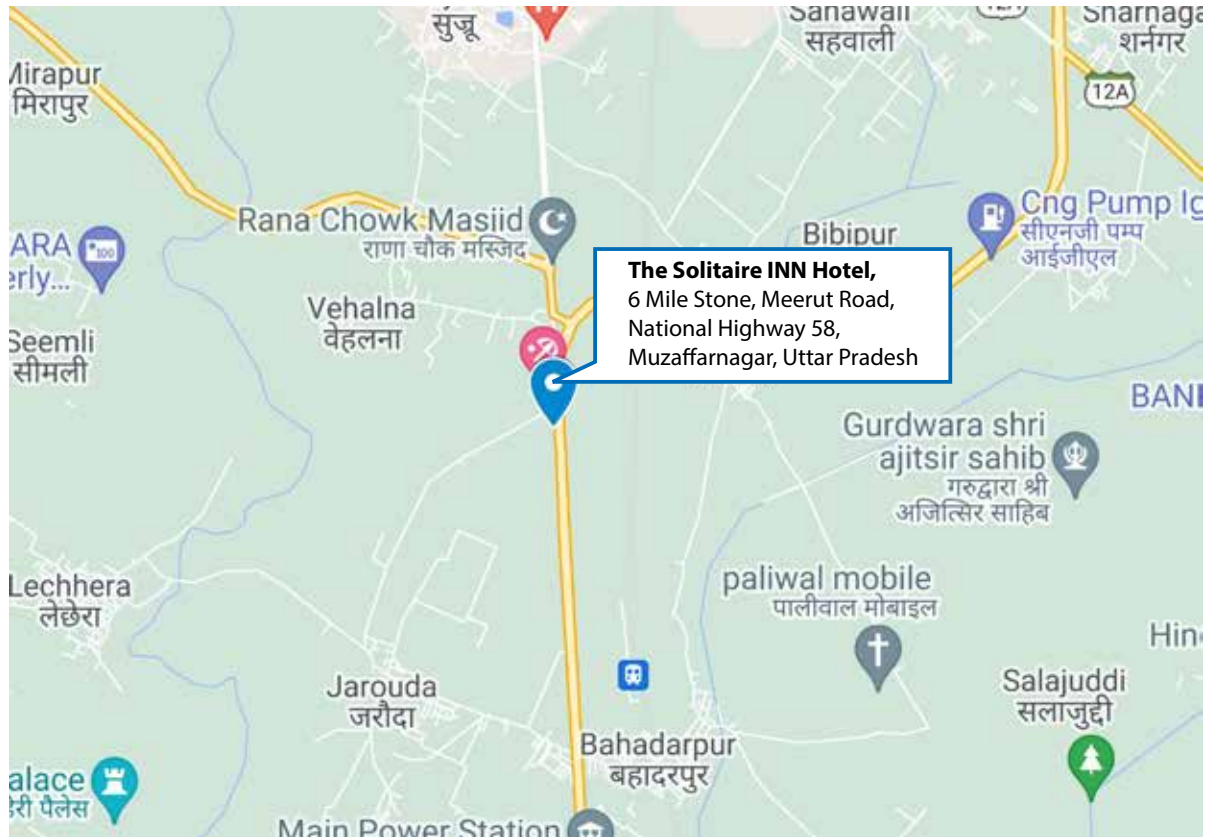
No. of Share(s) held \_\_\_\_\_

Member's / Proxy's Signature

### ROUTE MAP TO THE VENUE

OF THE 22<sup>ND</sup> AGM TO BE HELD ON WEDNESDAY, SEPTEMBER 28, 2022

**Venue:** The Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251001





## **PLANT LOCATION**

**MUZAFFARNAGAR, U.P. | BHARUCH, GUJARAT  
TRIBENI, W.B. | DHAULA KUAN, H.P.  
ABU ROAD, RAJASTHAN | AMLAI, M.P.  
CHHINDWARA, M.P. | PATIALA, PUNJAB**

**Corporate Office:  
G-81, Preet Vihar, Delhi-110092  
Phone: (011) 49999200  
[www.gulshanindia.com](http://www.gulshanindia.com)**