



# GANESHA ECOSPHERE LTD.

GESL/2019-20

August 12, 2019

To,  
The BSE Limited,  
Corporate Relationship Department,  
1st Floor, New Trading Wing,  
Rotunda Building,  
PJ Towers,  
Dalal Street, Fort,  
Mumbai-400 001.  
Fax No.: 022-22723121, 22722037  
Scrip Code: 514167

To,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra- Kurla Complex,  
Bandra (East),  
Mumbai-400051.  
Tel No.: 022-26598100-8114/ 66418100  
Fax No. : 022-26598237/38  
Scrip Symbol: GANECOS

**Sub: Annual Report for the FY-2018-19 along with Notice of 30<sup>th</sup> Annual General Meeting**

Dear Sir/ Ma'am,

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for the Financial Year 2018-19 along with the Notice of 30<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Thursday, September 5, 2019 at 12:00 Noon to transact the business as set out in the Notice.

Kindly take the above on record and oblige.

Thanking you,

Yours faithfully,

**For Ganesha Ecosphere Ltd.**

**(Bharat Kumar Sajnani)**  
**Company Secretary-cum-Compliance Officer**

Encl: As above



## GANESHA ECOSPHERE LTD.

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail: secretarial@ganeshaecosphere.com, Website: www.ganeshaecosphere.com

Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

## NOTICE

NOTICE is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of the Members of GANESHA ECOSPHERE LTD. will be held on Thursday, the 5th day of September, 2019 at 12:00 Noon at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for financial year ended on 31st March, 2019.
3. **To appoint a Director in place of Shri Shyam Sunder Sharmma (DIN: 00530921), who retires by rotation and being eligible, offers himself for re-appointment, and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Shri Shyam Sunder Sharmma (DIN: 00530921), Director of the Company, who retires by rotation at this meeting and being eligible has offered himself for re-appointment and has attained the age of 75 years on 2nd July, 2018, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. **To partially modify the resolution related to appointment of Statutory Auditors and in this regard 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 139 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, effective from 7th May, 2018, the consent of the members of the Company be and is hereby accorded for dispensing with the requirement of seeking ratification of appointment of Statutory Auditors, M/s. Narendra Singhania & Co., Chartered Accountants at every Annual General Meeting, who were appointed by the Members at the 28th Annual General Meeting of the Company held on 25th September, 2017 to hold office from the conclusion of that Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company."

### SPECIAL BUSINESS:

5. **To ratify the remuneration of the Cost Auditors in respect of Company's product 'Yarn', for the financial year ending 31st March, 2020 and in this regard, 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(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. R. M. Bansal & Co., Cost Accountants having Firm Registration No. 00022, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the Cost Records of the Company in respect of its product 'Yarn' for the financial year ending 31st March, 2020 amounting to Rs. 50,000/- (Rupees Fifty Thousand only) per year, plus taxes as applicable and re-imbursment of actual travel/ conveyance and out-of-pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

6. **To ratify the remuneration of the Cost Auditors in respect of Company's product 'Recycled Polyester Staple Fibre', for the financial year ending 31st March, 2020 and in this regard, 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(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rakesh Misra & Co., Cost Accountants having Firm Registration No. 00249, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the Cost Records of the Company in respect of its product 'Recycled Polyester Staple Fibre' for the financial year ending 31st March, 2020 amounting to Rs. 50,000/- (Rupees Fifty Thousand only) per year, plus taxes as applicable and re-imbursment of actual travel/ conveyance and out-of-pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

7. To alter the Articles of Association of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being force), the consent of the Members of the Company be and is hereby accorded for alteration in Articles 86 and 103 of the Articles of Association of the Company and substituting in its place and stead the new Articles as under:

Article No.	Existing Article	Proposed Article
86. Directors not liable to retire by rotation	Managing Director of the Company shall not be liable to retire by rotation. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	The Board shall have the power to determine the directors whose period of office shall be subject to determination by retirement of directors by rotation.
103. Managing Director and Whole Time Director	Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be Managing and/or Whole Time Director of the Company for a fixed term not exceeding five years at a time and may from time to time (subject to any contract between him and the Company) remove or dismiss him or them from office and appoint another or others in his place or their places. Subject to the provisions of the Act, a Managing Director, shall not while he continues to hold the office be subject to retirement by rotation. The office of Whole Time Director shall, however, be liable to determination by retirement by rotation and pursuant to provisions of the Act, he shall be eligible for re-appointment. A Managing or Whole Time Director shall be subject to the same provisions as to resignation and removal as the Directors and he shall ipso facto and immediately cease to be Managing or Whole Time Director if he ceases to hold office of Director for any cause.	Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be Managing and/or Whole Time Director(s) of the Company for a term not exceeding five years at a time and may from time to time (subject to any contract between him and the Company) remove or dismiss him or them from office and appoint some other person(s) in his place or their place. Subject to the provisions of the Act, a Managing Director or a Whole Time Director, shall while he continues to hold the office be subject to retirement by rotation as may be determined by the Board and/ or Shareholders, under the Act or these Articles and he shall be taken into account in determining the rotation of Directors or the number of Directors liable to retire and shall be eligible for re-appointment.  A Managing or Whole Time Director re-appointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing or Whole Time Director, and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing or Whole Time Director. A Managing or Whole Time Director shall be subject to the same provisions as to resignation and removal as the Directors and he shall ipso facto and immediately cease to be Managing or Whole Time Director if he ceases to hold office of Director for any cause."

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

8. To re-appoint Shri Sharad Sharma (DIN: 00383178) as Managing Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Sharad Sharma (DIN: 00383178) as Managing Director of the Company, for a further period of 5 (five) years with effect from 1st February, 2019, subject to retire by rotation, on the following terms and conditions as recommended by the Nomination & Remuneration Committee:-

A) SALARY:

Salary of Rs. 2,00,000/- per month; up to a maximum of Rs. 5,00,000/- per month.

The increment will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee within the said maximum amount and will be effective from 1st April each year.

B) PERQUISITES:

- I. The Managing Director shall be entitled to the perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for utilisation of gas, electricity, water, reimbursement of medical expenses, leave travel concession for self and family, club fees, premium towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed by the

Board of Directors from time to time, subject however that the aggregate monetary value of the perquisites in any case shall not exceed Rs. 12,00,000/- per annum without restriction to any sub limit on individual perquisite.

Explanation: -

"Family" here means the spouse and dependent children of the Managing Director.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose, mobile and basic telephone at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the reimbursement of medical expenses as stated in Para I above, in case of medical expenses of exceptional nature incurred on the treatment of the Managing Director, the Company will bear total expenses actually incurred on medical treatment including hospitalization and travelling, subject to the necessary approvals, if any.

Leave & encashment/ accumulation of un-availed leave shall be as per the rules of the Company.

- II. The Managing Director shall be entitled to reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

#### C) ADDITIONAL REMUNERATION:

In addition to the Salary & Perquisites, as specified supra, the Managing Director shall be entitled to receive additional remuneration based upon the quarterly financial performance of the Company, subject to the condition that the total remuneration payable to him shall not exceed the limits laid down under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The composition, mode and manner of payment of such additional remuneration shall be finalized in consultation with the Managing Director."

"RESOLVED FURTHER THAT notwithstanding anything contained above the annual remuneration payable to Shri Sharad Sharma, may exceed Rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher or the aggregate annual remuneration to all Executive Directors, forming part of the Promoter Group, may exceed 5% of the net profits of the Company as calculated under section 198 of the Companies Act, 2013, in any financial year during the tenure of appointment of Shri Sharad Sharma as Managing Director."

"RESOLVED FURTHER THAT where in any financial year during the currency of term of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Managing Director, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, subject however to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary and modify the terms and conditions of appointment of Shri Sharad Sharma from time to time, during the tenure of his appointment as Managing Director of the Company including salary, perquisites and additional remuneration, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution."

9. **To appoint and re-designate Shri Rajesh Sharma (DIN: 02228607) as Joint Managing Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, and subject to such approvals as may be necessary, consent of the Members of the Company be and is hereby accorded to the appointment and re-designation of Shri Rajesh Sharma (DIN: 02228607), Whole Time Director as Joint Managing Director of the Company with effect from 1st August, 2019 till the end of current tenure of his appointment i.e. 18th June, 2023, subject to retire by rotation, as recommended by the Nomination and Remuneration Committee, on the same terms and conditions including remuneration as approved by the Members at the 29th Annual General Meeting of the Company held on 15th September, 2018."

"RESOLVED FURTHER THAT notwithstanding anything contained above the annual remuneration payable to Shri Rajesh Sharma, may exceed Rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher or the aggregate annual remuneration to all Executive Directors, forming part of the Promoter Group, may exceed 5% of the net profits of the Company as calculated under section 198 of the Companies Act, 2013, in any financial year during the tenure of appointment of Shri Rajesh Sharma as Joint Managing Director."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary and modify the terms and conditions of appointment of Shri Rajesh Sharma from time to time, during the tenure of his appointment as Joint Managing Director of the Company including salary, perquisites and additional remuneration, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution."

10. **To re-appoint Shri Abhilash Lal (DIN: 03203177) as a Non-Executive Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Shri Abhilash Lal (DIN:03203177) who was appointed as an Independent Director at the Twenty Fifth Annual General Meeting of the Company, to hold office for 5(five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations 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, be and is hereby re-appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 5th September, 2019, the date of this Annual General Meeting."

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

11. **To re-appoint Shri Anoop Gupta (DIN: 00153340) as a Non-Executive Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Shri Anoop Gupta (DIN:00153340) who was appointed as an Independent Director at the Twenty Fifth Annual General Meeting of the Company, to hold office for 5(five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations 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, be and is hereby re-appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 1 (one) year with effect from 5th September, 2019, the date of this Annual General Meeting."

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

12. **To re-appoint Shri Pradeep Kumar Goenka (DIN: 00404746) as a Non-Executive Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Shri Pradeep Kumar Goenka (DIN: 00404746) who was appointed as an Independent Director at the Twenty Fifth Annual General Meeting of the Company, to hold office for 5(five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations 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, be and is hereby re-appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 5th September, 2019, the date of this Annual General Meeting."

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

13. **To re-appoint Shri Surendra Kumar Kabra (DIN:01280980) as a Non-Executive Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Shri Surendra Kumar Kabra (DIN:01280980), aged 75 years, who was appointed as an Independent Director at the Twenty Fifth Annual General Meeting of the Company, to hold office for 5 (five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)

(b) of SEBI Listing Regulations 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, be and is hereby re-appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 5th September, 2019, the date of this Annual General Meeting.”

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

14. **To re-appoint Shri Vishwa Nath Chandak (DIN: 00313035) as a Non-Executive Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, Shri Vishwa Nath Chandak (DIN: 00313035), aged 81 years, who was appointed as an Independent Director at the Twenty Fifth Annual General Meeting of the Company, to hold office for 5 (five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1) (b) of SEBI Listing Regulations 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, be and is hereby re-appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second

term of 3 (three) consecutive years with effect from 5th September, 2019, the date of this Annual General Meeting.”

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

15. **To approve remuneration of Shri Vishnu Dutt Khandelwal, Whole Time Director and Promoter in terms of Regulation 17(6)(e) of SEBI Listing Regulations for the remaining tenure of his appointment and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the provisions of Sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force ), approval of the members of the Company be and is hereby accorded for payment of remuneration to Shri Vishnu Dutt Khandelwal (DIN:00383507), Whole Time Director and promoter, as per the terms and conditions approved by Members at the 29th Annual General Meeting of the Company held on 15th September, 2018, notwithstanding that the annual remuneration payable to Shri Vishnu Dutt Khandelwal, exceeds Rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher or the aggregate annual remuneration to all Executive Directors, forming part of the Promoter Group exceeds 5% of the net profits of the Company as calculated under section 198 of the Companies Act, 2013, in any financial year during the remaining tenure of his appointment.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

Date: 1st August, 2019

Registered Office:  
Raipur, (Rania), Kalpi Road,  
Distt. Kanpur Dehat.

By Order of the Board

Sd/-  
(Bharat Kumar Sajnani)  
Company Secretary

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
  2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
  3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
  4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
  5. A Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under Item Nos. 5 to 15 as set out above is annexed hereto.
  6. The Register of Members and Share Transfer books of the Company shall remain closed from **Friday, 30th August, 2019 to Thursday, 5th September, 2019** (both days inclusive).
  7. The Dividend on Equity Shares, as recommended by Board of Directors, subject to the provisions of Section 126 of the Companies Act, 2013, if approved by the Members at the Annual General Meeting, will be paid to those Members:
    - (a) whose names appear as 'Beneficial Owners' as at the end of the business hours on **29th August, 2019** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of Equity Shares held in dematerialised form; and
    - (b) whose names appear on the Company's Register of Members after giving effect to valid share transfer request(s) lodged with the Company / its Registrar and Share Transfer Agent on or before the close of business hours on **29th August, 2019**, in respect of Shares held in physical form.
  8. Members holding Shares in identical order of names in more than one folio are requested to write to the Company's Registrar & Share Transfer Agents, M/s. Skyline Financial Services Private Limited, enclosing the Share Certificates for consolidation of their holdings into one folio.
  9. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, the Company is required to obtain the copy of PAN Card and Bank details from all the shareholders holding shares in physical form. **Members are requested to get their details updated by sending the below-mentioned documents along-with a duly signed request letter to our Registrar and Share Transfer Agent (RTA), M/s. Skyline Financial Services Private Limited, D-153/A, First Floor, Okhla Industrial Area, Phase I, New Delhi-20, India:**
    - a) Self-attested copy of PAN Card of all the holders;
    - b) Original cancelled cheque leaf with name of member printed on it (if name is not printed, a copy of Bank Passbook/ Statement bearing name, duly attested by the Bank) and;
    - c) Self-attested copy of address proof (viz. aadhaar, voter-id, passport, driving license, any utility bill not older than 2 months).
- Further, to support "Green Initiative", members are requested to provide their Email ID for service of documents through electronic mode.
- Members who hold shares in the dematerialized form and want to update any of the details should send the same immediately to their concerned Depository Participant(s) and not to the Company. The Company will not entertain any direct request for updation of details from such members.
10. The Equity Shares of the Company are compulsorily tradable in demat form. The Equity Shares of the Company have been assigned ISIN INE845D01014.

In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April, 2019, transfer of shares of the Company shall not be processed (except in the cases of transmission or transposition of shares) unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. The procedure for dematerialisation of shares is available at our website: <http://ganeshaecosphere.com/dematerialisation/>
  11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to our corporate governance report forming part of Annual Report 2018-19.
  12. Members holding Shares in electronic form are requested to provide their Client-Id and DP-Id numbers at the Meeting for easy identification.
  13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
  14. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
  15. Members desirous of obtaining any information/ clarification concerning the Accounts and operations of the Company may send

their query so as to reach the Company at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.

16. In terms of Section 101 and 136 of the Companies Act, 2013 read with the Rules made thereunder, the listed companies may send the Notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company. For members who request for a hard copy and for those who have not registered their e-mail addresses, physical copies are being sent through the permitted mode.
17. The Annual Report and the Notice of the 30th Annual General Meeting will also be available on the Company's website [www.ganeshacosphere.com](http://www.ganeshacosphere.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office as well as Administrative Office for inspection during business hours.
18. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Members may submit their request to the Company's Registrar & Share Transfer Agents, M/s. Skyline Financial Services Private Limited, in the prescribed Form SH-13 for nomination and Form SH-14 for cancellation/ variation in nomination already made, as the case may be. The Forms will be sent by the Company/RTA upon such request. Members holding shares in demat mode may contact their respective Depository Participant (DP) for availing this facility.
19. Non- Resident Indian Members are requested to inform immediately:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier, to Company's Registrar & Share Transfer Agent, M/s. Skyline Financial Services Private Limited, in case of shares held in physical form and to respective Depository Participant, in case of shares held in Demat form.
20. **Voting through electronic means:**

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, applicable Secretarial Standards and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **the Company is providing its members the facility to exercise votes by electronic means (remote e-voting) in respect of any or all of the resolutions contained in this notice and the business may be transacted through remote e-voting services.** Necessary arrangements have been made by the Company with NSDL to facilitate remote e-voting. Remote E-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

The remote e-voting facility will be available during the following voting period:

**Commencement of remote e-voting: From 10:00 A.M. on 2nd September, 2019**

**End of remote e-voting : Up to 5:00 P.M. on 4th September, 2019**

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

**The Cut-off date for the purpose of remote e-voting and voting at the Annual General Meeting is Thursday, 29th August, 2019.**

**Instructions relating to remote e-voting are as under:**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) 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*****.
b) 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*****
c) 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. Your password details 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, your 'initial password' is communicated to you on your postal address.
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.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, click on the "Login" button.
9. Then the Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Ganesha Ecosphere Ltd.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sk\\_gupta1@rediffmail.com](mailto:sk_gupta1@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. 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.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Other Instructions:**

- i. Shareholder can also update his/her mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- ii. The facility of voting through ballot paper shall also be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.  
  
Members who have 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.
- iii. The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up equity share capital of the Company as on 29th August, 2019 (i.e. the "Cut-Off Date").
- iv. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting.
- v. Any person, who acquires shares of the Company and become member of the Company after 9th August, 2019 i.e. BENPOS date considered for dispatch of the notice and holding shares as on

the cut-off date i.e. 29th August, 2019, may obtain the login Id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- vi. Mr. S. K. Gupta, Practising Company Secretary (Fellow Membership No. 2589 and Certificate of Practice No.-1920) has been appointed as the Scrutinizer and Ms. Divya Saxena (Fellow Membership No. 5639 and Certificate of Practice No.-5352) as the Alternate Scrutinizer, to scrutinize the remote e-voting process and voting through Ballot paper (Polling) at the Meeting, in a fair and transparent manner and the Scrutinizer and the Alternate Scrutinizer have given their consent for appointment.
- vii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held,

allow voting, by use of "Ballot Paper/Polling Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

- viii. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or any other person authorized by him. The result declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company: [www.ganeshacosphere.com](http://www.ganeshacosphere.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The result will simultaneously be communicated to the stock exchanges.

21. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of director seeking appointment/re-appointment under Item Nos. 3 and 8 to 14 of this Notice are as below:

**BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

Particulars	Shri Shyam Sunder Sharma (DIN: 00530921)	Shri Sharad Sharma (DIN: 00383178)	Shri Rajesh Sharma (DIN: 02228607)	Shri Abhilash Lal (DIN: 03203177)	Shri Anoop Gupta (DIN: 00153340)
Date of Birth	2nd July, 1943	30th May, 1966	5th September, 1966	16th October, 1964	5th January, 1958
Date of first appointment on the Board	19th June, 1989	30th October, 1987	19th June, 2008	29th September, 2014	26th May, 2012
Qualification	M.Com.	B.Com.	B.Com.	Mechanical Engineer and Postgraduate in Management from Indian Institute of Management (IIM), Bangalore.	Chartered Accountant and Cost Accountant, with additional qualifications in Law and Company Secretarial.
Experience and Expertise in specific functional area	Textile technocrat having management experience of over 55 years including 25 years with various Birla Group Companies in senior positions.	Having more than 32 years of experience in Marketing and Distribution. He has been associated with the Company since inception and is responsible for overall management and operations of the Company.	Having experience of over 29 years in plant administration and operations. He is associated with the Company since inception and is responsible for looking after the management and operations of the Company's Rudrapur and Bilaspur units.	Having rich experience of more than 28 years in all aspects of financial services including banking, consulting, insurance, investments, advisory etc. and had worked with HSBC for more than 11 years.	Having more than three decades of diverse International experience in areas of Business Development, Corporate Finance Management etc.
Terms & Conditions of re-appointment	As per Company's Policy on Nomination, Remuneration and Board Diversity.				
Remuneration last drawn	As mentioned in the Corporate Governance Report (forming part of Annual Report 2018-19)				

Particulars	Shri Shyam Sunder Sharmma (DIN: 00530921)	Shri Sharad Sharma (DIN: 00383178)	Shri Rajesh Sharma (DIN: 02228607)	Shri Abhilash Lal (DIN: 03203177)	Shri Anoop Gupta (DIN: 00153340)
Other Directorships	Sandeep Yarns Private Limited	NIL	NIL	<ul style="list-style-type: none"> <li>• APL Apollo Tubes Limited</li> <li>• VAR Resolution Professionals Private Limited</li> <li>• Zumbach Electronic India Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated Home Solutions Private Limited</li> <li>• PLUS BKSP Toll Limited</li> <li>• I-Win Advisory Services Limited</li> <li>• Concept Volop Securities Private Limited</li> <li>• Concept Capital Solution Limited</li> <li>• CMCL Commercial Plaza Private Limited</li> <li>• Concept Entrepreneurial Consulting Private Limited</li> <li>• Concept Management Consulting Limited</li> <li>• Concept Powercon Projects Private Limited</li> <li>• Concept International Business Consulting Private Limited</li> <li>• Conjure Arts and Media Private Limited</li> </ul>
Chairman/ Member of Committee of the Board of other Companies of which he is a Director	NIL	NIL	NIL	APL Apollo Tubes Limited (Member-Audit Committee)	NIL
Shareholding in Ganesha Ecosphere Ltd.	19,38,927 Equity Shares of Rs. 10/- each.	8,75,583 Equity Shares of Rs. 10/- each.	10,95,529 Equity Shares of Rs. 10/- each.	NIL	NIL
Relationship with other Directors and KMPs of the Company	As mentioned in the Corporate Governance Report (forming part of Annual Report 2018-19)	As mentioned in the Corporate Governance Report (forming part of Annual Report 2018-19)	As mentioned in the Corporate Governance Report (forming part of Annual Report 2018-19)	NIL	NIL
No. of Board Meetings attended during the financial year 2018-19	4	5	1	4	1
	(for details please refer to the Corporate Governance Report, forming part of Annual Report 2018-19)				

Particulars	Shri Pradeep Kumar Goenka (DIN: 00404746)	Shri Surendra Kumar Kabra (DIN: 01280980)	Shri Vishwa Nath Chandak (DIN: 00313035)
Date of Birth	15th September, 1954	4th April, 1944	7th September, 1937
Date of first appointment on the Board	29th July, 2006	19th July, 1994	28th February, 2009
Qualification	Chartered Accountant	B.Com., LL.B. and Member of the Institute of Chartered Accountants of India	M. Com, LL.B.
Experience and Expertise in specific functional area	Having rich professional experience of over 42 years in the field of finance and related consultancy services.	Having rich professional experience of over 51 years in textile industry.	Having experience of over 40 years of working as a Senior President in Eastern Spinning Mills & Industries Ltd.
Terms & Conditions of re-appointment	As per Company's Policy on Nomination, Remuneration and Board Diversity.		
Remuneration last drawn	As mentioned in the Corporate Governance Report (forming part of Annual Report 2018-19)		
Other Directorships	<ul style="list-style-type: none"> <li>● Abhyuday Infrastructures Limited</li> <li>● Abhyuday Industrial Consultants Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>● Aditya Ispat Limited</li> </ul>	<ul style="list-style-type: none"> <li>● Eastern Textiles Pvt. Ltd.</li> <li>● Wellman Poly Fibre Products Private Limited</li> <li>● Astha Business Private Limited</li> <li>● Mangalam Timber Products Ltd.</li> </ul>
Chairman/ Member of Committee of the Board of other Companies of which he is a Director	NIL	NIL	<ul style="list-style-type: none"> <li>● Mangalam Timber Products Ltd. (Member- Audit Committee)</li> </ul>
Shareholding in Ganesha Ecosphere Ltd.	8,321 Equity Shares of Rs. 10/- each.	NIL	NIL
Relationship with other Directors and KMPs of the Company	NIL	NIL	NIL
No. of Board Meetings attended during the financial year 2018-19	5	3	4
	(for details please refer to the Corporate Governance Report, forming part of Annual Report 2018-19)		

## ANNEXURE TO NOTICE

### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item Nos. 5 & 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the cost auditors to conduct the audit of the cost records of the Company's products 'Yarn' and 'Recycled Polyester Staple Fibre', for the financial year ending 31st March, 2020 as per the following details:

Name of the Cost Auditor	Product	Audit fees (Rs.)
M/s. R.M. Bansal & Co.	Yarn	Rs. 50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and re-imbursment of travel/ conveyance and out-of-pocket expenses incurred in connection with the Audit.
M/s. Rakesh Misra & Co.	Recycled Polyester Staple Fibre	Rs. 50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and re-imbursment of travel/ conveyance and out-of-pocket expenses incurred in connection with the Audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the shareholders is sought for passing Ordinary Resolutions as set out at Item Nos. 5 & 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice for approval by the shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice.

#### Item No. 7:

In order to align the composition of the Board of Directors of the Company in conformity with the provisions of Section 152 (6) of the Companies Act, 2013 with respect to the requirements to determine the directors who are liable to retire by rotation, it is proposed to amend Article 86 and 103 of the Articles of the Association of the Company so as to make the term of the Managing Director liable to retirement by rotation.

Copy of the Articles of Association of the Company with proposed amendments as above, is available for inspection by Members at the Registered Office of the Company during business hours from the date of this Notice till the date of this AGM.

The Board of Directors recommends the special resolution in relation to amendments to the Articles of Association of the Company as set out in Item No. 7 of the Notice for approval by shareholders.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution set out at Item No. 7 of the Notice.

#### Item No. 8:

The Members at the 25th Annual General Meeting of the Company held on 29th September, 2014, approved the re-appointment of Shri Sharad Sharma as Joint Managing Director of the Company for a period of five years with effect from 1st February, 2014. He was elevated by the Board of Directors to the post of Managing Director and Chief Executive Officer of the Company, w.e.f. 18th September, 2018 till the end of his tenure i.e. 31st January, 2019.

Considering the experience and valuable contribution made by Shri Sharad Sharma, the Board of Directors of the Company at its meeting held on 27th January, 2019, subject to the approval of members, re-appointed Shri Sharad Sharma as Managing Director and Chief Executive Officer of the Company, for a period of 5 (five) years w.e.f. 1st February, 2019. The terms and conditions of his re-appointment including remuneration are in accordance with the provisions of Schedule V to the Companies Act, 2013 and have been approved by the Board as recommended by the Nomination & Remuneration Committee of the Board.

Shri Sharad Sharma, aged 53 years, is a commerce graduate and having more than 32 years experience in marketing and distribution. He has been associated with the Company since inception and was appointed to the Board in 1992 as a Director. He was appointed as Joint Managing Director of the Company in 2004. He is responsible for overall management and operations of the Company.

Shri Sharad Sharma satisfies all the conditions set out in Part-I of Schedule V to the Act and is not disqualified from being appointed as Managing Director in terms of provisions of Section 196(3) read with Section 164 of the Act.

In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April, 2019, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

1. the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
2. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.

Shri Sharad Sharma is a promoter director of the Company and his annual remuneration individually or together with remuneration of all Promoter Executive Directors may exceed threshold prescribed under Regulation 17(6) (e) of Listing Regulations. Thus, in order to comply with the requirements of above regulation, the approval of the members is also being sought in this regard by way of resolution set out at Item No. 8 of the notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Except Shri Sharad Sharma himself, Shri Shyam Sunder Sharma, Shri Rajesh Sharma, Smt. Seema Sharma and their relatives, being related to him, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The resolution along with accompanying Explanatory Statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Sharad Sharma within the meaning of Section 190 of the Companies Act, 2013.

#### **Item No. 9:**

The Members at the 29th Annual General Meeting of the Company held on 15th September, 2018, approved the re-appointment of Shri Rajesh Sharma as Whole-time Director of the Company designated as Executive Director for a period of five years with effect from 19th June, 2018. Considering the powers and functions of Shri Rajesh Sharma coupled with his experience and valuable contribution, the Board of Directors of the Company at its meeting held on 1st August, 2019, on the recommendation of Nomination and Remuneration Committee and subject to the approval of members, approved designating and appointing Shri Rajesh Sharma as Joint Managing Director of the Company w.e.f. 1st August, 2019 till the end of current term of his appointment i.e. 18th June, 2023, liable to retire by rotation, on the same terms and conditions including remuneration as approved by the Members at the 29th Annual General Meeting of the Company held on 15th September, 2018.

Shri Rajesh Sharma satisfies all the conditions set out in Part-I of Schedule V to the Act and is not disqualified from being appointed as Joint Managing Director in terms of provisions of Section 196(3) read with Section 164 of the Act.

In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April, 2019, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

1. the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
2. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.

Shri Rajesh Sharma is a promoter director of the Company and his annual remuneration individually or together with remuneration of all Promoter Executive Directors may exceed threshold prescribed under Regulation 17(6) (e) of Listing Regulations. Thus, in order to comply with the requirements of above regulation, the approval of the members is also being sought in this regard by way of resolution set out at Item No. 9 of the notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Except Shri Rajesh Sharma himself, Shri Shyam Sunder Sharma, Shri Sharad Sharma and their relatives, being related to him, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The resolution along with accompanying Explanatory Statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Rajesh Sharma within the meaning of Section 190 of the Companies Act, 2013.

#### **Item No. 10 to 14:**

As per Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

The Members of the Company had at the 25th Annual General Meeting held on 29th September, 2014 approved the appointment of following Independent Directors for a period of 5 years commencing from 29th September, 2014 upto the conclusion of this Annual General Meeting of the Company:

- Shri Abhilash Lal (DIN: 03203177);
- Shri Anoop Gupta (DIN: 00153340);
- Shri Pradeep Kumar Goenka (DIN: 00404746);
- Shri Surendra Kumar Kabra (DIN:01280980);
- Shri Vishwa Nath Chandak (DIN: 00313035); and
- Shri Narayanan Subramaniam (DIN: 00166621)

Based on their performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, Shri Abhilash Lal, Shri Anoop Gupta, Shri Pradeep Kumar Goenka, Shri Surendra Kumar Kabra and Shri Vishwa Nath Chandak are eligible for re-appointment as Non- Executive Independent Directors and had offered themselves for re-appointment. The Board of Directors recommends the proposal to re-appoint them as Independent Directors for a term as mentioned in the respective special resolutions. The Company has received notice from the Members under Section 160 of the Companies Act, 2013 proposing the candidature of each of Shri Abhilash Lal,

Shri Anoop Gupta, Shri Pradeep Kumar Goenka, Shri Surendra Kumar Kabra and Shri Vishwa Nath Chandak for the office of Director of the Company. The Company has also received a declaration of independence from them.

In the opinion of the Board, Independent Directors fulfil the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for re-appointment as an Independent Director of the Company and are independent of the management. As per the disclosure received neither of them are disqualified from being re-appointed as director in terms of Section 164 of the Act.

A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day. The Board considers that their continued association as the Independent Directors would be of immense benefit to the Company considering their expertise and experience.

Shri Narayanan Subramaniam, Independent Director of the Company, has expressed his unwillingness to be re-appointed as such for second term, in the Annual General Meeting. Consequently, he will cease from the position of the Independent Director on the conclusion of this Annual General Meeting.

As per Regulation 17(1A) of SEBI Listing Regulations effective from 1st April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect. Among the directors who are proposed by the Board for re-appointment as Non- Executive Independent Directors, Shri Surendra Kumar Kabra (DIN:01280980) and Shri Vishwa Nath Chandak (DIN: 00313035), have already attained the age of 75 years, as mentioned in the respective resolution contained in the notice. Keeping in view their vast experience, knowledge and contribution during the present tenure, their re-appointment will be in the best interest of the Company. Thus, the approval of the Members for their re-appointment as such is also being sought under Regulation 17(1A) of SEBI Listing Regulations.

The Board recommends the Special Resolutions set out at Item Nos. 10, 11, 12, 13 & 14 of the Notice for approval by the shareholders.

Except Shri Abhilash Lal, Shri Anoop Gupta, Shri Pradeep Kumar Goenka, Shri Surendra Kumar Kabra and Shri Vishwa Nath Chandak and their relatives, to the extent of their shareholding in the company, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolutions set out at Item Nos. 10, 11, 12, 13 & 14 of the Notice.

Date: 1st August, 2019

**Registered Office:**  
Raipur, (Rania), Kalpi Road,  
Distt. Kanpur Dehat.

## Item No. 15:

The Members at the 29th Annual General Meeting of the Company held on 15th September, 2018 approved the appointment and remuneration of Shri Vishnu Dutt Khandelwal, Whole Time Director for a period of 5 years commencing from 19th June 2018 to 18th June 2023 by passing a Special Resolution.

In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April, 2019, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

1. the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
2. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.

Shri Vishnu Dutt Khandelwal is a promoter director of the Company and his annual remuneration individually or together with remuneration of all Promoter Executive Directors may exceed threshold prescribed under Regulation 17(6)(e) of Listing Regulations. Thus, in order to comply with the requirements of above regulation, the approval of the members is being sought by way of special resolution for payment of remuneration to Shri Vishnu Dutt Khandelwal, Whole Time Director at the terms and conditions as already approved by members at 29th Annual General Meeting held on 15th September, 2018, during the remaining tenure of his appointment. All the existing terms and conditions of his appointment shall remain unchanged.

The Board recommends the Special Resolution set out at Item No. 15 of the Notice for approval by the shareholders.

Except Shri Vishnu Dutt Khandelwal himself, Shri Shyam Sunder Sharmma and their relatives, being related to him, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 15 of the Notice.

By Order of the Board

Sd/-  
(Bharat Kumar Sajani)  
Company Secretary



**GANESHA ECOSPHERE LTD.**

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail: secretarial@ganeshaecosphere.com, Website: www.ganeshaecosphere.com

Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

**ATTENDANCE SLIP**

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance Slip on request.

NAME AND ADDRESS OF THE SHAREHOLDER(S)

.....  
.....

Folio No. .... DPID No.\* .....

Client ID No.\* ..... No. of Shares held: .....

I hereby record my presence at the 30th Annual General Meeting of the Company on Thursday, 5th September, 2019 at 12:00 Noon at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

.....

SIGNATURE OF THE SHAREHOLDER/PROXY\*\*

\* Applicable for members holding Shares in Electronic form.

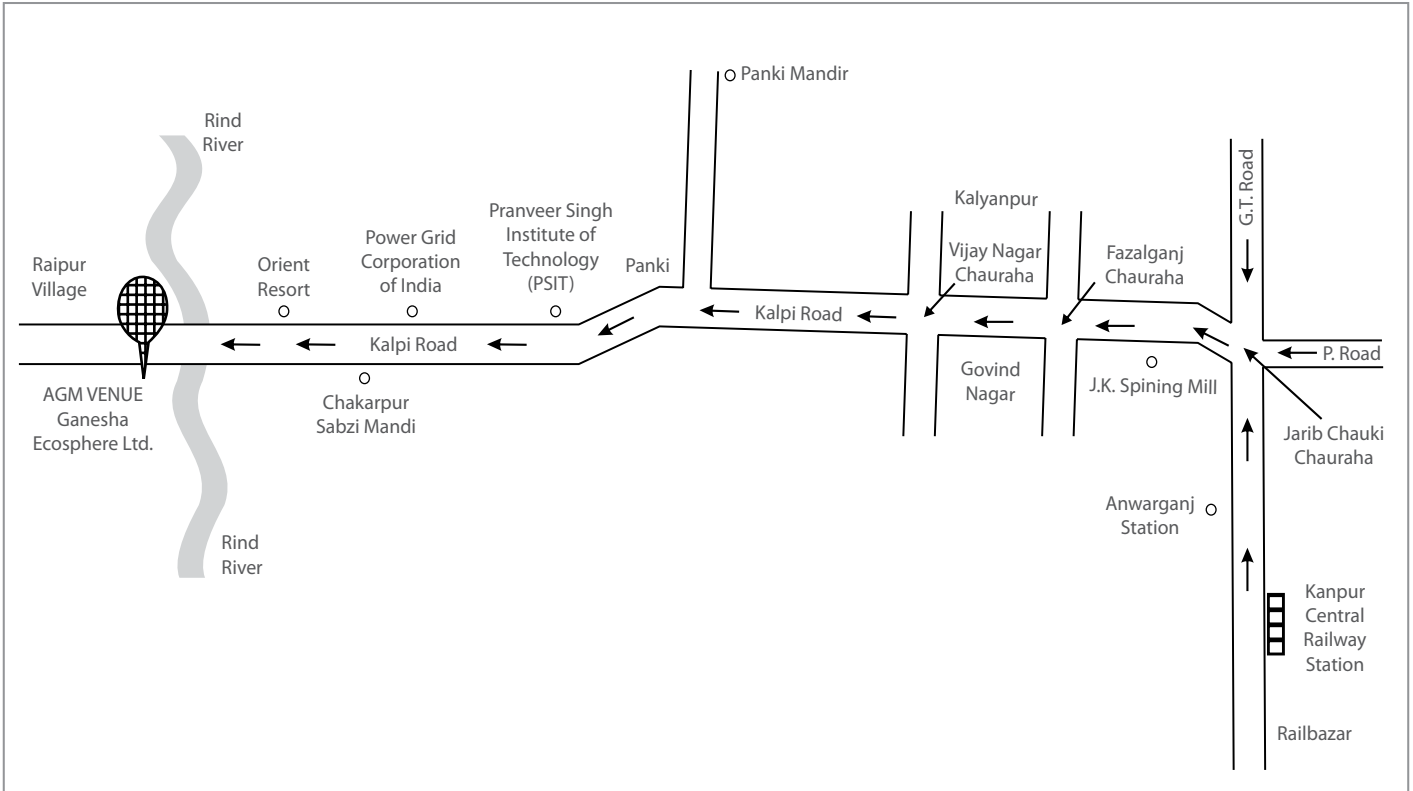
\*\* Strike out whichever is not applicable.



# ROUTE MAP

Ganesha Ecosphere Ltd.

AGM Venue : Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat





## GANESHA ECOSPHERE LTD.

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail: secretarial@ganeshaecosphere.com, Website: www.ganeshaecosphere.com

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## PROXY FORM

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

Name of the Member(s):

Registered Address:

E-mail Id:

Folio No. / Client ID:

DP ID\*:

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

1. Name:..... Address:.....  
E-mail Id:..... Signature:..... , Or failing him
2. Name:..... Address:.....  
E-mail Id:..... Signature:..... , Or failing him
3. Name:..... Address:.....  
E-mail Id:..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Thursday, 5th September, 2019 at 12:00 Noon at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat, or at any adjournment thereof in respect of such resolution(s) as are indicated below:

Resolution No.	Resolutions	Vote	
		For	Against
1.	Adoption of Audited Financial Statements for the year ended 31st March, 2019.		
2.	Declaration of Dividend on Equity Shares for the year ended 31st March, 2019.		
3.	Re-appointment of Shri Shyam Sunder Sharmma (DIN: 00530921) as Director who retires by rotation.		
4.	Partial modification of the resolution, passed for appointment of Statutory Auditors at the 28th Annual General Meeting of the Company, for dispensing with the requirement of seeking ratification of appointment at every Annual General Meeting.		
5.	Ratification of the remuneration of the Cost Auditors in respect of Company's product 'Yarn', for the financial year ending 31st March, 2020.		

Resolution No.	Resolutions	Vote	
		For	Against
6.	Ratification of the remuneration of the Cost Auditors in respect of Company's product 'Recycled Polyester Staple Fibre', for the financial year ending 31st March, 2020.		
7.	Alteration of the Articles of Association of the Company.		
8.	Re-appointment of Shri Sharad Sharma (DIN: 00383178) as the Managing Director of the Company.		
9.	Appointment and re-designation of Shri Rajesh Sharma (DIN: 02228607) as the Joint Managing Director of the Company.		
10.	Re-appointment of Shri Abhilash Lal (DIN: 03203177) as a Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years.		
11.	Re-appointment of Shri Anoop Gupta (DIN: 00153340) as a Non-Executive Independent Director of the Company for a second term of 1 (one) year.		
12.	Re-appointment of Shri Pradeep Kumar Goenka (DIN: 00404746) as a Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years.		
13.	Re-appointment of Shri Surendra Kumar Kabra (DIN:01280980) as a Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years.		
14.	Re-appointment of Shri Vishwa Nath Chandak (DIN: 00313035) as a Non-Executive Independent Director of the Company for a second term of 3 (three) consecutive years.		
15.	Approval of remuneration of Shri Vishnu Dutt Khandelwal, Whole Time Director and Promoter in terms of Regulation 17 (6) (e) of SEBI Listing Regulations.		

Signed this..... day of .....2019.

Signature of shareholder.....

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

\* Applicable for members holding shares in Electronic form.

Affix a  
15 paise  
revenue  
stamp

Note:

1. 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.
2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. A proxy need not be a member of the Company.
4. It is optional for the member to indicate preference of Votes in the proxy form. If the member leaves the 'for' or 'against' column blank against any or all resolutions, the proxy will be entitled to vote in the manner as he/ she may deem appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/ she so wishes.
6. In the case of joint holders, the signatures of anyone holder will be sufficient, but names of all the joint holders should be stated.



# Green earnings!

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## Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically issue contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried to identify such statements wherever possible by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or underlying assumptions prove to be inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





## Green earnings!

In today's world, more consumption means more plastic means more pollution. A rapid growth in the FMCG sector is further driving the growth of plastic waste.

The result is that more responsible manufacturers are committing to use recycled plastic products as their way of saving the planet.

Ganesha Ecosphere is one of such company.



The Company's business model comprises the consumption and transformation of waste Plastic (PET Bottle) resources into a product of everyday use.

This integration of environment friendliness into the operating model represents a new way of doing business that is good for the Company, consumer and community.

# Green is in!



Marquee global brands are showing the way in increasing their consumption of recycled stuff.



## NIKE

80% products to contain recycled materials by 2020

## ADIDAS

100% recycled polyester use in all products by 2024

## H&M

Its Conscious Collection uses organic and recycled materials. ~ 26% of the brand's offerings are produced from sustainable materials

## G-STAR RAW

Launched four capsule apparel collections using recycled ocean plastic

## PATAGONIA

Re-collection offering comprises 10 styles from 100% recycled down, 100% recycled wool and 100% recycled polyester

## 59 GLOBAL COMPANIES

committed to increase rPET use by at least 25% by 2020

# Ganasha Ecosphere is a responsible environment-friendly citizen ...touching lives every day

The Company is engaged in the manufacture of a product that finds extensive everyday applications

In the towel one uses daily for drying hair



In the seat upholstery of the car one drives to the office



In the jersey one wears while one goes out to play



In the pair of shoes one uses for the walk



In the carpet that welcomes one home from work



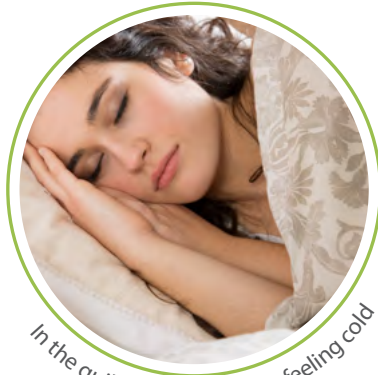
In the soft toys with which one plays



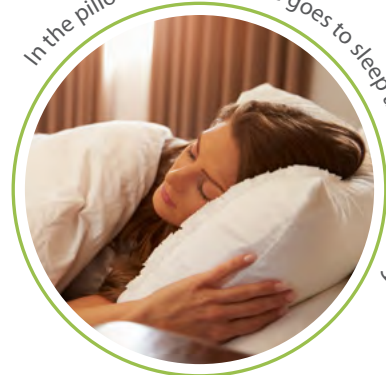
In the body warmer one wears while one goes for a trek



In the quilt one wraps when feeling cold



In the pillows on which one goes to sleep after a stressful day





# Ganesha Ecosphere Limited

Integrated a sense of environment responsibility into the core of its business model.

Playing the role of the earth's protector, partner and friend.

Positioned to enhance value for all stakeholders.



## Vision

To become a global corporate citizen committed to recycling every PET bottle, which is thrown into waste with world-class recycling facilities and to create wealth for stakeholders by conducting business around social and environmental concerns.

## Mission

- To be a high-performance organisation by making the best use of resources and empowering people
- To be the preferred choice of our customers by providing world-class customer service
- To maintain high level of service in our products through innovative research and technology development in our processes, products and applications
- To build relationships with stakeholders based on trust, transparency and ethical business conduct
- To contribute to the cause of making our planet a better place to live in for the present and future generations

## About our company

Ganesha Ecosphere embarked on its journey in 1987 and has over time emerged as one of the leading PET recycling companies in India. The Company was promoted by Mr. Shyam Sundar Shamma (Chairman), visionary force behind the show, supported by a team of competent professionals.

## The business

The Company's commitment is to maximise the collection of PET waste and transform it into a productive textile resource.

## Product range

Broad-based product portfolio (solid, hollow, conjugated, short cut, with a feature of dope dyed flick (FR), non-silicon, siliconised, colored yarn, knitting yarn, slub yarn) with diverse applications (fiberfill, spinning industry, automobile industry, geo- textiles, medical, and packaging, paper, textiles and other non- woven sectors).

## Presence

The Company is headquartered in Kanpur (Uttar Pradesh) with manufacturing units located in Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand) and Bilaspur (Uttar Pradesh).

## Manufacturing facilities and capacity

The Company possesses a cumulative manufacturing capacity of 118,800 tonnes per annum of RPSF and yarn.

The Company's installed capacity comprises 108,600 TPA of RPSF, 7,200 TPA of RPSY and 3000 TPA of dyed and texturised/twisted filament yarn.

This installed capacity of RPSF is the largest PET waste recycling capacity in India.

## Manufacturing capacities

Plant	Capacity (TPA)
<b>Kanpur (Uttar Pradesh)</b>	
- Dyed texturised yarn	3,000
- RPSF	27,000
<b>Rudrapur (Uttarakhand)</b>	
- RPSF	39,600
<b>Bilaspur (Uttar Pradesh)</b>	
- RPSF	42,000
- Recycled spun yarn	7,200
<b>Total capacity</b>	<b>1,18,800</b>

The Company utilised 101% of its total capacity in 2018-19.

## Supply chain

GESL procures ~325 tonnes of PET waste a day through a pan-India network of more than 200 PET scrap dealers. This extensive supply chain has helped the Company enhance resource security on one hand and transformed an urban-rural plastic waste problem into a productive resource on the other.

## Financial growth

The Company has emerged as consistently growing, staying competitive through market cycles on account of its economy of scale, efficient manufacturing technology and market linkages.

17.8% CAGR in revenues in 10 years ending FY2018-19.

18.6% CAGR in EBITDA in 10 years ending FY2018-19.

17.1% average RoCE in 10 years ending FY2018-19.

## Listing

The Company is listed on the National Stock Exchange (scrip code: GANECOS) and Bombay Stock Exchange (scrip code: 514167) and traded actively. The Company's market capitalisation stood at ₹711.75 crore as on 31st March 2019.

As of 31st March 2019, the promoters held 39.86% of the Company's equity while the public and institutions accounted for 60.14% [institutional holding 16.08% and non-institutional holding 44.06%] of the Company's shares.

## Certifications

- ISO 9001: 2015
- Oeko-Tex Standard 100, Product Class 1 certification from Hohenstein Textile Testing Institute (Germany)
- ISO 14001:2015
- Global Recycle Standard from Control Union Certifications, OHSAS 18001:2007



# Ganesh Ecosphere...

## A one-stop recycled products solution provider.

### Recycled Polyester Staple Fibre (RPSF)

Easily washed; quick drying; resists wrinkles; holds creases and pleats

Description	Application	Industry
<ul style="list-style-type: none"> <li>Solid Fibre</li> <li>Dope dyed Fibre</li> <li>Hollow/ Conjugated</li> <li>Fire-retardant</li> <li>Short-cut fibre</li> <li>Micro fibre</li> <li>Trilobal fibre</li> </ul>	<ul style="list-style-type: none"> <li>Spinning, non-woven</li> <li>Stuffing in toys, Pillows etc,</li> <li>Industrial fabric</li> <li>Blending with other fibres/material</li> <li>Fine fabric</li> <li>Special effect</li> </ul>	<ul style="list-style-type: none"> <li>Textile</li> <li>Non-woven</li> <li>Home furnishing</li> <li>Technical textile</li> <li>Textile, paper and construction</li> </ul>

### Recycled Polyester Spun Yarn (RPSY)

Long filaments cut into small pieces called staple fibre which are combined and spun resulting into spun yarn

Description	Application	Industry
<ul style="list-style-type: none"> <li>Melange</li> <li>Single yarn</li> <li>Doubled yarn</li> </ul>	<ul style="list-style-type: none"> <li>Body warmers</li> <li>Dress materials</li> <li>Suiting, shirting, furnishing fabric</li> </ul>	<ul style="list-style-type: none"> <li>Knitting</li> <li>Clothing, knitting and hosiery</li> </ul>





## Ganesha Ecosphere... friend of the earth



Manufactures  
products that  
save landfill  
spaces

Helped save  
energy

Invested in  
technologies to  
moderate carbon  
emissions

Eliminated  
dependence on  
crude-oil derived  
virgin products

Moderated the  
consumption of  
water

## Message from the Chairman

# Dear shareholders,

I am happy to present you the legendary performance of the Company for FY2018-19.

This was a landmark year for the Company as we crossed ₹1,000 crore revenue benchmark for the first time in our history. We crossed all the financial landmarks with wide margins over last fiscal. We reported a revenue of ₹1,020.49 crore, up 34.8% over 2017-18. EBITDA of ₹133.56 crore represented 49.8% growth over 2017-18. Net profit of ₹61.95 crore was 75.8% higher over 2017-18. We continue to strengthen our margins: EBITDA margin strengthened by 128 bps from 11.72% in FY 2017 to 13% in FY 2018, while net profit margin strengthened 140 bps from 4.63% in 2017-18 to 6.03% in 2018-19.

### How we strengthened our business

The Company strengthened its business through various initiatives during the year under review.

**One**, we had completed the expansion of 21,000 TPA at our Bilaspur unit in February 2018 and we enjoyed the full benefit of the expanded capacity during the year under review, which helped us to increase the revenue and earn better margins.

**Two**, we worked upon operational efficiencies and increased capacity utilisation beyond 100%.



GESL's products are Global Recycle Standard-certified, generating a premium



**Three**, during the year under review, we installed 5.04 MW rooftop solar power plant, enhancing supply stability on the one hand while rationalising costs on the other.

**Four**, we generated a stronger traction for our products by showcasing the same to global community through participating in various international exhibitions. As a result, we increased our exports to ₹71.17 crore during 2018-19 from ₹35.56 crore during 2017-18.

**Five**, we raised capital of ₹100 crore through QIP and proceeds were utilised for repaying a part of our long-term debt and fund a portion of our general corporate requirements. During the year under review, we repaid borrowings (net) of ₹93 crore.

**Six**, our credit rating was improved to "A" by ICRA & CARE, which helped us to reduce cost of borrowings as well as other financial costs.

## Sectoral outlook

India is one of the fastest growing economy globally and Government is determined to make it five trillion economy by 2025. Projected growth in economy would increase the disposable income and so the consumption, particularly in FMCG and other consumable products. Growth in consumable product would drive the consumption of PET as preferred packaging material.

With the growing consumption of plastics, concern is now focused for its collection and recycling. Government is making the regulation stricter for reducing the consumption of plastic, which is non-recyclable. Now, the manufacturers and producers are liable for safe disposal/ recycling of plastic packaging, associated with their products, after the end of its life cycle. The implementing agencies have been equipped, at the same time, for compliance of environmental regulations.

With increasing awareness, environment protection has become an issue of global attention. To make their products sustainable, global textile, apparel and retail companies are prone to use more

recycled stuff in their products and various brands have set different time lines for replacing the virgin stuff with recycled material. Some countries have also made regulations to use defined quantum of recycled plastic in place of virgin.

All the above factors coupled with amenability of PET plastic in collection and higher rate of recycling worldwide, indicate the robust growth in consumption of PET plastic and regulatory compulsion of recycling provides the greater opportunity for recycling industry. Further, with enhanced focus on sustainability by the manufacturers and growing consumer preference for recycled material, premium is likely to be commanded by recycled products over virgin one.

However, challenges are also there in terms of ongoing trade war between two major world economies – US and China, which are affecting other growing economies like India because of new dumping ground of China. Also there is recession in some sectors of the economy particularly textile sector because of trade war, demand recession, falling prices of crude, cotton as well as polyester, products dumping from China and overcapacity in the sector. These challenges may hit the textile sector adversely in short term.

## Optimism

Being the prominent recycling company along with sizable manufacturing capacities, enriched product portfolio, strong marketing and sourcing network with strong balance sheet and limited repayment obligations, we are uniquely

positioned to deal with most alarming issue of the day and take our share of pie in long term sectoral growth barring some short term heat waves, which may come across due to challenges mentioned above.

I am thankful to all our stakeholders for their unstinting support.

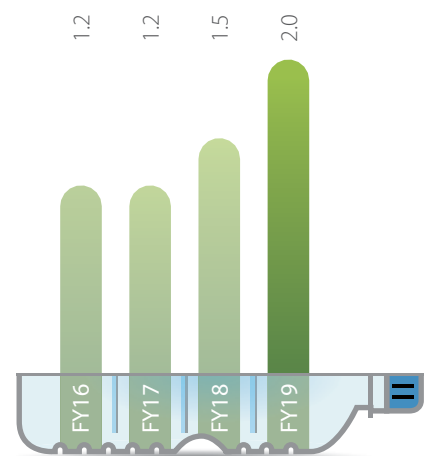
We remain motivated to build a sustainable, long term future and add significant value for all across the coming years.

Best regards

**Shyam Sunder Sharma**

Chairman

## Dividend (₹ per share)

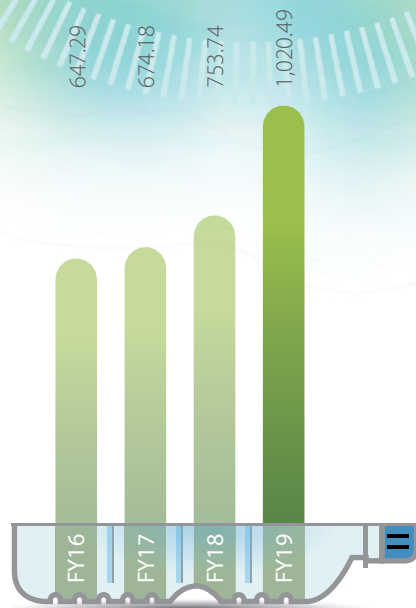


## Recycled fibres offer superior value

Virgin	Recycled
Moisture regain value in 150 denier of 0.040%	Moisture regain value in 150 denier of 0.045%
Bending length in 150 denier fabric of 2.75	Bending length in 150 denier fabric of 2.1
Abrasion resistance of 1-7.83%	Abrasion resistance of 1-1.16%
Tenacity: 23.55 [need unit]	Tenacity: 20.24 [unit]
Tearing strength (150 denier)	Tearing strength (150 denier)
Warp: 2986.6	Warp: 2858.6
Weft: 3408.6	Weft: 2986.6

# The effectiveness of our business model

## Higher Revenues (₹ crore)



### Definition

Growth in revenue net of taxes.

### Why is this measured?

It highlights the product cum service acceptance and reach of the Company in the market.

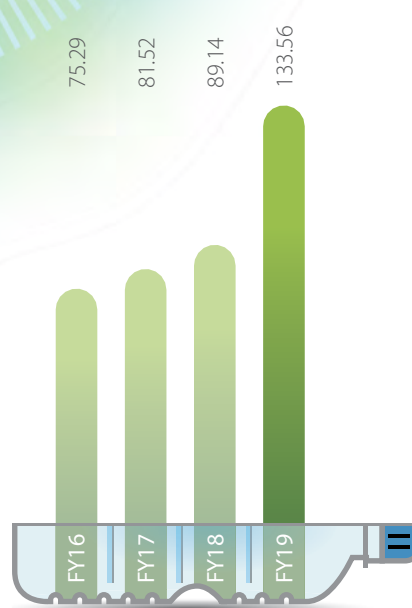
### Performance

Aggregate operative revenue increased by 34.8% to ₹1,020.49 Crore in FY2018-19 due to increasing demand for existing product and improved footprint.

# +34.8%

Growth over FY18

## Higher EBITDA (₹ crore)



### Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

### Why is this measured?

It showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with the retrospective average of sectoral peers.

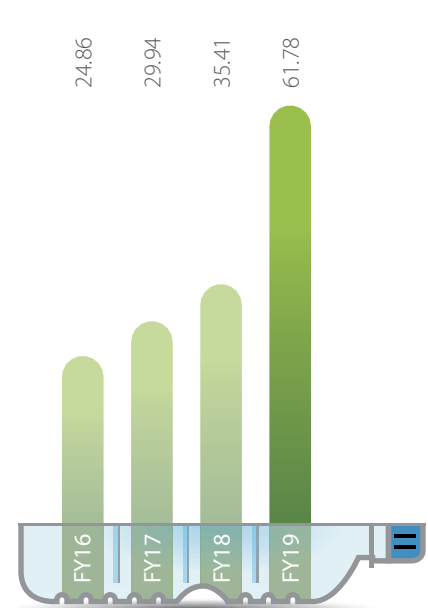
### Performance

The Company's EBITDA grew every single year through the last four years.

# +49.8%

Growth over FY18

## High Comprehensive income (₹ crore)



### Definition

Profit earned during the year after deducting all expenses, provisions and taxes.

### Why is this measured?

It highlights the strength in the business model in generating value for its shareholders.

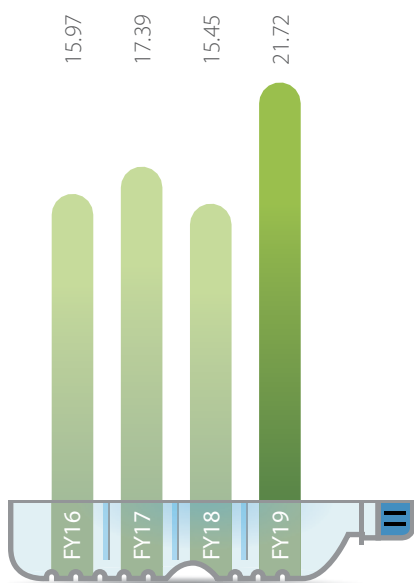
### Performance

Impressive growth in profit was a result of increased focus on improving processes and rationalising costs.

# +74.5%

Growth over FY18

Better  
**RoCE (%)**



**Definition**

It measures a company's profitability and the efficiency with which its capital is employed in the business.

**Why is this measured?**

RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

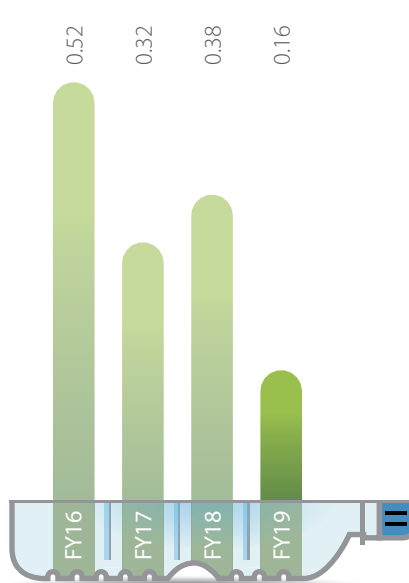
**Performance**

Marked growth despite increase in capital.

**+40.6%**

Growth over FY18

Lower  
**Debt-equity ratio (x)**



**Definition**

This is the ratio of debt to net worth (less revaluation reserves).

**Why is this measured?**

It is a measure of a company's financial solvency.

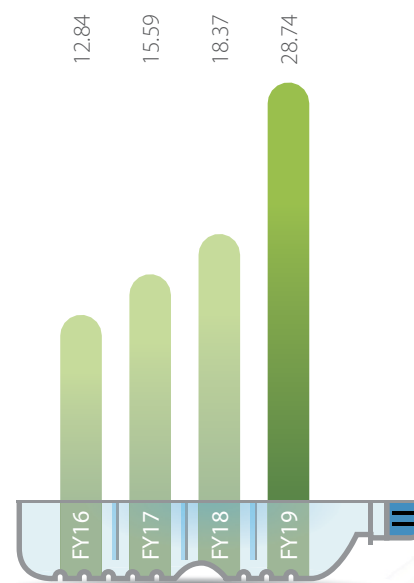
**Performance**

The Company's gearing moderated from 0.52 in FY16 to 0.16 in FY19. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

**+22bps**

Improvement over FY18

Higher  
**Earnings per share (₹)**



**Definition**

The portion of the Company's profit allocated to each shareholder.

**Why is this measured?**

EPS serves as an indicator of financial health of a company. Increasing EPS indicates better profitability of the Company.

**Performance**

EPS has multiplied to 2.24 times from FY16 despite higher capital base.

**+56.4%**

Growth over FY18



# What makes Ganesha Ecosphere a strong player in the sector

## Early-mover

The Company entered the business 25 years ago when the manufacture of recycled polyester fibre was virtually unknown in India. The Company played the role of an evangelist. The result is that with the sector beginning to mature, the Company has retained its position as India's largest PET recycler with an experience extending across various market cycles.

## Leading market position

Whenever one thinks of recycled PSF in the country, one of the first names that comes to mind is that of Ganesha Ecosphere. Over the decades, the Company has retained its long-standing position as the largest manufacturer of RPSF in the second most populous country (India).

Supported by the large scale of its operations resulting in economies of scale and superior procurement network, the Company has demonstrated healthy and stable multi-year profitability .

The Company is graduating its competitiveness to the next level with stepping capacity addition; it has strengthened its competitiveness, market presence, brand recall and geographical presence.

A larger market presence has also been the result of a high sustained capacity utilisation even following periodic capacity additions at a time when the broad industry has enhanced recycled manufacturing capacity.. The result of this high capacity utilisation translated into increased economies of scale and high operating efficiency.

## Scale

Over the years, Ganesha Ecosphere emerged as the largest RPSF manufacturer in India. The Company possesses a manufacturing capacity much larger than its peers. This scale has strengthened the Company's business model in more than one way: reinforced its position as a company that can provide any quantity and variety of fibre that may be required at any time. Besides, this scale has translated into attractive economies that have enhanced the Company's competitiveness and viability across market cycles.

## Robust financial profile

The Company's sustained capacity expansion and operational efficiency translated into superior financials. The Company complemented an increase in revenues with larger cash accruals on the one hand and declining debt repayments on the other. The result is that the Company's gearing stood at 0.16 on 31 March 2019, interest cover was 10.25 X, Debt / EBITDA at a healthy 0.78.

## Portfolio

The Company has established a go-to respect. The result is that the applications across which the Company's products are now being applied are wider than ever: fibrefill, yarn spinning, automobiles, geo-textiles, medical, packaging, paper, textiles and non-woven sectors. This widening application spectrum has established a recall that recycled fibres can be customised with ease, enhancing their preference.

## Value-addition

Over the last couple of decades, recycled polyester fibre has graduated from the shadows of the textile sector to become a preferred resource, strengthening the environmental responsibility of a number of downstream applications. Gradually, a number of recycled fibres have also emerged as value-added and premium: average realisation per tonne strengthened 9.7% in the three years ending 2018-19. What is good for the world is also good for the business.

## Advantages of recycled PET products

Consumes lower energy in manufacture

Utilises less water (compared to cotton cultivation)

Soft, durable and resistant to wrinkles, shrinks and stains

Lower soil, water and air contamination

Lower oil dependence than in the production of original polyester

Saved landfill needs; no incinerator emissions

75% lower CO<sub>2</sub> emission than virgin polyester



# How we intend to enhance value across the future

## Key strategic goals

### Strengthen output

### Optimise operating costs

### Strengthen the product mix

### Enhance marketing footprint

#### Strengthen output

**Capacity strengthening:** The Company has reinforced its commitment to enhance capacity with the objective to seed additional demand, carve out a disproportionate share of incremental demand, and expand at a competitive capital cost per tonne when compared with the prevailing greenfield benchmark. The Company is strengthening its output by continuously adding capacity in the last one decade and we continue the journey by adding up new capacities to strengthen our industry positioning.

**Operating efficiency:** The Company embarked on various initiatives to shrink the gestation period following capacity expansion, resulting in a high capacity utilisation leading to quicker project payback.

**Raw material:** The Company secured its capacity expansion with adequate and timely resource availability, resulting in a high throughput on the one hand and superior amortisation of fixed costs on the other. The Company strengthened its supply chain, by adding new vendors across the country.

#### Optimise operating costs

**Renewable energy:** The Company is a large consumer of energy, having total connected load of 18 MW. During the year under review, the Company installed rooftop solar panels with power generation capacity of 5.04 MW. These solar panels are expected to reduce annual power cost ~5-6%.

**Economies:** The Company leveraged resource procurement economies to generate a win-win value (for aggregator, aggregator's vendor and the Company). Besides, the Company's progressive capacity investments translated into the ability to negotiate effectively for capital equipment and other expansion imperatives

#### Strengthen product mix

**Mix:** The Company broadened its product with the objective to provide a larger number of products through an existing relationship, enhancing the customer's wallet share on the one hand and seeding new customers on the other (that could be progressively widened).

**Customisation:** The Company strengthened its respect as a provider of customised products, representing a neat fit with the downstream applications of customers. The result is that even as the space is growing and increasingly perceived as commoditised, the Company has reinforced its recall as a dependable partner. As a result, 50% of the customers are with the Company for past three years or more.

**Premiumisation:** The Company continued to focus on manufacturing products of a superior quality that helped downstream customers take their product reputation and brand ahead. The result of this superior quality has progressively increased realisations over the prevailing market average.

## Key achievements

### 2018-19



Return on equity (%)  
(14.29% during  
2017-18)

### Enhance marketing footprint

**Partnership:** The success of the Company's business is showcased through a complement of product and service capabilities. Over the years, the ability to provide any quantity of a high product standard coupled with timely delivery have evolved the Company from a one-off vendor into a trusted partner; correspondingly, the Company has helped evolve transactions into enduring relationships and high revenue visibility.

**Range:** The Company has progressively broadened its portfolio, extending to emerging product categories. As a result, revenues generated from products launched by the Company in the last five years accounted for 50% of the overall revenues in 2018-19. Besides, the widening portfolio made it possible to address wider customer needs at a single stop, enhancing wallet share.



Inventory turnover  
in days of turnover  
equivalent (62 days  
during 2017-18)



(%) Employee costs as  
a proportion of total  
income (5.85% during  
2017-18)



(%) Capacity  
utilisation  
(96% during  
2017-18)



Debt-equity ratio  
(0.38 during  
FY2017-18)



(crore) Export sales  
(₹35.56 crore during  
FY2017-18)



(lakh tonnes) Sales  
volume (89,833  
tonnes during  
FY2017-18)



## Our green earnings

Around 325 tonnes of PET waste recycled everyday

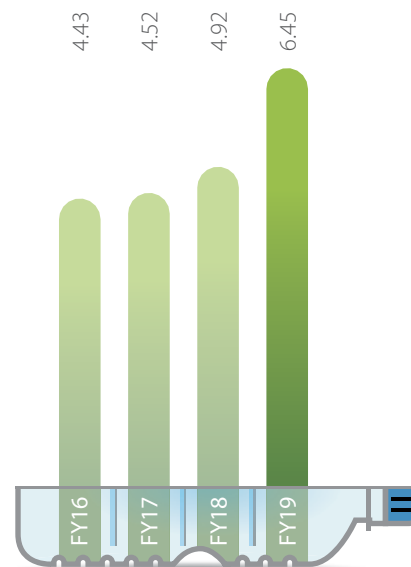
Around 36 billion PET bottles recycled in the last 10 years

About 45 lakh cubic yard of landfill space saved by the Company in the last ten years

Close to 9.5 lakh tonnes of CO<sub>2</sub> saved through recycling in the last 10 years

We successfully installed a 5.04 MW rooftop solar power plant (renewable energy)

### Growth in PET bottle recycling by the Company (Nos. in billion)



# How we are enhancing value at Ganesha Ecosphere...

## Key resources

 <b>Manufacturing capital</b>	 <b>Financial capital</b>	 <b>Human resources</b>	 <b>Natural resources</b>	 <b>Intellectual capital</b>	 <b>Social and relationship capital</b>
<ul style="list-style-type: none"> <li>• Raw materials</li> <li>• Plant and machinery</li> </ul>	<ul style="list-style-type: none"> <li>• Equity</li> <li>• Borrowed funds</li> <li>• Internal accruals</li> </ul>	<ul style="list-style-type: none"> <li>• Management team</li> <li>• Personnel</li> <li>• Contractors and sub-contractors</li> </ul>	<ul style="list-style-type: none"> <li>• PET bottle scrap (secondary source)</li> </ul>	<ul style="list-style-type: none"> <li>• Product innovation</li> <li>• Process excellence</li> <li>• Proprietary knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Community</li> <li>• Business partners including vendors</li> </ul>

## Value created in 2018-19

<ul style="list-style-type: none"> <li>• ₹1,020.49 crore Revenues</li> <li>• ₹28.74 Earnings per share</li> <li>• ₹89.59 crore Cash profit</li> <li>• 15.73% RoE</li> </ul>	<ul style="list-style-type: none"> <li>• 0.12 mn tonnes RPSF and yarn manufactured</li> <li>• 6.45 bn PET bottles recycled</li> </ul>	<ul style="list-style-type: none"> <li>• ₹50.42 crore Paid towards employee remuneration</li> <li>• 2522 employees</li> </ul>	<ul style="list-style-type: none"> <li>• 1.74 lakh tonnes CO<sub>2</sub> emission diverted through bottle recycling</li> </ul>	<ul style="list-style-type: none"> <li>• 50% share of revenues from products launched in the past five years</li> </ul>	<ul style="list-style-type: none"> <li>• More than 200 vendors</li> <li>• More than 300 clients</li> </ul>
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## Values shared with...

<b>Investors</b> Declared dividend of 20%	<b>Suppliers</b> During the year, the Company sourced raw materials of the value of ₹616.90 crore	<b>Employees</b> The Company employed 2522 people directly and paid ₹50.42 crore towards remuneration	<b>Customers</b> During the year, the Company supplied 0.11 mn tonnes of products	<b>Distributors and suppliers</b> The Company strengthened value for distributors and suppliers through regular offtake and timely payments
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# Our business model

## Relevance

### Growing consumption

India is one of the fastest growing economies



Strong growth in per capita income



Urban 'on the go' culture, increasing PET bottle consumption



Strong population growth; India to overtake China by 2024

### Growing PET bottle availability

- Annual global PET consumption to grow from 70 MT in 2017 to 85.4 MT by 2022
- One million PET bottles sold every minute across the world
- India's FMCG industry growing at more than 10% a year
- India's per capita plastic consumption is a mere 11 kg compared to 109 kg in USA
- Per capita carbonated beverage consumption in India is a mere 44 bottles compared to 1,496 in USA

### Recycled polyester gaining acceptance

- More consumers are preferring environmentally responsible products (not necessarily the cheapest)
- Products with a higher proportion of recycled content are being priced higher
- Demand is growing in tandem with higher pricing
- Global crude oil inflation has strengthened virgin PET realisations, strengthening recycled offtake
- Global textile majors are increasing their consumption of recycled fibre
- There is a growing urgency in recycling PET waste the world over due to growing awareness for environment
- The business possesses a low carbon footprint

### India's PET recycling growth drivers

- India's population is expected to overtake China's population by 2024
- 64% population is expected to be in the working age category by 2020
- Health consciousness is driving packaged water consumption (packed in PET)
- Rural electrification is catalysing beverage consumption
- Offtake of non-cola carbonates and fruit-based drinks are growing faster

# GESL's attractive positioning

## Scale

We are the largest recycled polyester fibre manufacturer in India with a cumulative capacity of 1,08,600 TPA.

## Value-added

Adding value to the trash.  
Recycled 6.45 bn PET bottles.

## Partner

We customise products and deliveries as per client requirements, graduating our position from that of a vendor into a partner.

## Sourcing

We created a strong network of raw material sourcing centres, helping us source more than 325 tonnes of PET waste every day.

## Basket

We possess more than 100 product variants comprising RPSF, dyed and texturised yarn, among others. We are among the few RPSF brands to manufacture 0.90 to 70 denier RPSF.

## Innovative

We have strong R&D team for making innovative products.

## Presence

We have created a pan-India presence working with more than 300 customers including OEMs of Maruti, Mitsubishi and Target Group among others. More than 150 Indian spinning units consume our RPSF to make spun yarn. Besides, our products are exported to more than 20 countries.

## Quality

We are synonymous with credibility, reliability and efficiency. It is ISO 9001:2015-certified, ensuring conformance with superior quality norms. Besides, the Company possesses international certifications like Global Recycle Standard (The Control Union Certification) and 'Oeko-Tex Standard 100, Product Class 1' by The Hohenstein Textile Testing Institute. The Global Recycle Standard certification helps the Company fetch a premium.

## Financials

We strengthened our Balance Sheet with a gearing of 0.16 in 2018-19, focusing on an asset light and value-added business model marked by an attractive RoE.





# Management discussion and analysis

## Global economic overview

Following a robust 3.8% growth in 2017 that extended into the first half of 2018, the global economy slowed in the second half of 2018. The reasons for this decline are to be found in a confluence of factors like the failure of Brexit negotiations, tightened financial conditions, geopolitical tension, trade wars and higher crude oil costs. Global economic growth is estimated at 3.6% in 2018 and projected to decline further to 3.3% in 2019.

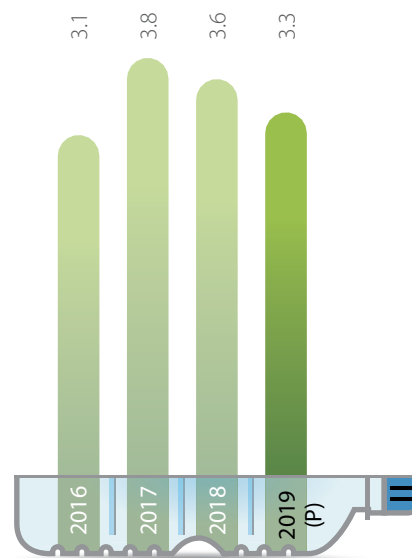
Crude prices remained volatile since August 2018 as a result of multiple factors including American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a 4-year peak of US\$ 81 per barrel in October 2018 to US\$ 61 per barrel in February 2019.

**United States of America:** Economic confidence and sentiment indicators were near historical highs, despite a wide range of tariff hikes and build-up of trade tensions that intensified over 2018. The

impact of ongoing trade disputes on the domestic economy were offset by fiscal stimulus measures in 2018, including a 200 bps drop in income tax rates, steep decline in the corporate tax rate and a rise in federal government consumption spending (especially on defence). This was supported by strong jobs growth and buoyant economic activity. In the first three quarters of 2018, gross domestic product (GDP) was 2.8% higher than a year earlier. The expansionary fiscal stance accelerated interest rate increases by the United States Federal Reserve, generating episodes of turbulence in the global financial markets and asset price adjustments. Federal deficit is expected to widen to about 5% of GDP by 2019, while government debt could continue to rise relative to GDP for the next decade.

**Russia:** The Russian economy grew at an expected 1.5% in 2018, mostly driven by private consumption, while a higher

## Global economic growth over years



[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

oil price allowed the rebuilding of fiscal buffers. The FIFA 2018 World Cup, whose preparations contributed to significant fixed investments, strengthened the tourism industry. Consumer spending recovered at the beginning of the year owing to a stabilised currency, sharp disinflation and pick-up in household borrowings. Geopolitical tension led to several rounds of additional economic sanctions in 2018, including the possibility of freezing large Russian banks' assets abroad and restricting their dollar transactions, while targeting Russian sovereign debt, which exerted a downward pressure on the rouble.

The country's central bank temporarily suspended foreign-exchange purchases conducted in accordance with the Budget and reversed monetary loosening by lifting policy interest rates in September. Business lending remained suppressed.

**China:** Amid rising external headwinds and ongoing economic rebalancing, China's GDP growth is projected to moderate from 6.6% in 2018 to 6.3% in 2019 and 6.2% in 2020. Domestic growth is expected to remain solid supported by a looser monetary policy and pro-growth fiscal measures. In 2018, China's growth moderated from the previous year due to

a deceleration in fixed asset investments. Infrastructure investment growth was affected by tighter regulatory restrictions aimed at reining in local government debt. Household spending remained robust but grew moderately amid weakening consumer confidence. Private consumption could remain a key driver of growth in the outlook period. Alongside healthy income growth, consumer spending could be boosted by an increase in the minimum threshold for personal income tax exemption and additional tax deductions.

## Indian economic overview

India retained its position as the sixth-largest economy and retained its position as the fastest-growing trillion-dollar economy through a major part of the year (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita income, a decline in national inflation, steady interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in a slower GDP growth that declined to 5.8% by the fourth quarter of 2018-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~US\$ 42 billion in FDI inflows as per the World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened new opportunities for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44 to a dollar. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

### Key government initiatives

The Indian government continued to take a number of initiatives in strengthening the national economy.

#### **Bank recapitalisation scheme**

In addition to infusing ₹2.1 lakh crore in public sector units, the Indian Government announced a capital infusion of ₹70,000 crore to boost credit for a strong impetus to the economy in FY2018-19. (Source: *Hindu Business Line*)

#### **Expanding infrastructure**

India's proposed expenditure in the Union Budget 2018-19 of ₹5.97 trillion (US\$89.7 billion) towards infrastructural development is expected to strengthen

the national economy. As of November 2018, total length of road construction projects awarded under Bharatmala Pariyojana (including residual NHDP works) was 6,460 kms for a total cost of ₹1.52 trillion (US\$ 21.07 billion). The Government has announced an investment of ₹10,000,000 crore (US\$ 1.5 trillion) in infrastructure over the next five years in Budget 2019-20. (Source: *IBEF*)

#### **Ujjwala Yojana and Saubhagya Yojana**

With the help of this initiative, the Government has transformed the lives of every rural family, dramatically improving the ease of their living by providing electricity and clean cooking facility to all willing rural families by 2022.

#### **UDAN**

This Scheme is meant to provide air connectivity to smaller cities and enable the common citizens of our country to avail the option of travelling by air. Under this scheme, as many as 69.30 lakh seats are estimated to be added on an annual basis across 235 routes, of which more than 1 lakh seats would be through seaplanes.

#### **The Insolvency and Bankruptcy code (Amendment), Ordinance 2018**

Passed in June 2018, the ordinance provides significant relief to home-

buyers by recognising their status as financial creditors. The MSMEs were the major beneficiary of it, as the ordinance empowered the Indian Government to provide them with a special dispensation under the code. (Source: PIB)

#### **Pradhan Mantri Kisan Samman Nidhi**

The Pradhan Mantri Kisan Samman Nidhi was announced by the Indian Government in February 2019, a scheme promising an annual assured income of ₹6,000 (US\$84.5) for any farmer owning less than or 2 hectares of farmland. The budget for the fiscal year 2020 allocated ₹75,000 crore for the scheme, benefiting ~120 million land-owning farmer households. (Source: PIB)

#### **Direct Benefit Transfer**

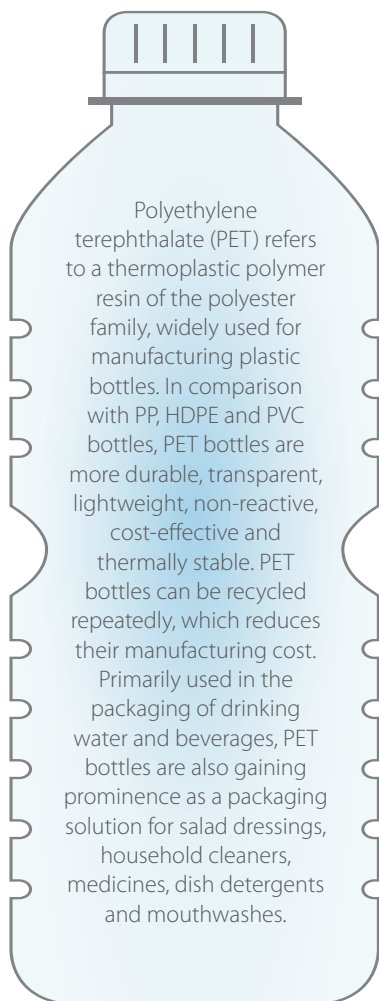
The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. In 2018-19 alone, this scheme is estimated to have transferred more than ₹3,00,000 crore and the gains to have accrued since scheme implementation (upto March 2019) is estimated at ₹1,41,677.56 crore (Source: [www.dbtbharat.gov.in](http://www.dbtbharat.gov.in))

#### **Economic outlook**

The Indian economy appears to be headed for sustained sluggishness in

2019-20. Even as a new government is expected to remain pro-investment and pro-business resulting in larger spending on infrastructure building, an economic revival appears some quarters away. The long-term outlook of the country appears to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum while the fact that a range of products that are under-consumed across the nation appear to be correcting itself. (Source: CSO, Business Standard)

## Global PET bottle market



### **What is driving the global PET bottle market**

\*The rising trend of westernisation, growing disposable income and altering food patterns of consumers have increased the demand for bottled beverages, particularly in developing countries like India and China. Additionally, hectic lifestyles have encouraged consumers to opt for on-the-go beverages.

\*Due to their flexibility, PET bottles can be moulded into numerous shapes to improve their appearance and utility. For brand differentiation, manufacturers are focusing on unique packaging and different-sized packs which are spurring the demand for PET bottles with customised shapes, colors and designs.

\*Advancements in technology created a positive outlook for the PET bottle market. Manufacturers introduced a plasma-based coating,

which makes PET bottles more impervious to nature. Apart from this, they have also started utilising silver to increase product shelf life.

\*Recent changes in packaging regulations of various countries have influenced the PET bottles industry. For example, in line with the new German Packaging Act, manufacturers are inventing new interior coating processes like FreshSafe PET that make bottle-to-bottle recycling possible. Moreover, the concept of InnoPET FormFill, which moulds and fills plastic containers in one step, received a positive response as it reduces total energy consumption, occupies less space and increases savings in comparison with BloFill systems.

[Source: <https://www.imarcgroup.com/PET-bottle-manufacturing-plant>]

## Indian PET industry

The demand for Polyethylene Terephthalate (PET) resin in India stood at 812 thousand tonnes in 2018 and projected to grow at a CAGR of 10.81% during 2019-2030 to reach 2,749 thousand

tonnes by 2030.

Owing to the growing market for alcoholic and non-alcoholic beverages, the demand for PET resin is increasing for the

manufacturing of bottles, caps etc. for non-alcoholic beverages such as carbonated drinks, juices, bottled water, ready-to-drink tea and coffee and sports drinks.

## Global recycled PET industry

According to a new study by Grand View Research, Inc., the global recycled polyethylene terephthalate market size

is anticipated to reach US\$11.40 billion by 2025. A booming beverage industry in Asia Pacific countries such as China,

India, Japan, South Korea, Vietnam, and the Philippines has been stimulating the growth of the market.

## Indian recycled PET industry

According to a study by scientists from the Council of Scientific and Industrial Research (CSIR) - National Chemical Laboratory (NCL), in India, 65% of used PET bottles are recycled at registered facilities, 15% in the unorganised sector and 10%

is reused at homes. This is higher than the PET recycling rate of 72.1% in Japan, 48.3% in Europe and 31% in US.

Following usage the value of a PET bottle is less than a rupee but 10 such

bottles recycled produce enough fiber to manufacture a t-shirt worth ₹500-1,000. Companies like Adidas and Nike make athletic merchandise from polyester, which is the same material used to make plastic bottles.

## Global fibre market

As per Zion Market Research Report, the global textile market was valued at approximately US\$858 billion in 2018 and expected to generate around US\$1,207 billion by 2025, which translates into a CAGR of around 5% between 2019 and 2025.

The global textile market is likely to experience good growth owing to a flourishing automobile industry and rapid industrialisation in emerging nations. Textiles used in automobiles are non-apparels for use in cars, buses

and trains among others. The technical textiles are increasingly being adopted due to their wide scope and range of use. In emerging economies like India, government initiatives are also trying to fuel the demand for technical textiles. Favourable safety regulations formulated by different governments across the globe are primarily responsible for fueling the demand for textiles in the automotive industry.

According to product types, the market is categorised into natural fiber, polyester

and nylon. The polyester segment is expected to dominate the global market. The poly-cotton blend is the most common blend found in apparels. This poly-cotton blend is wear-wrinkle resistant and shrink-proof, which is the primary factor for this segment's growth.

[Source: <https://www.globenewswire.com/news-release/2019/05/02/1814045/0/en/Global-Textile-Market-Will-Reach-USD-1-207-Billion-By-2025-Zion-Market-Research.html>]

## Indian fibre market

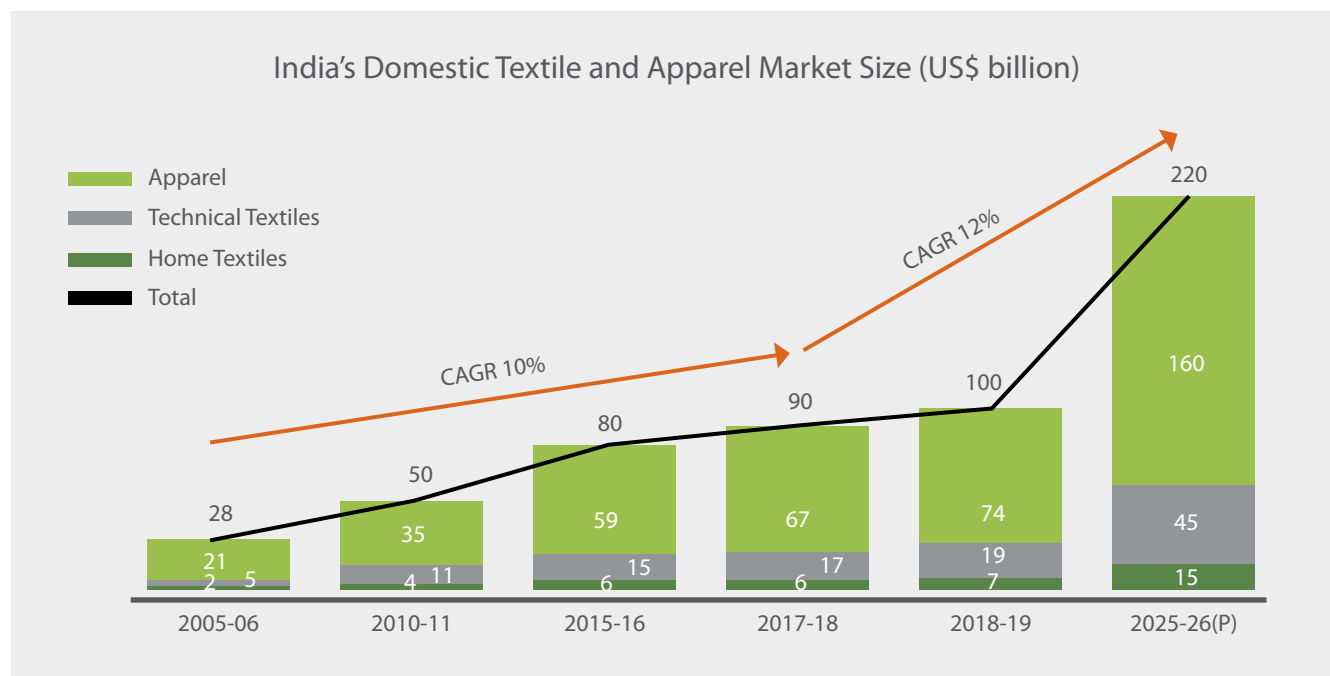
The Indian domestic textile and apparel market is estimated at US\$ 100 billion (2018-19), which is expected to grow to US\$ 220 billion by 2025 at a CAGR of 12%. Growth in the disposable income of the middle and lower middle-class sections of society has led to continuous demand

increase for textile and apparel in India.

India's textile and apparel exports were estimated at US\$ 39 billion in 2018-19. Exports grew at a 6% CAGR since 2005-06 and are expected to reach US\$ 80 billion by 2025, growing at a CAGR of 10%.

Apparel is the largest exported category with a share of 46% of textile and apparel exports.

[Source: Wazir Advisors]



## Growth drivers

### Textile hub

India being a textile hub, the demand for recycled polyester fibre is on the rise as recycled fibre is perceived to be as good in quality as virgin fibre.

### Higher recycling rate

Close to 80% of polyethylene terephthalate (PET) bottles, commonly used to package mineral water or juice, is collected and recycled.

### Growing income

With the country expected to emerge as a US\$5 trillion economy by 2025, the country's per capita income is expected to increase, which, in turn, should drive consumption.

### FMCG sector

The FMCG sector has grown from US\$ 31.6 billion in 2011 to US\$ 52.8 billion in 2017-18. The sector is expected to grow at a CAGR of 27.9% to US\$ 103.7 billion by 2020. A growing FMCG sector is expected to drive demand for PET packaging products.

### Commitment

A number of global brands are increasing the proportion of recycled polyester fibre in their products, resulting in additional demand.

## Risk management at GESL

The risk management process is aimed at ensuring that management takes risk-informed decisions, with adequate consideration of actual and prospective risks, including medium and long term ones, within the framework of a comprehensive vision. GESL's risk management policy helps strengthen all management levels, functional and project areas that help the management evaluate risks and mitigate them to achieve corporate targets.

A drop in demand from the downstream industries could lead to slowdown in offtake

### Risk mitigation

India continues to be a strong market for apparels, which is expected to be valued at US\$160 billion in 2025, exhibiting a substantial increase from US\$67 billion in 2017. This robust growth in India is driven by high income growth, increasing percentage of youth in the demographic composition, shift from need-based purchase to aspiration-based purchase, growing urbanisation and a surge in online sales.

*GESL reported a 17.8% CAGR in revenues between 2009-10 and 2018-19*

Inability to procure raw materials at right quantity at right price

### Risk mitigation

The Company procures close to 325 tonnes of PET waste through its network of more than 200 scrap dealers. An abundant availability of raw material has helped the Company achieve an average capacity utilisation of more than 90% in the last three years.

*Raw material cost as a proportion of total revenue was 66% in 2014-15 and 63% in 2018-19*

Improper business strategy could impact business growth

### Risk mitigation

Since 2006-07, the Company's manufacturing capacity grew multi fold with capacity utilisation touching highest level resulting in turnover crossing ₹1,000 crore, representing the Company's business strategies are in right direction.

*Company's latest expansion of 21000 TPA during 2018 is operating at more than 100% Capacity.*

Inability to derive desired pricing could impact profitability

### Risk mitigation

Recycled fibre is attracting premium pricing owing to an increased preference over virgin fibre. Besides, the Company's products are Global Recycle Standard-certified, generating premium.

*The Company's average realisation increased 11% in the three years ending 2018-19.*

Foreign currency fluctuation could impact the profitability of the Company

### Risk mitigation

Besides having a natural hedge in case of imports and exports, the Company keeps a continuous watch over foreign currency borrowings through cautious hedging policies.

*The Company reported a foreign currency exchange gain of ₹1.68 crore (net) in 2018-19*

High cost of funds along with a restricted access to funds could impact business growth

#### Risk mitigation

The Company has successfully raised ₹100 crore through a QIP, reflecting the strength of its Balance Sheet. Besides, it repaid ₹93 crore of debt during 2018-19, which helped in reducing its gearing from 0.38 in 2017-18 to 0.16 in 2018-19. The Company's strong accruals are further strengthening the balance sheet.

*GESL's interest cover improved from 4.71x in 2017-18 to 10.25x in 2018-19*

Inability to innovate could lead to a stagnation in the market

#### Risk mitigation

The Company's 20-member R&D team helps in introducing innovative products with wider application in sectors like fibrefill, spinning industry, automobile industry, geo-textiles, medical and packaging, paper, textiles and other non-woven sectors.

*The Company has generated 50% of its revenues from new products launched in the last five years.*

## Internal control

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

## Key financial ratio

Ratio	FY2018-19	FY2017-18
Debtors' turnover (Days)	22	24
Inventory turnover (Days)	57	62
Interest coverage ratio (X)	10.25	4.71
Current ratio (X)	2.10	1.17
Debt-equity ratio (X)	0.16	0.38
Operating profit margin (%) (EBIT Margin)	10.50	9.03
Net profit margin (%)	6.05	4.68
Return on average equity (%)	15.73	14.37
EBITDA margin (%)	13.09	11.77
Earnings per share (₹)	28.74	18.37
EV/EBITDA (x)	5.9	9.4
Return on average capital employed (%)	21.72	15.45

## Disclaimer

The statements in the 'management discussion and analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

# Board of Directors



**Mr. Shyam Sunder Sharma**

*Chairman*

Mr. Shyam Sunder Sharma, founder of the Company, aged 76 years, is a post-graduate in commerce. He is a first generation entrepreneur and textile technocrat having management experience of over 55 years including 25 years with various Birla Group Companies in senior positions.

He is associated with the Company as Chairman since 1989 and appointed as Managing Director in 1990. Presently, he is holding the position of Non- Executive Chairman of the Company.



**Mr. Vishnu Dutt Khandelwal**

*Executive Vice-Chairman*

Mr. Vishnu Dutt Khandelwal, aged 70 years, is post-graduate in commerce and his area of expertise includes marketing and financial management. He possesses a rich experience of over 46 years in textile yarn trading.

He has been serving the Company since inception and was appointed as Executive Vice-Chairman of the Company in 2008. He is responsible for overseeing the marketing and business development of the Company.



**Mr. Sharad Sharma**

*Managing Director & CEO*

Mr. Sharad Sharma, aged 53 years, is a commerce graduate and having more than 32 years experience in marketing and distribution.

He has been associated with the Company since inception and was appointed to the Board in 1992 as a Director. He was appointed as Joint Managing Director of the Company in 2004 and elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. 18th September, 2018. He is responsible for overall management and operations of the Company.



**Mr. Rajesh Sharma**

*Joint Managing Director*

Mr. Rajesh Sharma, aged 53 years, is a commerce graduate and has rich experience spanning over 29 years in plant administration and operations.

He is associated with the Company since inception and was appointed as an Executive Director of the Company in 2008 and recently promoted to the post of Joint Managing Director. He is responsible for looking after the management and operations of the Company's Rudrapur and Bilaspur units.



**Mr. Gopal Singh Shekhavat**

*Director (Administration)*

Mr. Gopal Singh Shekhavat, aged 66 years, is a bachelor in arts. He has rich experience of more than 47 years in textile industry.

Presently, he looks after the Administration and HR of the Company. He was appointed to the Board of the Company as a Director (Administration) w.e.f. 1st June, 2013.



**Mrs. Seema Sharma**

*Non-Executive Director*

Mrs. Seema Sharma, aged 47 years, is a bachelor in arts and having administrative experience of approximately three years.

She was appointed to the Board as a Non-Executive Director on 30th March, 2016.





**Mr. Vishwa Nath Chandak**

*Non-Executive Independent Director*

Mr. Vishwa Nath Chandak, aged 82 years, is M.Com, LL.B. and has experience of over 40 years of working as a Senior President in Eastern Spinning Mills & Industries Ltd.

He had also been associated with Kesoram Industries Ltd. (a B.K. Birla Group Company) as President of its divisions namely Kesoram Rayon and Hindusthan Heavy Chemicals for several years.

He was appointed to the Board of the Company in 2009.



**Mr. Pradeep Kumar Goenka**

*Non-Executive Independent Director*

Mr. Pradeep Kumar Goenka, aged 65 years, is a member of the Institute of Chartered Accountants of India. He brings a rich professional experience of over 41 years in the field of finance and related consultancy services.

He is a practicing Chartered Accountant. He has served on the Board of several listed and non-listed companies from various industries including manufacturing and financial consultancy.

He was appointed on the Board of the Company in 2006.



**Mr. Surendra Kumar Kabra**

*Non-Executive Independent Director*

Mr. Surendra Kumar Kabra, aged 75 years, is B.Com., LL.B. and is also a member of the Institute of Chartered Accountants of India. He brings rich professional experience of over 51 years in textile industry.

He has been the Managing Director for over 11 years in Shree Manufacturing Company Ltd. and has over 25 years experience of working in various capacities in Birla Group Textile Companies. He has been running his own textile business for the past several years.

He was appointed to the Board of the Company in 1994.



**Mr. Anoop Gupta**

*Non-Executive Independent Director*

Mr. Anoop Gupta, aged 61 years, is Chartered Accountant and Cost Accountant, with additional qualifications in Law and Company Secretarial. He has more than three decades of diverse International experience in areas of Business Development, Corporate Finance, Strategy, Banking, Fund Management, Investment Product Engineering, Auditing and broad spectrum Business Consulting.

Mr. Gupta founded Concept Management Consulting Limited in 1998, and is presently the Managing Director of the Company.

He was appointed to the Board in 2012.



**Mr. Abhilash Lal**

*Non-Executive Independent Director*

Mr. Abhilash Lal, aged 54 years, is a mechanical engineer and a postgraduate in management from Indian Institute of Management (IIM), Bangalore. He has rich experience of more than 28 years in all aspects of financial services including banking, consulting, insurance, investments, advisory etc. and had worked with HSBC for more than 11 years.

He was appointed to the Board of the Company as a Non-Executive Independent Director w.e.f. 29th September, 2014.



**Mr. Narayanan Subramaniam**

*Non-Executive Independent Director*

Mr. Narayanan Subramaniam, aged 58 years, is a graduate from Indian Institute of Management, Ahmedabad (IIMA), Chartered Accountant, Cost & Management Accountant and Company Secretary. He has rich experience in funding start-ups as well as Control transactions in listed entities. He has served on the Board of several companies with distinction. He is also the Founder Chairman of the Venture Capital Association of India (VCAI).

He was appointed to the Board of the Company as a Non-Executive Independent Director w.e.f. 29th September, 2014.

# STATUTORY SECTION

# Directors' Report

To  
The Members of  
Ganesha Ecosphere Ltd.

Your Directors have pleasure in presenting the Thirtieth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

## FINANCIAL RESULTS

The summarised financial results of the Company for the year ended 31st March, 2019 as compared to the preceding year are as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Total Income	1026.67	760.27
Profit before Finance Costs, Depreciation and Amortization Expense	133.56	89.14
Less: Finance Costs	10.49	14.57
Less: Depreciation & Amortization Expense	25.80	20.48
<b>Profit before Tax</b>	<b>97.27</b>	<b>54.09</b>
Tax Expense	(35.32)	(18.86)
<b>Profit after Tax</b>	<b>61.95</b>	<b>35.23</b>
Add: Other Comprehensive Income	(0.18)	0.18
<b>Total Comprehensive Income</b>	<b>61.77</b>	<b>35.41</b>
Balance in retained earnings at the beginning of the year	190.37	157.72
<b>Profit after Tax available for appropriation</b>	<b>252.14</b>	<b>193.13</b>
Dividend Paid	(3.27)	(2.30)
Dividend Distribution Tax	(0.67)	(0.47)
Transfer to General Reserve	-	-
<b>Balance in retained earnings at the end of the year</b>	<b>248.20</b>	<b>190.37</b>

## FINANCIAL AND OPERATIONAL PERFORMANCE

The financial statements for the financial year ended March 31, 2019, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The year under review, had been a landmark in the history of the Company, as it crossed Turnover of ₹1000 crore. The performance has been exceptional as revenue and profits mounted new heights. The Company recorded a substantial growth of 34.76%, in revenue from operations of ₹1020.49 crore, during the year under review,

as compared to ₹757.26 crore in the previous year. Earnings before Depreciation, Interest and Taxation (EBITDA) stood at ₹133.56 crore in financial year 2018-19 against ₹89.14 crore in financial year 2017-18, thereby recording a growth of 49.83%. During the year under review, the Company has achieved Net Profits of ₹61.95 crore as against ₹35.23 crore in previous year, registering a splendid growth of 75.84%. This improvement in performance of the Company has been mainly on account of increase in sales volume due to addition in production capacity (commenced in last quarter of FY18) and cost consciousness.

The performance of the Company during the current year continues to be encouraging and barring unforeseen circumstances, your Directors expect your Company to achieve better results during the year.

## RATING

As at the end of the financial year, your Company has been assigned the following ratings from ICRA and CARE:

- i. A; Stable (Single A; Outlook Stable) for Long Term Bank Facilities (Term Loan and Fund Based) signifying adequate degree of safety regarding timely servicing of financial obligations. Such facilities carry low credit risk.
- ii. A1 (A One) for Short Term Bank Facilities (Non-Fund based) signifying very strong degree of safety regarding timely payment of financial obligations. Such facilities carry lowest credit risk.

## DIVIDEND

Your Directors are pleased to recommend for approval of the members, a dividend of ₹2/- per share (i.e. @ 20%) on Equity Shares of ₹10/- each of the Company, involving cash outflow of ₹5.26 crore (inclusive of Dividend Distribution Tax of ₹0.90 crore) for the financial year 2018-19.

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, final dividend for the financial year 2010-11 amounting to ₹8.65 lakh being unclaimed for more than 7 years from the date it was lying in the unpaid dividend account, had been transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government.

## DIRECTORS

At the 29th Annual General Meeting held on 15th September, 2018, the following Whole Time Directors of the Company were re-appointed by the Company:

Name	Designation	Tenure
Shri Vishnu Dutt Khandelwal (DIN: 00383507)	Executive Vice Chairman	5 years (w.e.f. 19th June, 2018)
Shri Rajesh Sharma (DIN: 02228607)	Executive Director	5 years (w.e.f. 19th June, 2018)
Shri Gopal Singh Shekhawat (DIN: 06591844)	Director (Administration)	5 years (w.e.f. 1st June, 2018)

During the year under review, Shri Shyam Sunder Sharmma (DIN: 00530921), Chairman of the Company, due to his advancing age and perceived need to elevate the next generation, had expressed his unwillingness to be re-appointed as Managing Director after expiry of his term of office on 17th September, 2018. He is continuing as a Non-Executive Chairman of the Company thereafter.

Consequently, the Board of Directors had elevated Shri Sharad Sharma (DIN: 00383178), Joint Managing Director, to the post of Managing Director and Chief Executive Officer of the Company, w.e.f. 18th September, 2018 till the expiry of his term on 31st January, 2019 and on recommendation of Nomination and Remuneration

## SHARE CAPITAL

During the year under review, your Company has issued and allotted 26,52,520 Equity Shares of face value of ₹10/- each at a price of ₹377/- per share (including premium of ₹367/- per share) aggregating to approx. ₹100 crore to eligible Qualified Institutional Buyers in accordance with Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The proceeds of the aforesaid issue have been fully utilized in accordance with the objects stated in the offer document.

With the aforesaid allotment of Equity Shares, the total Paid-up Equity Share Capital of the Company stood increased from ₹19.18 crore to ₹21.83 crore.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is provided in a separate section forming part of the Annual Report.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company has no Subsidiary, Associate and Joint Venture Companies during the year, as such; the requirement of furnishing information relating to performance and financial position of the Subsidiary, Associate and Joint Venture Companies is not applicable.

Committee, re-appointed him as such for a further period of 5 years w.e.f. 1st February, 2019, subject to the approval of members.

The Board of Directors of the Company, at their meeting held on 1st August, 2019, on the recommendation of Nomination and Remuneration Committee and subject to the approval of members, have designated and appointed Shri Rajesh Sharma (DIN: 02228607), Whole Time Director, as Joint Managing Director of the Company with effect from 1st August, 2019 till the end of current term of his appointment i.e. 18th June, 2023.

In terms of the requirements of the Companies Act, 2013, the Independent Directors of the Company were appointed for a period of five years at the 25th Annual General Meeting held on 29th September, 2014. Such term of appointment of the Independent Directors shall come to an end at the ensuing Annual General Meeting. In view of the same, the Board of Directors have on the basis of the recommendation of the Nomination and Remuneration Committee proposed to re-appoint Shri Abhilash Lal, Shri Anoop Gupta, Shri Pradeep Kumar Goenka, Shri Surendra Kumar Kabra and Shri Vishwa Nath Chandak as the Independent Directors of the Company for a second term. A resolution proposing re-appointment of Independent Directors of the Company for the second term pursuant to Section 149(6) of the Companies Act, 2013 forms part of the Notice of Annual General Meeting.

Shri Narayanan Subramaniam, Independent Director of the Company, did not offer his candidature for re-appointment by shareholders in the ensuing Annual General Meeting. Consequently, he will cease from the position of the Independent Director on the conclusion of ensuing Annual General Meeting. The Board places on record its deep sense of gratitude and appreciation for Shri Subramaniam's immense contribution and strategic guidance provided during his tenure as an Independent Director of the Company.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Shyam Sunder Sharmma (DIN: 00530921), Director of the Company retires from the Board by rotation, at the ensuing Annual General Meeting of the Company and being eligible he has offered himself for re-appointment.

Appropriate Resolution(s) seeking your approval for appointment/ re-appointment of the directors are placed in the Notice of ensuing Annual General Meeting.

### DECLARATION FROM INDEPENDENT DIRECTORS

The Company had received the declarations u/s 149(7) of the Companies Act, 2013 from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

### COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company comprises of six Directors, out of which five Directors are independent. The composition and other details are provided in the Corporate Governance Report of the Company. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

S. No.	Name of the person	Designation
1.	Shri Sharad Sharma	Managing Director & CEO
2.	Shri Gopal Agarwal	Chief Financial Officer
3.	Shri Bharat Kumar Sajnani	Company Secretary & Compliance Officer

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, in respect of the financial year ended 31st March, 2019, confirm that: -

- in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- they 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;
- they have prepared Annual Accounts on a 'Going Concern' basis.
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with the size of the Company and the nature of its business, with reference to financial statements. The Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

### NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the financial year 2018-19 are given under the Corporate Governance Report.

### COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of

the Board of Directors (SS-1) and General Meetings (SS-2), issued by the Institute of Company Secretaries of India.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is included in this Report as "Annexure A" and forms an integral part of this Report.

As required under Section 134(3)(a) of the Companies Act, 2013, the copy of Annual Return is also placed in the Company's website and can be accessed at <http://ganeshaecosphere.com/wp-content/uploads/2019/08/Annual-Return-FY-2017-18.pdf>

### LISTING

The Equity Shares of the Company are presently listed at BSE Limited and National Stock Exchange of India Limited and the listing fee, for the year 2019-20, for both the Stock Exchanges is paid.

### AUDITORS AND AUDITORS' REPORT

#### a. Statutory Auditors

M/s. Narendra Singhania & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company at the 28th Annual General Meeting of the Company held on 25th September, 2017, who shall hold office till the conclusion of the 33rd Annual General Meeting in accordance with the provisions of the Companies Act, 2013.

Their appointment was subject to ratification by the members at every Annual General Meeting to be held thereafter during their tenure of office. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn. Therefore, the resolution for dispensing with the requirement for ratification of appointment of Statutory Auditors is being placed in the notice of the ensuing Annual General Meeting. The Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Auditors' Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark.

#### b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s. S.K. Gupta & Co., Company Secretaries, as Secretarial Auditor, to undertake Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as "Annexure B" to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### c. Cost Auditors

Pursuant to the Rules made by the Central Government of India, the Company is required to maintain cost records as specified

under Section 148 (1) of the Companies Act, 2013 in respect of its products and accordingly such accounts and records are made and maintained.

M/s. R. M. Bansal & Co., Cost Accountants (Firm Regn. No.:00022) and M/s. Rakesh Misra & Co., Cost Accountants (Firm Regn. No.: 00249), have been appointed as Cost Auditors of the Company to conduct the audit of the Cost Accounts of the Company in respect of its products 'Yarn' and 'Recycled Polyester Staple Fibre' respectively, for the financial year 2019-20.

As required under the Companies Act, 2013, the resolutions seeking Members' ratification for the remuneration payable to Cost Auditors forms part of the Notice convening the Annual General Meeting.

#### d. Internal Auditors

Pursuant to the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, your Company engaged the services of M/s. Ashok & Ajai, Chartered Accountants, Kanpur, to conduct the Internal Audit of the functions and activities of the Company for the Financial Year 2018-19. The Internal Audit Report is placed before the Audit Committee of the Company at regular intervals.

### REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

### RELATED PARTY TRANSACTIONS

The Company's Policy on Related Party Transactions is disclosed on the website of the Company at the link <http://ganeshaecosphere.com/wp-content/uploads/2016/05/related-party-transaction.pdf>

During the financial year under review, all transactions entered into with Related Parties were in the ordinary course of business and on an arm's length basis and they were placed before the Audit Committee as also to the Board for approval. Omnibus approval from the Audit Committee was obtained on annual basis for transactions of repetitive nature. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable. The related party transactions are disclosed under Note No. 33 of the Notes to the Financial Statements for the year ended 31st March, 2019.

### PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS BY THE COMPANY

Your Company has not given any loans and guarantees or provided securities attracting provisions of Section 186 of the Companies Act, 2013. However, the details of investments made are provided in the Note No. 8.1 of the Notes to the Financial Statements for the year ended 31st March, 2019.

## WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and the Listing Regulations, the Company has adopted Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The details of the policy are explained in the Corporate Governance Report.

The Policy has been posted on the website of the Company and may be accessed at the link <http://ganeshaecosphere.com/wp-content/uploads/2016/05/whistle-blower-policy.pdf>

## NOMINATION AND REMUNERATION POLICY

Our current Nomination and Remuneration Policy is to have an appropriate mix of Executive and Non-Executive Directors including the independent directors to maintain the diversity and independence of the Board.

The broad parameters covered under the Policy are –Attributes, Qualifications and Remuneration of Executive and Non-Executive Directors including Independent Directors, KMP and Senior Management Personnel. It also covered performance evaluation criteria of the Board, its Committees and individual directors.

The Nomination, Remuneration and Board Diversity Policy of the Company is available on the website of the Company at the link <http://ganeshaecosphere.com/wp-content/uploads/2016/08/Policy-on-Nomination-Remuneration-And-Board-Diversity.pdf>. There has been no change in the policy during the year under review. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Policy.

## BOARD EVALUATION

The Board of Directors at its meeting held on 9th February, 2019, has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act & Listing Regulations. Performance Evaluation of Independent Directors was done by the entire board, excluding the director being evaluated. The Evaluation Process was conducted through a structured questionnaire prepared after taking into consideration the various aspects laid down under the "Nomination, Remuneration and Board Diversity Policy" of the Company. The Board of Directors expressed satisfaction with the evaluation process.

In a separate meeting of Independent Directors held on 9th February, 2019, performance of non-independent directors, the Chairman of the Company and the Board as a whole was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

## RISK MANAGEMENT

Risk management is an ongoing process and embedded in the operating framework of your Company. Your Company believes that managing risks helps in maximizing returns. The Board members are regularly informed about the potential risks, their assessment and minimization procedures. The Board frames a plan for elimination

/ minimization of the risk and further lays out the steps for implementing and monitoring of the risk management plan.

There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se those are generally dealt in regular course of business and have to be taken care of, are fluctuations in foreign exchange rates and prices of raw material as well as finished products.

The Risk Management Policy has been uploaded on the Company's website and may be accessed at the link [www.ganeshaecosphere.com/wp-content/uploads/2016/05/risk-management-policy.pdf](http://www.ganeshaecosphere.com/wp-content/uploads/2016/05/risk-management-policy.pdf)

## CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to focus on inclusive growth and improving lives by contributing towards communities around which it operates. The Company works primarily through its CSR Trust i.e. "Ganesh Memorial Trust", towards supporting projects in the area of promoting education among differently abled, eradicating hunger and promoting healthcare including preventive healthcare. These projects are in accordance with Schedule VII to the Companies Act, 2013 and the Company's CSR Policy.

The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as "Annexure C". The CSR Policy has been uploaded on the Company's website and may be accessed at the link <http://ganeshaecosphere.com/wp-content/uploads/2016/05/corporate-social-responsibility-policy.pdf>

## DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposit from public in terms of the provisions of Sections 73 and 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

In terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company, during the year, has accepted an amount of ₹1.80 crore as unsecured loans from the Directors and the balance outstanding as on 31st March, 2019 was ₹4.47 crore.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2018-19 and the date of this Report. Further, there was no change in the nature of business of the Company.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as “Annexure D”.

## PARTICULARS OF EMPLOYEES

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as “Annexure E” and forms an integral part of this Report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the registered office of the Company during business hours on all working days upto the date of ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary.

## CORPORATE GOVERNANCE

As required under Schedule V to the Listing Regulations, a separate section on Corporate Governance together with Certificate from M/s. S. K. Gupta & Co., Practicing Company Secretaries, confirming compliance of the conditions of Corporate Governance, forms an integral part of this Report.

## POLICY ON SEXUAL HARASSMENT

Prevention and control of sexual harassment at workplace constitutes an important part of corporate culture while aligning with best practices and improving management processes. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace with a mechanism of lodging complaints and has constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaints were reported to the Board for sexual harassment of women at work place during the financial year 2018-19.

## ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record appreciation for the co-operation and support extended by various departments of the Central and the State Government(s), Bankers and Business associates.

Your Directors also wish to place on record appreciation to the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results. We are also grateful to all the Shareholders, customers, dealers, agents, suppliers and bankers of the Company for reposing continued trust, support and confidence in the management of the Company.

For and on behalf of the Board

Place: Kanpur  
Date: 1st August, 2019

**Shyam Sunder Sharmma**  
*Chairman*  
DIN: 00530921



# ANNEXURE 'A' TO THE DIRECTORS' REPORT

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration ) Rules, 2014.]

#### I. REGISTRATION & OTHER DETAILS

i. CIN	L51109UP1987PLC009090
ii. Registration Date	30th October, 1987
iii. Name of the Company	Ganesha Ecosphere Ltd.
iv. Category/Sub-category of the Company	Public Company Limited by Shares/ Indian Non-Govt. Company
v. Address of the Registered office & contact details	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat- 209304, Uttar Pradesh. E-mail: secretarial@ganeshaecosphere.com Website: www.ganeshaecosphere.com Tel. No.: 0512-2555505-06, +919198708383, Fax No.: 0512-2555293
vi. Whether listed company	Yes
vii. Name , Address & Contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd. D- 153/A, First Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020, E-mail: admin@skylinerta.com Website: www.skylinerta.com Tel. No. 011- 26812682-83, 40450193 to 196

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given hereunder:

S. No.	Name & Description of main products/services	NIC Code of the Product /Service	% to Total Turnover of the Company
1.	Polyester Staple Fibre	20302	79.91
2.	Spun Yarn	13114	14.81

#### III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S. No.	Name & Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

## IV. SHARE HOLDING PATTERN

(Equity Share Capital Break up as Percentage to Total Equity)

### i. Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/HUF	6143935	-	6143935	32.04	6144568	-	6144568	28.15	(3.89)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporates	2552001	-	2552001	13.31	2556458	-	2556458	11.71	(1.60)
e. Bank/Fl	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (1):-</b>	<b>8695936</b>	<b>-</b>	<b>8695936</b>	<b>45.35</b>	<b>8701026</b>	<b>-</b>	<b>8701026</b>	<b>39.86</b>	<b>(5.49)</b>
<b>2. Foreign</b>									
a. NRI- Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/Fl	-	-	-	-	-	-	-	-	-
e. Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A) (2)</b>	<b>8695936</b>	<b>-</b>	<b>8695936</b>	<b>45.35</b>	<b>8701026</b>	<b>-</b>	<b>8701026</b>	<b>39.86</b>	<b>(5.49)</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a. Mutual Funds	1375275	2200	1377475	7.18	3418825	2200	3421025	15.67	8.49
b. Banks/Fl	7404	100	7504	0.04	8615	100	8715	0.04	0.00
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. Flls	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
<b>i. Others (specify)</b>									
i. Alternate Investment Funds	56000	-	56000	0.29	-	-	-	-	(0.29)
ii. Foreign Portfolio Investors	40000	-	40000	0.21	80383	-	80383	0.37	0.16
<b>SUB TOTAL (B)(1):-</b>	<b>1478679</b>	<b>2300</b>	<b>1480979</b>	<b>7.72</b>	<b>3507823</b>	<b>2300</b>	<b>3510123</b>	<b>16.08</b>	<b>8.36</b>
<b>2. Non Institutions</b>									
a. Bodies Corporates									
i. Indian	4492365	2500	4494865	23.44	5198012	1500	5199512	23.82	0.38

### i. Category wise Share Holding (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹1 lakh	1625719	672861	2298580	11.99	1678841	591246	2270087	10.40	(1.59)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	1422937	-	1422937	7.42	1285209	-	1285209	5.88	(1.53)
c. Others (specify)									
i. NRI	73213	-	73213	0.38	67781	-	67781	0.31	(0.07)
ii. Hindu Undivided Family	242194	-	242194	1.26	269413	-	269413	1.23	(0.03)
iii. Clearing Members/ House	26768	-	26768	0.14	51627	-	51627	0.24	0.10
iv. Trusts	3300	-	3300	0.02	3300	-	3300	0.02	0.00
v. IEPF	438105	-	438105	2.28	471319	-	471319	2.16	(0.12)
<b>SUB TOTAL (B)(2):-</b>	<b>8324601</b>	<b>675361</b>	<b>8999962</b>	<b>46.93</b>	<b>9025502</b>	<b>592746</b>	<b>9618248</b>	<b>44.06</b>	<b>(2.86)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>9803280</b>	<b>677661</b>	<b>10480941</b>	<b>54.65</b>	<b>12533325</b>	<b>595046</b>	<b>13128371</b>	<b>60.14</b>	<b>5.49</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>18499216</b>	<b>677661</b>	<b>19176877</b>	<b>100</b>	<b>21234351</b>	<b>595046</b>	<b>21829397</b>	<b>100</b>	<b>-</b>

### ii. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares*	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares*	
1.	MR. SHYAM SUNDER SHARMMA	1938927	10.11	8.34	1938927	8.88	7.33	(1.23)
2.	MR. VISHNU DUTT KHANDELWAL	720200	3.76	0.00	720200	3.30	0.00	(0.46)
3.	MR. SHARAD SHARMA	875583	4.57	1.89	875583	4.01	1.66	(0.56)
4.	MR. RAJESH SHARMA	1095529	5.71	0.00	1095529	5.02	0.00	(0.69)
5.	MRS. SEEMA SHARMA	269215	1.40	0.00	269215	1.23	0.00	(0.17)
6.	MR. SANDEEP KHANDELWAL	106050	0.55	0.00	106050	0.49	0.00	(0.06)
7.	MRS. VIMAL SHARMA	471250	2.46	1.64	471250	2.16	1.44	(0.30)
8.	MRS. RATNA SHARMA	257825	1.34	0.00	257825	1.18	0.00	(0.16)
9.	SHYAM SUNDER SHARMMA HUF	107000	0.56	0.00	107000	0.49	0.00	(0.07)
10.	SHARAD SHARMA HUF	94731	0.49	0.00	94731	0.43	0.00	(0.06)
11.	GPL FINANCE LTD.	2123201	11.07	0.00	2127658	9.75	0.00	(1.32)
12.	SANDEEP YARNS PVT. LTD.	428800	2.24	0.00	428800	1.96	0.00	(0.28)

### i. Category wise Share Holding (contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares*	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares*	
13.	VISHNU DUTT KHANDELWAL HUF	37500	0.20	0.00	37500	0.17	0.00	(0.03)
14.	RAJESH SHARMA HUF	23250	0.12	0.00	23250	0.11	0.00	(0.01)
15.	MRS. NIRMAL KHANDELWAL	46875	0.24	0.00	46875	0.21	0.00	(0.03)
16.	MR. YASH SHARMA	100000	0.52	0.00	100000	0.46	0.00	(0.06)
17	MR. ASHWANI SHARMA	-	0.00	0.00	633	0.00	0.00	0.00
	<b>Total</b>	<b>8695936</b>	<b>45.35</b>	<b>11.88</b>	<b>8701026</b>	<b>39.86</b>	<b>10.44</b>	<b>(5.49)</b>

\*The % of shares pledged/ encumbered represents % of shares pledged/ encumbered as % of the total shares of the Company.

### iii. Change in Promoters' Shareholding

S. No.	Name of the Promoter/ Promoter Group.	Shareholding at the beginning of the year		Date	Increase / Decrease in Promoters Shareholding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	MR. SHYAM SUNDER SHARMMA	1938927	10.11	-	0	-	-	-	1938927	8.88
2	MR. VISHNU DUTT KHANDELWAL	720200	3.76	-	0	-	-	-	720200	3.30
3	MR. SHARAD SHARMA	875583	4.57	-	0	-	-	-	875583	4.01
4	MR. RAJESH SHARMA	1095529	5.71	-	0	-	-	-	1095529	5.02
5	MRS. SEEMA SHARMA	269215	1.40	-	0	-	-	-	269215	1.23
6	MR. SANDEEP KHANDELWAL	106050	0.55	-	0	-	-	-	106050	0.49
7	MRS. VIMAL SHARMA	471250	2.46	-	0	-	-	-	471250	2.16
8	MRS. RATNA SHARMA	257825	1.34	-	0	-	-	-	257825	1.18
9	SHYAM SUNDER SHARMMA HUF	107000	0.56	-	0	-	-	-	107000	0.49
10	SHARAD SHARMA HUF	94731	0.49	-	0	-	-	-	94731	0.43
11	GPL FINANCE LTD.	2123201	11.07	26/10/18	507	Purchase	2123708	9.73		
				13/11/18	3950	Purchase	2127658	9.75	2127658	9.75
12	SANDEEP YARNS PVT. LTD.	428800	2.24	-	0	-	-	-	428800	1.96
13	VISHNU DUTT KHANDELWAL HUF	37500	0.20	-	0	-	-	-	37500	0.17
14	RAJESH SHARMA HUF	23250	0.12	-	0	-	-	-	23250	0.11
15	MRS. NIRMAL KHANDELWAL	46875	0.24	-	0	-	-	-	46875	0.21
16	MR. YASH SHARMA	100000	0.52	-	0	-	-	-	100000	0.46
17	MR. ASHWANI SHARMA	0.00	0.00	06/09/18	633	Purchase	633	0.00	633	0.00
	<b>Total</b>	<b>8695936</b>	<b>45.35</b>		<b>5090</b>				<b>8701026</b>	<b>39.86</b>

**iv. Shareholding Pattern of Top Ten Shareholders as on 31st March, 2019 (other than Directors, Promoters & Holders of GDRs & ADRs)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	MCAP INDIA FUND LIMITED	2975877	15.52	-	-	-	-	-	2975877	13.63
2.	SBI MUTUAL FUND	1030175	5.37	09/05/18	530500	Allotment	1560675	7.15		
				24/08/18	32000	Purchase	1592675	7.30		
				02/11/18	-6004	Sale	1586671	7.27		
				09/11/18	-2170	Sale	1584501	7.26		
				23/11/18	-256846	Sale	1327655	6.08		
				30/11/18	312846	Purchase	1640501	7.52		
				07/12/18	250697	Purchase	1891198	8.66		
				14/12/18	1427	Purchase	1892625	8.67		
				15/03/19	200000	Purchase	2092625	9.59	2092625	9.59
3	DSP EQUITY FUND	-	-	09/05/18	1326100	Allotment	1326100	6.07	1326100	6.07
4.	ESSEL INDUSTRIES PRIVATE LIMITED	575324	3.00	-	-	-	-	-	575324	2.64
5.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	438105	2.28	30/11/18	33057	Transfer	471162	2.16		
				03/12/18	357	Transfer	471519	2.16		
				21/12/18	-100	Transfer	471419	2.16		
				22/03/19	-100	Transfer	471319	2.16	471319	2.16
6.	SANGEETA PAREEKH	442538	2.31	01/03/19	10701	Purchase	453239	2.08	453239	2.08
7	GLOBE CAPITAL MARKET LIMITED	21571	0.11	06/04/18	9772	Purchase	31343	0.14		
				13/04/18	-8502	Sale	22841	0.10		
				20/04/18	185	Purchase	23026	0.11		
				27/04/18	10878	Purchase	33904	0.16		
				11/05/18	-9898	Sale	24006	0.11		
				18/05/18	-12644	Sale	11362	0.05		
				25/05/18	-125	Sale	11237	0.05		
				01/06/18	8913	Purchase	20150	0.09		
				08/06/18	-9	Sale	20141	0.09		
				15/06/18	92	Purchase	20233	0.09		
				22/06/18	-52	Sale	20181	0.09		
				29/06/18	-248	Sale	19933	0.09		
				06/07/18	365669	Purchase	385602	1.77		
				13/07/18	-144	Sale	385458	1.77		
				20/07/18	24	Purchase	385482	1.77		
				27/07/18	1541	Purchase	387023	1.77		
				03/08/18	-1500	Sale	385523	1.77		
				10/08/18	-108	Sale	385415	1.77		
				31/08/18	65001	Purchase	450416	2.06		

**iv. Shareholding Pattern of Top Ten Shareholders as on 31st March, 2019 (other than Directors, Promoters & Holders of GDRs & ADRs) (contd.)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				07/09/18	-1	Sale	450415	2.06		
				10/09/18	100	Purchase	450515	2.06		
				14/09/18	-150	Sale	450365	2.06		
				21/09/18	160080	Purchase	610445	2.80		
				28/09/18	4090	Purchase	614535	2.82		
				05/10/18	1400	Purchase	615935	2.82		
				19/10/18	24019	Purchase	639954	2.93		
				02/11/18	-19	Sale	639935	2.93		
				09/11/18	25	Purchase	639960	2.93		
				23/11/18	18992	Purchase	658952	3.02		
				30/11/18	48861	Purchase	707813	3.24		
				07/12/18	-15045	Sale	692768	3.17		
				14/12/18	-32000	Sale	660768	3.03		
				21/12/18	-74075	Sale	586693	2.69		
				28/12/18	21000	Purchase	607693	2.78		
				11/01/19	420	Purchase	608113	2.79		
				18/01/19	-420	Sale	607693	2.78		
				25/01/19	1700	Purchase	609393	2.79		
				01/02/19	-7150	Sale	602243	2.76		
				08/02/19	20	Purchase	602263	2.76		
				22/02/19	6070	Purchase	608333	2.79		
				01/03/19	5990	Purchase	668243	3.06		
				08/03/19	-10000	Sale	658243	3.02		
				15/03/19	1398	Purchase	659641	3.02		
				22/03/19	-179900	Sale	479741	2.20		
				29/03/19	-174380	Sale	305361	1.40		
				31/03/19	-70	Sale	305291	1.40	305291	1.40
8.	COMMERCIAL ADVERTISING AND MARKETING PRIVATE LTD.	291581	1.52	06/04/18	-254053	Sale	37528	0.17		
				07/09/18	250000	Purchase	287528	1.32		
				21/09/18	-243554	Sale	43974	0.20		
				16/11/18	250000	Purchase	293974	1.35		
				23/11/18	-2484	Sale	291490	1.34		
				30/11/18	-231	Sale	291259	1.33		
				07/12/18	-832	Sale	290427	1.33		
				14/12/18	32000	Purchase	322427	1.48		
				21/12/18	35768	Purchase	358195	1.64		
				15/03/19	-67768	Sale	290427	1.33	290427	1.33

**iv. Shareholding Pattern of Top Ten Shareholders as on 31st March, 2019 (other than Directors, Promoters & Holders of GDRs & ADRs) (contd.)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	SHARE INDIA FINCAP PRIVATE LIMITED	-	-	25/05/18	182000	Purchase	182000	0.83		
				15/06/18	32000	Purchase	214000	0.98		
				29/06/18	-200000	Sale	14000	0.06		
				13/07/18	-10000	Sale	4000	0.02		
				21/09/18	50000	Purchase	54000	0.25		
				16/11/18	-50625	Sale	3375	0.02		
				30/11/18	-3000	Sale	375	0.00		
				14/12/18	4143	Purchase	4518	0.02		
				28/12/18	2000	Purchase	6518	0.03		
				08/02/19	1000	Purchase	7518	0.03		
				01/03/19	-7500	Sale	18	0.00		
				29/03/19	241980	Purchase	241998	1.11	241998	1.11
10.	SHARE INDIA SECURITIES LIMITED	175472	0.92	06/04/18	-6940	Sale	168532	0.77		
				13/04/18	-6589	Sale	161943	0.74		
				20/04/18	12808	Purchase	174751	0.80		
				27/04/18	7154	Purchase	181905	0.83		
				04/05/18	-2598	Sale	179307	0.82		
				11/05/18	9817	Purchase	189124	0.87		
				18/05/18	80253	Purchase	269377	1.23		
				25/05/18	21980	Purchase	291357	1.33		
				01/06/18	72396	Purchase	363753	1.67		
				08/06/18	153126	Purchase	516879	2.37		
				15/06/18	-96079	Sale	420800	1.93		
				22/06/18	2211	Purchase	423011	1.94		
				29/06/18	205242	Purchase	628253	2.88		
				06/07/18	-361959	Sale	266294	1.22		
				13/07/18	9635	Purchase	275929	1.26		
				20/07/18	11664	Purchase	287593	1.32		
				27/07/18	15323	Purchase	302916	1.39		
				03/08/18	851	Purchase	303767	1.39		
				10/08/18	-25908	Sale	277859	1.27		
				17/08/18	5375	Purchase	283234	1.30		
				24/08/18	4066	Purchase	287300	1.32		
				31/08/18	-63942	Sale	223358	1.02		
				07/09/18	5978	Purchase	229336	1.05		
				10/09/18	-106	Sale	229230	1.05		
				14/09/18	-3387	Sale	225843	1.03		
				21/09/18	-224346	Sale	1497	0.01		

**iv. Shareholding Pattern of Top Ten Shareholders as on 31st March, 2019 (other than Directors, Promoters & Holders of GDRs & ADRs) (contd.)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				28/09/18	53891	Purchase	55388	0.25		
				05/10/18	2157	Purchase	57545	0.26		
				12/10/18	1266	Purchase	58811	0.27		
				19/10/18	-16713	Sale	42098	0.19		
				26/10/18	1163	Purchase	43261	0.20		
				02/11/18	3488	Purchase	46749	0.21		
				09/11/18	10694	Purchase	57443	0.26		
				16/11/18	-29	Sale	57414	0.26		
				23/11/18	-18343	Sale	39071	0.18		
				30/11/18	-33385	Sale	5686	0.03		
				07/12/18	14453	Purchase	20139	0.09		
				14/12/18	7142	Purchase	27281	0.12		
				21/12/18	42294	Purchase	69575	0.32		
				28/12/18	-27461	Sale	42114	0.19		
				31/12/18	1257	Purchase	43371	0.20		
				04/01/19	-447	Sale	42924	0.20		
				11/01/19	1913	Purchase	44837	0.21		
				18/01/19	1919	Purchase	46756	0.21		
				25/01/19	1412	Purchase	48168	0.22		
				01/02/19	2643	Purchase	50811	0.23		
				08/02/19	-377	Sale	50434	0.23		
				15/02/19	256	Purchase	50690	0.23		
				22/02/19	-5933	Sale	44757	0.21		
				01/03/19	79406	Purchase	124163	0.57		
				08/03/19	-19018	Sale	105145	0.48		
				15/03/19	-20185	Sale	84960	0.39		
				22/03/19	62284	Purchase	147244	0.67		
				29/03/19	45731	Purchase	192975	0.88		
				31/03/19	-500	Sale	192475	0.88	192475	0.88



## v. Shareholding of Directors & Key Managerial Personnel

S. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
<b>A. Directors</b>								
1.	MR. SHYAM SUNDER SHARMA* (Chairman)	1938927	10.11	-	-	-	1938927	8.88
2.	MR. VISHNU DUTT KHANDELWAL (Executive Vice Chairman)	720200	3.76	-	-	-	720200	3.30
3.	MR. SHARAD SHARMA# (Managing Director & CEO)	875583	4.57	-	-	-	875583	4.01
4.	MR. RAJESH SHARMA (Executive Director)	1095529	5.71	-	-	-	1095529	5.02
5.	MR. GOPAL SINGH SHEKHAVAT (Director-Administration)	400	0.00	-	-	-	400	0.00
6.	MR. SURENDRA KUMAR KABRA (Non-Executive Independent Director)	-	-	-	-	-	-	-
7.	MR. VISHWA NATH CHANDAK (Non-Executive Independent Director)	-	-	-	-	-	-	-
8.	MR. PRADEEP KUMAR GOENKA (Non-Executive Independent Director)	-	-	19/11/18	200	Purchase		
				21/11/18	5000	Purchase		
				28/11/18	1000	Purchase		
				30/11/18	412	Purchase		
				03/12/18	500	Purchase		
				04/12/18	800	Purchase		
				06/12/18	9	Purchase		
				07/12/18	200	Purchase		
				10/12/18	200	Purchase	8321	0.04
9.	MR. ANOOP GUPTA (Non-Executive Independent Director)	-	-	-	-	-	-	-
10.	MR. ABHILASH LAL (Non-Executive Independent Director)	-	-	-	-	-	-	-
11.	MR. NARAYANAN SUBRAMANIAM (Non-Executive Independent Director)	-	-	-	-	-	-	-
12.	MRS. SEEMA SHARMA (Non-Executive Non-Independent Director)	269215	1.40	-	-	-	269215	1.23
<b>B. Key Managerial Personnel (KMPs)</b>								
1.	MR. GOPAL AGARWAL (Chief Financial Officer)	18433	0.10	28/11/18	4000	Purchase	22433	0.10
2.	MR. BHARAT KUMAR SAJNANI (Company Secretary)	100	0.00	-	-	-	100	0.00

\*Assumed the post of Non- Executive Chairman after expiry of his term as Managing Director on 17th September, 2018.

# Elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. 18th September, 2018.

## V. INDEBTEDNESS

(₹ in lakh)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	18297.26	1486.25	-	19783.51
ii) Interest due but not paid	31.92	12.50	-	44.42
iii) Interest accrued but not due	41.33	0.00	-	41.33
<b>Total (i+ii+iii)</b>	<b>18370.51</b>	<b>1498.75</b>	<b>-</b>	<b>19869.26</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	2048.67	215.00	-	2263.67
Reduction	10608.58	1039.75	-	11648.33
<b>Net Change</b>	<b>(8559.91)</b>	<b>(824.75)</b>	<b>-</b>	<b>(9384.66)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	9737.35	661.50	-	10398.85
ii) Interest due but not paid	25.17	5.69	-	30.86
iii) Interest accrued but not due	17.67	0.00	-	17.67
<b>Total (i+ii+iii)</b>	<b>9780.19</b>	<b>667.19</b>	<b>-</b>	<b>10447.38</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

(₹ in lakh)

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount	
		Mr. Shyam Sunder Sharmma*	Mr. Sharad Sharma	Mr. Vishnu Dutt Khandelwal	Mr. Rajesh Sharma	Mr. Gopal Singh Shekhavat		
1.	<b>Gross salary</b>							
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.29	14.00	21.40	21.40	22.24	85.33	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.40	0.32	0.40	0.46	1.58	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00	
2.	<b>Stock option</b>	0.00	0.00	0.00	0.00	0.00	0.00	
3.	<b>Sweat Equity</b>	0.00	0.00	0.00	0.00	0.00	0.00	
4.	<b>Commission</b>							
	-as % of profit	0.00	80.00	80.00	80.00	0.00	240.00	
	-others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	
5.	<b>Others, please specify</b>	NIL	NIL	NIL	NIL	NIL	NIL	
	<b>Total (A)</b>	6.29	94.40	101.72	101.80	22.70	326.91	
	<b>Ceiling as per the Act</b>	10% of the Net Profit calculated under Section 198 of the Companies Act, 2013.						1,074.43

\*Assumed the post of Non- Executive Chairman after expiry of his term as Managing Director on 17th September, 2018.

### B. Remuneration to other directors:

(₹ in lakh)

S. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Mr. Pradeep Kumar Goenka	Mr. Surendra Kumar Kabra	Mr. Vishwa Nath Chandak	Mr. Anoop Gupta	Mr. Abhilash Lal	Mr. Narayanan Subramaniam	
1.	<b>Independent Directors</b>							
	(a) Fee for attending board/committee meetings	0.45	0.30	0.35	0.05	0.35	0.05	1.55
	(b) Commission	5.00	3.33	3.89	0.56	3.89	1.00	17.67
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	5.45	3.63	4.24	0.61	4.24	1.05	19.22
2.	<b>Other Non-Executive Directors</b>	Mrs. Seema Sharma	Mr. Shyam Sunder Sharmma*					
	(a) Fee for attending board/committee meetings	0.20	0.10					0.30
	(b) Commission	4.00	15.00					19.00
	(c) Others, please specify.	NIL	NIL					NIL
	<b>Total (2)</b>	4.20	15.10					19.30
	<b>Total (B)=(1+2)</b>							38.52
	<b>Total Managerial Remuneration</b>							365.43
	<b>Overall Ceiling as per the Act</b>	11% of the net profits as per Section 198 of the Companies Act, 2013.						1,181.87

\*Assumed the post of Non- Executive Chairman after expiry of his term as Managing Director on 17th September, 2018.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

(₹ in lakh)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Gopal Agarwal (Chief Financial Officer)	Mr. Bharat Kumar Sajnani (Company Secretary)	Total
1.	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.18	10.81	34.99
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.32	0.00	0.32
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2.	<b>Stock Option</b>	0.00	0.00	0.00
3.	<b>Sweat Equity</b>	0.00	0.00	0.00
4.	<b>Commission</b>			
	-as % of profit	0.00	0.00	0.00
	-others, specify	0.00	0.00	0.00
5.	<b>Others, please specify</b>	0.00	0.00	0.00
	<b>Total</b>	<b>24.50</b>	<b>10.81</b>	<b>35.31</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD /NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

# ANNEXURE 'B' SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Ganesha Ecosphere Limited,  
Raipur (Rania), Kalpi Road,  
Distt. Kanpur Dehat (U.P.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ganesha Ecosphere Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has during the Financial year ended on 31st March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable as the Company has not entered into any transactions relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the audit period**);
- (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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [upto 10th November, 2018] and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [with effect from 11th November, 2018];
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [**Not applicable as the Company has not implemented any Scheme during the Audit Period**];
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable as the Company has not issued and listed any debt securities during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the Audit period**);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not applicable as there was no reportable event during the Audit Period**]; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September, 2018) and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [with effect from 11th September, 2018 [**Not applicable as there was no reportable event during the period under review**].
- (vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the provisions of Plastic Waste Management Rules, 2016 specifically applicable to the Company.

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and the General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of Audit and review of Internal Auditor's Report, periodical Compliance Reports submitted by respective Departmental heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company

commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the Audit Period there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.:-

- (a) The Members at the 29th Annual General Meeting of the Company held on 15th September, 2018 passed a Special Resolution approving issue of 6,50,000 (Six Lakh Fifty Thousand Only) Employee Stock Options ("ESOPs") under "Ganesha Ecosphere Employees Stock Option Plan 2018" to the employees of the company in terms of the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (b) The Company has allotted 26,52,520 Equity Shares at a price of ₹377/- per Equity Share (inclusive of premium of ₹367/- per share) on 9th May, 2018 to Qualified Institutional Buyers ('QIBs') on preferential basis in terms of Offer Letter dated 2nd May, 2018 and the said securities were listed on National Stock Exchange of India Limited and BSE Limited on 10th May, 2018 and 11th May, 2018 respectively.

For **S.K.Gupta & Co.**  
*Company Secretaries*

**S.K. GUPTA**  
*Managing Partner*  
F.C.S-2589  
CP-1920

Place: Kanpur  
Date: 1st August, 2019

Note: This Report to be read with our letter of even date which is marked as Annexure and forms an integral part of this Report.

# ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,  
The Members,  
Ganesha Ecosphere Limited  
[CIN: L51109UP1987PLC009090]  
Raipur (Rania), Kalpi Road,  
Distt. Kanpur Dehat (U.P.)

Our Secretarial Audit Report for the Financial year 31st March, 2019 is to be read along with this letter

## Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

## 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 the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Place: Kanpur  
Date: 1st August, 2019

For **S.K.Gupta & Co.**  
*Company Secretaries*

**S.K. GUPTA**  
*Managing Partner*  
F.C.S-2589  
CP-1920

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

Report on Corporate Social Responsibility (CSR) Activities/Initiatives for the year ended 31st March, 2019  
(Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014)

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The Corporate Social Responsibility (CSR) Policy as approved by the Board has been uploaded on the Company's website and may be accessed at the link <http://ganeshhaecosphere.com/wp-content/uploads/2016/05/corporate-social-responsibility-policy.pdf>. In terms of the CSR Policy of the Company, the following areas have been identified:

1. Promotion of Education at pre-school and school level.
2. Providing environmentally sustainable social infrastructure.
3. Providing better health facilities and combating disease.
4. Eradicating hunger, poverty and malnutrition.

2. **Composition of CSR Committee:**

The Corporate Social Responsibility Committee of the Company comprises four Directors, out of which two Directors are independent. The Composition of CSR committee is as under:

Name of the Director	Category
Shri Abhilash Lal (Chairman)	Non- Executive Independent Director
Shri Pradeep Kumar Goenka	Non- Executive Independent Director
Shri Vishnu Dutt Khandelwal	Promoter Executive Director
Shri Sharad Sharma	Promoter Executive Director

3. **Average net profit of the Company for last three financial years:** ₹4673.70 lakh

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** ₹93.47 lakh

5. **Details of CSR spent during the financial year:**

(a) **Total amount to be spent for the financial year:** ₹93.50 lakh

(b) **Amount unspent, if any:** Nil

(c) **Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Over-heads	Cumulative expenditure up to the reporting period (₹)	Amount Spent: Direct or through implementing agency
1.	Health Care	Promoting Healthcare including preventive healthcare	<ul style="list-style-type: none"> <li>• Kanpur (U.P.)</li> <li>• Rudrapur (Uttarakhand)</li> <li>• Rampur (U.P.)</li> </ul>	7,50,551/-	Direct Expenditure	7,50,551/-	Direct



Contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Over-heads	Cumulative expenditure up to the reporting period (₹)	Amount Spent: Direct or through implementing agency
2.	Education	Promoting Education among children & differently abled	<ul style="list-style-type: none"> <li>• Kanpur (U.P.)</li> <li>• Mumbai (Maharashtra)</li> </ul>	2,14,000/-	Direct Expenditure	2,14,000/-	<ul style="list-style-type: none"> <li>a) Blind Organization of India</li> <li>b) Jyoti Bal Vikas Sanstha</li> <li>c) Talent Development Council</li> </ul>
3.	Health Care, Education & Sanitation	<ul style="list-style-type: none"> <li>• Promoting Healthcare including preventive healthcare</li> <li>• Promoting Education among children &amp; differently abled</li> <li>• Sanitation</li> </ul>	<ul style="list-style-type: none"> <li>• Kanpur (U.P.)</li> <li>• Rudrapur (Uttarakhand)</li> <li>• Rampur (U.P.)</li> </ul>	81,35,000/-	Direct Expenditure	81,35,000/-	Ganesh Memorial Trust
4.	Bharat Ke Veer Corpus Fund	Measures for the benefit of armed forces veterans, war widows and their dependents	Pan India	2,51,000/-	Direct Expenditure	2,51,000/-	Direct
<b>Total</b>				<b>93,50,551/-</b>		<b>93,50,551/-</b>	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. Not applicable

7. **Responsibility Statement:** The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Shyam Sunder Sharma  
Chairman

Abhilash Lal  
Chairman of CSR Committee

# ANNEXURE 'D' TO THE DIRECTORS' REPORT

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2019:

### I. CONSERVATION OF ENERGY

#### (a) The steps taken or impact on conservation of energy:

The Company is giving due importance to conservation of energy and makes continuous efforts to conserve energy. During the financial year, the Company has taken following specific measures to optimize energy generation and consumption at its manufacturing facilities-

- i) Installation of Roof Top Solar Power plant of 5.04 MW expected to reduce annual power cost ~ 5-6%.
- ii) To reduce power consumption of cooling tower fans, Temperature Controlling System has been provided to run the fan according to water temperature which subsequently reduced the running hour of fans motor.
- iii) Level Control System with high/low levels have been installed in tanks to reduce the power consumption of 12.5 HP motor to achieve optimum running of the pump.
- iv) Automatic on/off systems installed in the motors to reduce the water wastage and electricity consumption.
- v) Oil heating system has been installed in place of electrical heaters, resulting into reduction of power consumption by approx. 1100 unit per day.
- vi) Timer circuit has been installed to control the on/off timing of outdoor lights as per actual need, resulting into saving of power consumption by approx. 3 KW per day.
- vii) Wastage of power due to usage of unwanted lights in day time has been reduced by adopting the daily manual checking procedure to control the on/off time of building lights in day time.
- viii) Water consumption reduced by optimizing water flow for process machines. Re-use of water in process machines to reduce overall water consumption.
- ix) Maintenance of the machines as per schedule resulting into improved efficiency and saving in energy consumption.
- x) Improved efficiency of own power generation by usage of diesel generator only for emergencies and as stand by.
- xi) Equipment efficiencies evaluated and optimized.
- xii) Wastage of steam reduced by installing a Close Control Loop System with Level Control for maintaining the level of Flash Tank.

#### (b) Steps taken by company for using alternate sources of energy:

All new projects and line extensions in factories are equipped with high efficiency motors, variable frequency drives, LED lights, roof mounted self-driven ventilators and maximized use of natural illumination. These are also being retrofitted in existing factories after feasibility evaluation. Efforts are continuing to identify other viable opportunities of using alternate sources of energy.

#### (c) Capital investment on energy conservation equipments: Approx ₹20 crore.

### II. TECHNOLOGY ABSORPTION

#### 1. Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company is having latest state of the art plant and machinery and has the policy of continuous modernization and upgradation of machines. It is our philosophy to continuously upgrade ourselves from a technological standpoint. The Company's technical team has been continuously working on upgradation and modification of existing products in order to keep pace with the advances in technological innovations and redesigning products to create new market opportunities.

#### 2. Benefit derived as a result of the above efforts:

These measures have helped in production of value added new products, better yields, better quality of the end product, cost reduction, energy saving, enhanced operational productivity and efficiency, diversity of product mix etc.

#### 3. In case of Imported Technology (imported during the last three years reckoned from the beginning of Financial Year):

The company has not imported any technology during the preceding three years.

#### 4. Expenses incurred on Research and Development:

The expenses involved in in-house research and development carried out in a routine manner are insignificant; therefore, the same have not been accounted for separately.

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details with regard to Foreign Exchange earnings and out go are as under:

	(₹ in lakh)	
	Financial Year (2018-19)	Financial Year (2017-18)
A) Foreign Exchange earnings (F.O.B. Value)	6839.85	3326.05
B) Foreign Exchange outgo	16121.41	10103.67

## ANNEXURE 'E' TO THE DIRECTORS' REPORT

The information as required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

S. No.	Name	Designation	Remuneration in F.Y. 2018-19 (₹ in lakh)	Remuneration in F.Y. 2017-18 (₹ in lakh)	% increase/ (decrease) in remuneration	Ratio of remuneration of each Director to the median remuneration of employees
1.	Mr. Shyam Sunder Sharmma <sup>@</sup>	Non-Executive Chairman*	21.39	72.35	(70.44%)	19.10
2.	Mr. Sharad Sharma <sup>#</sup>	Managing Director & CEO	94.40	72.40	30.39%	84.29
3.	Mr. Vishnu Dutt Khandelwal	Executive Vice-Chairman	101.72	72.32	40.65%	90.82
4.	Mr. Rajesh Sharma	Executive Director	101.80	72.40	40.61%	90.89
5.	Mr. Surendra Kumar Kabra	Independent Director*	3.63	5.40	(32.78%)	3.24
6.	Mr. Vishwa Nath Chandak	Independent Director*	4.24	5.40	(21.48%)	3.79
7.	Mr. Pradeep Kumar Goenka	Independent Director*	5.45	5.40	0.93%	4.87
8.	Mr. Anoop Gupta	Independent Director*	0.61	4.05	(84.94%)	0.54
9.	Mr. Gopal Singh Shekhawat	Director (Administration)	22.70	20.00	13.50%	20.27
10.	Mr. Abhilash Lal	Independent Director*	4.24	4.05	4.69%	3.79
11.	Mr. Narayanan Subramaniam	Independent Director*	1.05	2.60	(59.62%)	0.94
12.	Mrs. Seema Sharma	Non-Executive Director*	4.20	5.20	(19.23%)	3.75
13.	Mr. Gopal Agarwal	Chief Financial Officer	24.50	20.75	18.07%	N.A.
14.	Mr. Bharat Kumar Sajjani	Company Secretary	10.81	8.73	23.83%	N.A.

<sup>@</sup> Assumed the post of Non- Executive Chairman after expiry of his term as Managing Director on 17th September, 2018.

<sup>#</sup> Elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. 18th September, 2018.

\*The Non-Executive Directors of the Company are paid remuneration by way of sitting fees at the rate of ₹5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting and commission upto 1% of the net profits of the Company, as approved by the shareholders.

- ii. During the year 2018-19, there was an increase of 2.86% in median remuneration of employees.
- iii. There were 2522 permanent employees on the roll of the Company as on 31st March, 2019.
- iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2018-19 was 28.56%, whereas the increase in the managerial remuneration for the same financial year was 6.99%.
- v. It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2019 is as per the remuneration policy of the Company.

# Corporate Governance Report 2018-19

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At GESL, we believe that as we move towards achieving our growth targets, our Corporate Governance processes must adhere to the globally benchmarked standards. Corporate Governance is an integral element of the Company's value system, management ethos and business practices. Our Corporate Governance practices are driven by timely disclosures, transparent accounting policies and high levels of integrity in decision-making. The Company believes that the governance process should ensure that the resources employed must be utilised optimally so as to meet the stakeholders' aspirations and expectations. This is demonstrated in improving shareholder returns and performance focused work environment. Our customers have benefited from the high quality products made available to them at reasonable prices. Our employee satisfaction is reflected in the stability of our senior management and substantially high productivity. The Company is committed to contribute to the "Triple Bottom Line" i.e. ensuring the conduct of

business around social, environmental and economic concerns and this is apparently reflected in the Company's area of business. GESL's governance philosophy revolves around trusteeship, transparency, control, accountability and ethical business conduct. The practice of each of these enables the management to direct and control the affairs of the Company in an efficient manner and in creating the right corporate culture towards emerging as a socially responsible corporate citizen.

## 2. BOARD OF DIRECTORS

### A. Composition and category of Board of Directors, attendance at Board Meetings, at last Annual General Meeting and details of Membership of other Boards / Committees:

The Board has an optimum combination of Executive and Non-Executive Directors as per the Corporate Governance requirements. The composition of the Board of Directors and other relevant details as on 31st March, 2019 are as under:

Name of Director	Category	No. of Board Meetings during tenure		Whether present at the last Annual General Meeting held on 15.09.2018	No. of Boards / Committees of Indian Public Limited Companies (including Ganesha Ecosphere Ltd.)			Directorship in Other Listed Entities and Category of Directorship
		Held	Attended		Directorship	Committee (only Audit Committee & Stakeholders Relationship Committee)		
						Member	Chairman	
Mr. Shyam Sunder Sharmma* DIN: 00530921	Promoter Non-Executive Director	5	4	Yes	1	1	-	-
Mr. Vishnu Dutt Khandelwal DIN: 00383507	Promoter Executive Director	5	4	Yes	1	2	-	-
Mr. Sharad Sharma# DIN: 00383178	Promoter Executive Director	5	5	Yes	1	1	-	-
Mr. Rajesh Sharma DIN: 02228607	Promoter Executive Director	5	1	No	1	-	-	-
Mr. Gopal Singh Shekhawat DIN: 06591844	Executive Director	5	3	No	1	-	-	-

Name of Director	Category	No. of Board Meetings during tenure		Whether present at the last Annual General Meeting held on 15.09.2018	No. of Boards / Committees of Indian Public Limited Companies (including Ganesha Ecosphere Ltd.)			Directorship in Other Listed Entities and Category of Directorship
		Held	Attended		Directorship	Committee (only Audit Committee & Stakeholders Relationship Committee)		
						Member	Chairman	
Mrs. Seema Sharma DIN: 07466530	Promoter Non- Executive Director	5	4	No	1	-	-	-
Mr. Surendra Kumar Kabra DIN: 01280980	Non- Executive/ Independent Director	5	3	No	3	1	-	Aditya Ispat Limited (Non- Executive- Non Independent Director)
Mr. Pradeep Kumar Goenka DIN: 00404746	Non- Executive/ Independent Director	5	5	Yes	2	-	2	-
Mr. Vishwa Nath Chandak DIN: 00313035	Non- Executive/ Independent Director	5	4	No	2	1	-	Mangalam Timber Products Ltd. (Non- Executive- Independent Director)
Mr. Anoop Gupta DIN: 00153340	Non-Executive/ Independent Director	5	1	No	5	1	-	-
Mr. Abhilash Lal DIN: 03203177	Non- Executive/ Independent Director	5	4	No	2	2	-	APL Apollo Tubes Limited (Non- Executive- Independent Director)
Mr. Narayanan Subramaniam DIN: 00166621	Non- Executive/ Independent Director	5	1	No	3	2	1	City Union Bank Limited (Non- Executive- Independent Director)
								Nucleus Software Exports Limited (Non- Executive- Independent Director, Shareholder Director)

\*Assumed the post of Non- Executive Chairman after expiry of his term as Managing Director on 17th September, 2018.

# Elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. 18th September, 2018.

Mr. Sharad Sharma and Mr. Rajesh Sharma are sons of Mr. Shyam Sunder Sharmma and Mr. Vishnu Dutt Khandelwal is brother of Mr. Shyam Sunder Sharmma. Mrs. Seema Sharma is wife of Mr. Sharad Sharma and daughter-in-law of Mr. Shyam Sunder Sharmma.

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

#### Shareholding of Non-Executive Directors:

As on 31st March, 2019, the shareholding of non-executive directors in the Company is as follows:

Name of the Director	Shareholding as on 31st March, 2019
Mrs. Seema Sharma	2,69,215 Equity Shares
Mr. Pradeep Kumar Goenka	8,321 Equity Shares

None of the other Non-Executive Directors hold any shares in the Company.

#### B. Details of Board Meetings held during the year:

The Board met five times during the year. The details of the Board Meetings are as under:

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	26.05.2018	12	8
2.	09.08.2018	12	10
3.	31.10.2018	12	9
4.	27.01.2019	12	5
5.	09.02.2019	12	7

#### Information placed before the Board:

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II to Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant.

#### Key Skills/Expertise/Competencies of the Board:

The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of Company's business operations for it to function effectively and those actually available with the Board are as follows:

- Leadership / Operational Experience;
- Industry Specific Knowledge and Experience;
- Risk Management & Strategic Planning;
- Legal and Regulatory Matters;
- Knowledge of Finance and related aspects;
- Corporate Governance; &
- Personal Attributes such as Integrity, Accountability etc.

#### C. Terms and conditions of appointment of Independent Directors

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company i.e. [http://ganeshaecosphere.com/Letter\\_of\\_appointment\\_to\\_Independent\\_Directors\\_GESL.pdf](http://ganeshaecosphere.com/Letter_of_appointment_to_Independent_Directors_GESL.pdf)

#### D. Familiarization Programme for Independent Directors:

The Board members are provided with necessary documents and reports to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, business strategy and risks involved.

Quarterly updates on relevant statutory changes encompassing important laws are regularly informed to the Directors.

The details of Familiarization Programme for Independent Directors are available on the Company's website at the following web link: <http://ganeshaecosphere.com/wp-content/uploads/2019/04/Details-of-familiarization-programmes-imparted-to-Independent-Directors.pdf>

#### E. Separate Meeting of the Independent Directors:

During the year ended 31st March, 2019, one Independent Directors' Meeting was held on 9th February, 2019. At the meeting, the Independent Directors inter-alia:

1. Evaluated the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluated performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluated the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Surendra Kumar Kabra, Mr. Pradeep Kumar Goenka and Mr. Abhilash Lal were present at the meeting.

#### F. Confirmation by the Board:

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

#### G. Code of Conduct:

In compliance with Regulation 17(5) of the Listing Regulations, the Company's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. All Board members and designated senior management personnel have affirmed compliance with this Code of Conduct. A declaration to this effect, signed by Mr. Sharad Sharma, Managing Director & Chief Executive Officer of the Company, is enclosed at the end of this report. Code of Conduct of the Company is available on the website of the Company at [www.ganeshaecosphere.com/code-of-conduct](http://www.ganeshaecosphere.com/code-of-conduct).

### 3. COMMITTEES OF THE BOARD

As on 31st March, 2019, the Company has seven Board level Committees:

- A Audit Committee,
- B Nomination and Remuneration Committee,
- C Stakeholders Relationship Committee,
- D Corporate Social Responsibility Committee,
- E Management Committee,
- F Capital Raising Committee, and
- G Risk Management & Strategic Planning Committee.

The composition of the Committees of the Board of Directors is available on the website of the Company at [www.ganeshaecosphere.com/board-committee](http://www.ganeshaecosphere.com/board-committee).

#### A. AUDIT COMMITTEE

##### Composition:

The Company has an Audit Committee constituted in accordance with the Corporate Governance requirements. As on 31st March, 2019, the Committee consisted of six Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Surendra Kumar Kabra, Mr. Vishnu Dutt Khandelwal, Mr. Vishwa Nath Chandak, Mr. Anoop Gupta and Mr. Abhilash Lal.

Mr. Pradeep Kumar Goenka, Mr. Surendra Kumar Kabra and Mr. Anoop Gupta are Chartered Accountants. Mr. Vishnu Dutt Khandelwal is Post Graduate in Commerce and has also rich experience in the field of Accounting and Financial Management. Mr. Vishwa Nath Chandak is M.Com., LL.B. and has rich experience in the Textile Industry. Mr. Abhilash Lal is Post Graduate in Management from IIM, Bangalore and has also rich experience in all aspects of financial services.

Mr. Bharat Kumar Sajani, Company Secretary of the Company also acts as Secretary to the Committee.

**Terms of Reference:**

The terms of reference of the Audit Committee are in conformity with the requirements specified in Regulation 18(3) read with Part C of Schedule II to the Listing Regulations and also comply with the requirements of Section 177 of the Companies Act, 2013.

**Brief description of terms of reference:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgement by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter- corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, 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 there on.
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.
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. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the reports of the Company's Cost Auditors.
21. Reviewing the following information:
  - Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions, submitted by management;
  - Management letter(s) of internal control weaknesses, if any, issued by statutory auditors;
  - Internal Audit Reports relating to internal control weaknesses; and
  - Appointment, removal and terms of remuneration of internal auditor.
22. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors of the Company.

### Meetings:

During the financial year ended 31st March, 2019, four Audit Committee Meetings were held on 26.05.2018, 08.08.2018, 31.10.2018 and 09.02.2019. Chief Financial Officer, Internal Auditors and the Statutory Auditors were invited to be present at the Audit Committee Meetings.

### Details of the Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meeting during the tenure	
			Held	Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non- Executive/ Independent Director	4	4
2.	Mr. Surendra Kumar Kabra	Non- Executive/ Independent Director	4	3
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	4	4
4.	Mr. Vishwa Nath Chandak	Non- Executive/ Independent Director	4	3
5.	Mr. Anoop Gupta	Non- Executive/ Independent Director	4	0
6.	Mr. Abhilash Lal	Non- Executive/ Independent Director	4	3

Mr. Pradeep Kumar Goenka, Chairman of the Audit Committee was present at the last Annual General Meeting held on 15th September, 2018.

## B. NOMINATION AND REMUNERATION COMMITTEE

### Composition:

The Nomination and Remuneration Committee of the Board consists of three Directors namely, Mr. Surendra Kumar Kabra (Chairman), Mr. Pradeep Kumar Goenka and Mr. Vishwa Nath Chandak.

### Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements specified in Regulation 19(4) read with Part D of Schedule II to the Listing Regulations and also comply with the requirements of Section 178 of the Companies Act, 2013.

### Brief description of terms of reference:

1. Formulation of the criteria for determining qualifications,

positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

2. Formulation of criteria for evaluation of performance of Independent Directors and the Board.
3. Devising policy on Board diversity.
4. 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 their appointment and removal.
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

### Meetings:

During the year ended 31st March, 2019, four Nomination and Remuneration Committee Meetings were held on 26.05.2018, 09.08.2018, 27.01.2019 and 09.02.2019.

### Details of Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meeting during the tenure	
			Held	Attended
1.	Mr. Surendra Kumar Kabra, Chairman	Non- Executive/ Independent Director	4	2
2.	Mr. Pradeep Kumar Goenka	Non- Executive/ Independent Director	4	4
3.	Mr. Vishwa Nath Chandak	Non- Executive/ Independent Director	4	3

### Remuneration Policy:

The Company has adopted Policy on Nomination, Remuneration and Board Diversity which is available on the website of the Company at the link <http://ganeshaecosphere.com/wp-content/uploads/2016/08/Policy-on-Nomination-Remuneration-And-Board-Diversity.pdf>

### Details of Remuneration of the Directors for the financial year 2018-19:

#### i. Executive Directors:

The Company pays remuneration to the Executive Directors by way of salary, perquisites and allowances (fixed component) and performance linked remuneration (variable component). The amount of performance linked remuneration payable to such Directors is determined by the Board.



**The Details of Remuneration are as follows:**

Name of Director	Designation	Salary & Allowances (₹)	Perquisites (₹)	Performance Linked Remuneration (₹)	Tenure
Mr. Shyam Sunder Sharmma*	Non- Executive Chairman	628,833/-	-	-	N.A.
Mr. Vishnu Dutt Khandelwal	Executive Vice Chairman	2,140,000/-	32,400/-	8,000,000/-	5 years (from 19th June, 2018)
Mr. Sharad Sharma#	Managing Director	1,400,000/-	39,600/-	8,000,000/-	5 years (from 1st February, 2019)
Mr. Rajesh Sharma	Executive Director	2,140,000/-	39,600/-	8,000,000/-	5 years (from 19th June, 2018)
Mr. Gopal Singh Shekhavat	Director (Administration)	2,223,600/-	46,057/-	-	5 years (from 1st June, 2018)

\*Assumed the post of Non- Executive Chairman after expiry of his term as Managing Director on 17th September, 2018.

# Elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. 18th September, 2018.

**ii. Non-Executive Directors:**

Non-Executive Directors (NEDs) of the Company play a crucial role to the independent functioning of the Board. They bring in external and wider perspective to the decision-making by the Board. They provide leadership and strategic guidance, while maintaining objective judgement.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees and Commission. They are paid sitting fees at the rate of ₹5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting. In the light of the services rendered by the NEDs to the Company, the Members, at the 28th Annual General Meeting of the Company approved payment of remuneration to NEDs of the Company, by way of commission upto 1% on the net

profit of the Company. The distribution of commission amongst the NEDs is determined by the Board. The Board decided that such commission shall be distributed in following manner for the year 2018-19 amongst the Non-Executive Directors (except Chairman of the Company) on the basis of their attendance and contribution at the Board and Audit Committee Meetings (subject to maximum limit of ₹5,00,000/- for each such Director, as decided by the Board at its meeting held on 13.02.2018).

As per the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 9th February, 2019, decided a remuneration of ₹15,00,000/- as commission payable to Mr. Shyam Sunder Sharmma, for the F.Y. 2018-19 in view of his valuable contribution and entrepreneurial leadership.

**The Details of Sitting Fees Paid and Commission payable to such directors for the year 2018-19 are as follows:**

Name of Directors	Sitting Fees (₹)	Commission (₹)	Tenure
Mr. Surendra Kumar Kabra	30,000/-	3,33,333/-	5 years (from 29th September, 2014)
Mr. Pradeep Kumar Goenka	45,000/-	5,00,000/-	5 years (from 29th September, 2014)
Mr. Vishwa Nath Chandak	35,000/-	3,88,889/-	5 years (from 29th September, 2014)
Mr. Anoop Gupta	5,000/-	55,556/-	5 years (from 29th September, 2014)
Mr. Abhilash Lal	35,000/-	3,88,889/-	5 years (from 29th September, 2014)
Mr. Narayanan Subramaniam	5,000/-	1,00,000/-	5 years (from 29th September, 2014)
Mrs. Seema Sharma	20,000/-	4,00,000/-	N.A.
Mr. Shyam Sunder Sharmma*	10,000/-	15,00,000/-	N.A.

\*Assumed the post of Non- Executive Chairman after expiry of his term as Managing Director on 17th September, 2018.

Commission to Non-Executive Directors will be paid after adoption of the Audited Financial Statements by the members at the Annual General Meeting scheduled to be held on 5th September, 2019.

**Performance evaluation criteria for Independent Directors:**

The performance of Independent Directors was evaluated by the entire Board on the basis of the criteria laid down under the "Nomination, Remuneration and Board Diversity Policy" of the Company.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Composition:**

The Stakeholders Relationship Committee of the Board comprises

of four Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Shyam Sunder Sharmma, Mr. Vishnu Dutt Khandelwal and Mr. Sharad Sharma.

**Terms of Reference:**

The terms of reference of Stakeholders Relationship Committee shall inter-alia include the following:

1. Resolving the grievances of the security holders 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 etc.

- |   |  |
|---|--|
| 2. Review of measures taken for effective exercise of voting rights by shareholders.  | and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.  |
| 3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Company's Registrar & Share Transfer Agent. | 5. Issuance of certificates of securities upon split/ consolidation/ renewal/ re-materialisation thereof and issuance of duplicate certificates of securities. |
| 4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends  | The Committee also oversees the working of Registrar and Transfer Agents of the Company.   |

#### Meetings:

During the year ended 31st March, 2019, seven Stakeholders Relationship Committee Meetings were held on 28.04.2018, 16.06.2018, 30.07.2018, 24.10.2018, 26.11.2018, 08.02.2019 and 28.02.2019.

#### Details of the Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	Meetings Held	Meetings Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non-Executive/ Independent Director	7	7
2.	Mr. Shyam Sunder Sharmma*	Promoter Non- Executive Director	7	-
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	7	7
4.	Mr. Sharad Sharma	Promoter Executive Director	7	7

\*Assumed the responsibility of Non- Executive Director after expiry of his term as Managing Director on 17th September, 2018.

#### Investor Grievance Redressal:

Number of complaints received and resolved to the satisfaction of investors during the financial year ended 31st March, 2019, are as under:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	8	8	Nil

As on 31st March, 2019, no request for transfer / transmission was pending for approval.

#### Compliance Officer:

Compliance Officer of the Company: Mr. Bharat Kumar Sajjani, Company Secretary.

### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### Composition:

The Corporate Social Responsibility (CSR) Committee of the Board consists of four Directors namely, Mr. Abhilash Lal (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Pradeep Kumar Goenka.

#### Terms of Reference:

Terms of Reference of the Committee inter alia include the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- To monitor the CSR Policy of the Company from time to time.

d) To institute a transparent monitoring mechanism for implementation of the CSR projects/programs/ activities undertaken by the Company.

e) Any other matter as the Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### Meetings:

During the year ended 31st March, 2019, two Corporate Social Responsibility (CSR) Committee Meetings were held on 26.05.2018 and 09.02.2019.

### E. MANAGEMENT COMMITTEE

#### Composition:

The Management Committee of the Board consists of four directors namely, Mr. Shyam Sunder Sharmma (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Pradeep Kumar Goenka.

#### Terms of Reference:

Terms of Reference of the Committee inter alia include the following:

- To review banking arrangements and cash management,
- To exercise all powers to borrow money (otherwise than by issue of debentures), and take necessary actions connected

therewith, including refinancing for optimization of borrowing costs,

- c) To approve opening/ closing and operation of Bank Accounts,
- d) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable,
- e) To delegate authorities & operational powers from time to time to the executives/ authorised persons.
- f) To review regularly and make recommendations about changes to the charter of the Committee.

#### **Meetings:**

During the year ended 31st March, 2019, three Management Committee Meetings were held on 02.08.2018, 12.12.2018 and 22.03.2019.

### **F. CAPITAL RAISING COMMITTEE**

#### **Composition:**

The Capital Raising Committee of the Board consists of five Directors namely, Mr. Vishnu Dutt Khandelwal (Chairman), Mr. Sharad Sharma, Mr. Anoop Gupta, Mr. Abhilash Lal and Mr. Narayanan Subramaniam.

#### **Terms of Reference:**

Terms of Reference of the Committee inter alia include the following:

1. To analyze various options for infusion of capital;
2. To decide on the actual size, mode(s), no. of tranches, timing, pricing including discount/ premium, if any, reservation to employees, customers, existing shareholders and / or any other persons as decided by the Board and as provided under SEBI Regulations subject to applicable Rules and Regulations and GOI and RBI approval;
3. To decide all other terms and conditions of the Issue and to accept any amendment(s), modification(s), variation(s) or alteration(s) thereto;
4. To appoint and enter into arrangement with the Book Running Lead Managers ("BRLMs"), escrow agent, legal counsel and any other agencies or persons or intermediaries to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the placement agreement with the BRLMs;
5. To open and operate bank account(s) of the Company in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;
6. To authorize any concerned persons on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
7. To seek, if required, the consent of the third parties such as the Company's lenders, parties with whom the Company has

entered into various commercial and other agreements, and any other consents that may be required in connection with the issue, if any;

8. To determine and finalize the Issue opening and Issue closing date, the Issue Price, in consultation with the BRLMs, and to do all such acts and thing as may be necessary and expedient for, and incidental and ancillary to, the Issue;
9. To allot the equity shares/other securities pursuant to the Issue and to do all such acts and things as may be necessary to give effect such allotment;
10. To make applications to the Stock Exchange(s) for listing of the equity shares/ other securities of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;
11. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for the Issue, in consultation with the BRLMs;
12. To settle all questions, difficulties, or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
13. To take such action, give such directions, as may be necessary or desirable as regards to the Issue and to do all such acts, matters, deeds and things, including but not limited to the allotment of shares against the valid applications received in the Issue, as are in the best interest of the Company;
14. To execute and deliver any and all other documents or instruments and doing or causing to be done any and all act or things as the Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee shall be conclusive evidence of the authority of the Committee in so doing.
15. To delegate any of the powers mentioned hereinabove at point no. 1 to 13, to any of the Director(s) of the Company.

#### **Meetings:**

During the year ended 31st March, 2019, three Capital Raising Committee Meetings were held on 02.05.2018, 07.05.2018 and 09.05.2018.

### **G. RISK MANAGEMENT & STRATEGIC PLANNING COMMITTEE**

#### **Composition:**

The Risk Management & Strategic Planning Committee of the Board was constituted on 9th August, 2018 which consists of five Directors namely, Mr. Shyam Sunder Shamma (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma, Mr. Abhilash Lal and Mr. Pradeep Kumar Goenka.

**Terms of Reference:**

Terms of Reference of the Committee inter alia include the following:

1. Framing/ reviewing of Risk Management Plan/ Policy.
2. Overseeing implementation of Risk Management Plan/ Policy.
3. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
4. To assist the Board in fulfilling its oversight responsibilities relating to the medium and long-term strategic direction and development.
5. To assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks.
6. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

**Meetings:**

During the year ended 31st March, 2019, no meeting of the Risk Management & Strategic Planning Committee was held.

**4. GENERAL BODY MEETINGS**

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Year	Date of Meeting	Time	Place	Particulars of Special Resolutions passed at the Meeting
2018	15th September, 2018	12:15 P.M.	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.	<ol style="list-style-type: none"> <li>1) Consent for re-appointment of Shri Vishnu Dutt Khandelwal (DIN: 00383507) as Whole Time Director, designated as Executive Vice Chairman.</li> <li>2) Consent for re-appointment of Shri Rajesh Sharma (DIN: 02228607) as Whole Time Director, designated as Executive Director.</li> <li>3) Consent for re-appointment of Shri Gopal Singh Shekhavat (DIN: 06591844) as Whole Time Director, designated as Director (Administration).</li> <li>4) Consent for continuation of appointment of Shri Shyam Sunder Sharmma (DIN: 00530921) as Non-Executive Director of the Company w.e.f. 1st April, 2019.</li> <li>5) Consent for continuation of appointment of Shri Vishwa Nath Chandak (DIN: 00313035) as Non-Executive Independent Director of the Company w.e.f. 1st April, 2019.</li> <li>6) Consent for approval of Ganesha Ecosphere Employees Stock Option Plan 2018.</li> </ol>
2017	25th September, 2017	3:00 P.M.	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.	<ol style="list-style-type: none"> <li>1) Consent for payment of remuneration to the Directors of the Company (other than Managing or Whole Time Director).</li> <li>2) Consent for re-classification of the Authorised Share Capital of the Company.</li> <li>3) Consent for alteration of Capital Clause in the Memorandum of Association of the Company.</li> <li>4) Consent for further issue of securities.</li> </ol>
2016	8th September, 2016	1:00 P.M.	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.	<ol style="list-style-type: none"> <li>1) Consent for payment of advance fee by members for delivery of documents through a particular mode of services.</li> </ol>

**Postal Ballot**

No Postal Ballot was conducted during the financial year 2018-19.

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

## 5. MEANS OF COMMUNICATION

The quarterly and annual financial results of the Company are submitted to the Stock Exchanges and published in 'Business Standard' (in English and Hindi) newspaper in terms of the requirements of Regulation 33(3) & 47(1)(b) of the Listing Regulations.

The Financial Results are also available on the official website of the BSE Limited and National Stock Exchange of India Limited i.e. [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), respectively.

The Financial Results and Annual Report of the Company along with official news releases and presentations made to Institutional Investors and Analysts are posted on the Company's official website i.e. [www.ganeshaecosphere.com](http://www.ganeshaecosphere.com), from time to time.

The 'Management Discussion and Analysis Report' is given separately forming part of the Annual Report.

## 6. GENERAL SHAREHOLDERS' INFORMATION

<b>A Annual General Meeting:</b>	<b>Date:</b> 5th September, 2019 <b>Time:</b> 12:00 Noon <b>Venue:</b> Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat-209304										
<b>B Calendar for financial year ended 31st March, 2020:</b>	<table border="1"> <thead> <tr> <th>Particulars of Quarter</th> <th>On or before</th> </tr> </thead> <tbody> <tr> <td>First Quarter Results</td> <td>14.08.2019</td> </tr> <tr> <td>Second Quarter Results</td> <td>14.11.2019</td> </tr> <tr> <td>Third Quarter Results</td> <td>14.02.2020</td> </tr> <tr> <td>Fourth Quarter &amp; Annual Results</td> <td>30.05.2020</td> </tr> </tbody> </table>	Particulars of Quarter	On or before	First Quarter Results	14.08.2019	Second Quarter Results	14.11.2019	Third Quarter Results	14.02.2020	Fourth Quarter & Annual Results	30.05.2020
Particulars of Quarter	On or before										
First Quarter Results	14.08.2019										
Second Quarter Results	14.11.2019										
Third Quarter Results	14.02.2020										
Fourth Quarter & Annual Results	30.05.2020										
<b>C Date of Book Closure:</b>	From Friday, 30th August, 2019 to Thursday, 5th September, 2019 (both days inclusive).										
<b>D Dividend Payment Date:</b>	On and after 7th September, 2019										
<b>E Listing on Stock Exchanges:</b>	The Company's Equity Shares are listed at following Stock Exchanges: <ul style="list-style-type: none"> <li>• BSE Limited, 25th Floor, P. J. Towers, Dalal Street Fort, Mumbai - 400 001</li> <li>• National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai-400051</li> </ul> <p>The annual listing fee to these stock exchanges has been paid up-to-date.</p>										
<b>F Stock Codes – Equity Shares:</b>	<ul style="list-style-type: none"> <li>• BSE Limited, Mumbai: <b>514167</b></li> <li>• National Stock Exchange of India Limited: <b>GANECOS</b></li> </ul>										

## G. Stock Market Price Data for the year 2018-19

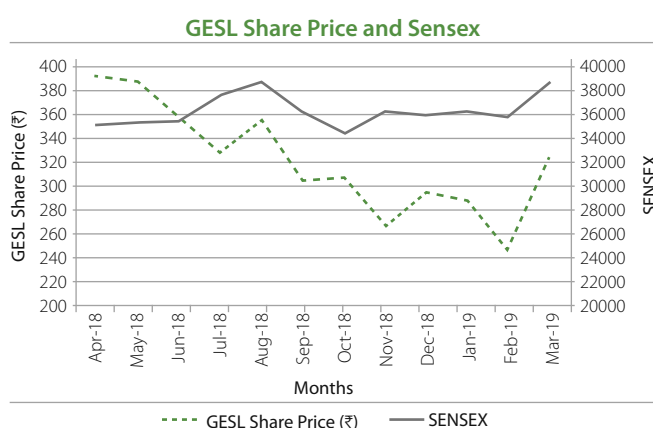
Month	BSE PRICES				NSE PRICES			
	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded
April, 2018	409.50	335.00	391.45	30,164	412.95	335.25	397.70	1,89,543
May, 2018	400.00	369.35	387.10	2,50,114	409.65	364.10	388.25	4,77,908
June, 2018	399.90	330.25	359.75	1,27,751	403.00	331.00	371.65	3,25,358
July, 2018	378.00	311.00	328.05	14,491	377.00	305.00	335.45	1,97,572
August, 2018	365.00	301.10	354.90	21,207	370.00	312.00	359.00	1,98,224
September, 2018	365.90	280.20	304.90	46,341	365.00	290.00	317.20	1,02,939
October, 2018	315.00	268.60	307.65	27,931	317.50	263.25	315.40	1,45,137
November, 2018	322.50	255.00	267.30	1,31,783	326.90	252.60	264.70	3,43,427
December, 2018	298.00	242.00	294.70	1,62,679	301.00	241.95	297.45	3,30,398

### G. Stock Market Price Data for the year 2018-19 (contd...)

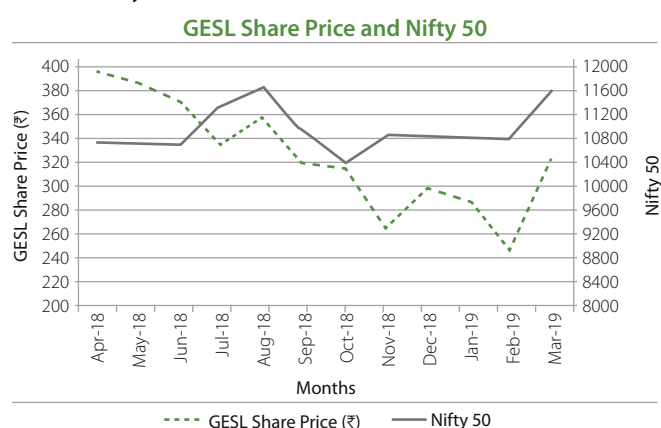
Month	BSE PRICES				NSE PRICES			
	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded
January, 2019	299.95	265.25	288.65	8,023	298.90	266.10	287.50	1,18,206
February, 2019	284.70	232.60	247.20	1,20,311	283.00	231.75	245.30	2,63,454
March, 2019	327.00	242.00	324.50	2,17,712	330.90	240.00	326.05	12,66,160

The information is downloaded from official website of the BSE Limited & National Stock Exchange of India Limited.

Performance of the Share Price of the Company in comparison to the BSE Sensex:



Performance of the Share Price of the Company in comparison to the NSE Nifty 50:



### H. Registrar and Share Transfer Agents:

Skyline Financial Services Pvt. Ltd.

D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

Tel: 011- 26812682-83, 011- 40450193-197

E-mail: admin@skylinerta.com, Website: www.skylinerta.com

### I. Share Transfer System:

The Board of Directors of the Company have delegated the power of approval of share transfer, transmission, dematerialization and related matters to M/s. Skyline Financial Services Private Limited, the Registrar and Share Transfer Agent of the Company, subject to

review by Stakeholders Relationship Committee of the Board on quarterly basis.

Applications for transfer of shares in physical form are processed by the Company's Registrar and Transfer Agent within the time limit stipulated by the Listing Regulations, subject to transfer instrument being valid and complete in all respects. However, Shareholders may note that SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. Accordingly the Company / its RTA have stopped accepting any fresh lodgement of transfer of shares in physical form. Members are advised to dematerialise their physical shares for ease of transfer.

### J. Distribution of Share Holding as on 31st March, 2019:

No. of Shares	Shareholders		Shareholding	
	Number	% of total	Number	% of total
1- 500	9,210	90.78	11,95,088	5.47
501 - 1000	443	4.37	3,49,761	1.60
1001 - 2000	222	2.19	3,25,278	1.49
2001 - 3000	78	0.77	1,86,885	0.86
3001 - 4000	40	0.39	1,40,397	0.64
4001 - 5000	37	0.36	1,71,674	0.79
5001 - 10000	40	0.39	2,72,375	1.25
10001 & above	76	0.75	1,91,87,939	87.90
<b>Total</b>	<b>10,146</b>	<b>100.00</b>	<b>2,18,29,397</b>	<b>100.00</b>

#### Shareholding Pattern as on 31st March, 2019:

S. No.	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian	17	87,01,026	39.86
(2)	Foreign	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>17</b>	<b>87,01,026</b>	<b>39.86</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	8	35,10,123	16.08
(2)	Non-Institutions	10,121	96,18,248	44.06
	<b>Total Public Shareholding</b>	<b>10,129</b>	<b>1,31,28,371</b>	<b>60.14</b>
	<b>Total (A+B)</b>	<b>10,146</b>	<b>2,18,29,397</b>	<b>100.00</b>

#### K. Dematerialisation of shares and liquidity:

ISIN Code- Equity Shares: INE 845 D01014

As on 31st March, 2019, 97.27% of the total Equity Shares of the Company have been dematerialised. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 1st January, 2002 as per the notification issued by Securities and Exchange Board of India (SEBI).

#### L. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:

There were no GDRs/ ADRs/ Warrants or any convertible instruments outstanding for conversion as on 31st March, 2019.

#### M. Commodity price risk or foreign exchange risk and hedging activities:

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. In the absence of alternate use

of raw material, its price fluctuations are directly linked to the price fluctuations of finished products. Accordingly, Company passes on any adverse movement in prices of finished goods to raw material suppliers. The Company's reputation for quality, product differentiation and service coupled with robust marketing network mitigates the impact of price risk on finished goods.

The Company is also exposed to foreign exchange risk due to borrowings in foreign currency, import of raw materials, colour/chemicals, stores and spares etc. and export of its finished products to various countries. The Company evaluates exchange rate exposure arising from these transactions and takes required hedging from time to time, which minimizes the impact of fluctuations in exchange rate movement.

#### N. Plant Location:

1. Kanpur Unit:	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat, Uttar Pradesh- 209304.
2. Rudrapur Unit:	Plot No. 6, Sector -2, Integrated Industrial Estate, Pantnagar, Uttarakhand- 263153.
3. Bilaspur Units:	a) Khata No. 96 and 97, Arazi Village Kotha, Ali Nagar, Pargana and Tehsil Bilaspur, Distt. Rampur, Uttar Pradesh-244923.
	b) Gata No. 112, Village Temra, Tehsil Bilaspur, Distt. Rampur Uttar Pradesh- 244923.

#### O. Address for Correspondence:

<p><b>With the Registrar and Transfer Agents:</b> Skyline Financial Services Pvt. Ltd.  D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020  Tel: 011- 26812682-83, 011- 40450193-197  E-mail: admin@skylinerta.com</p>	<p><b>With the Company:</b> The Company Secretary, Ganesha Ecosphere Ltd.  113/216-B, First Floor, Swaroop Nagar, Kanpur - 208002.  Tel: 0512-2555505-06 Fax: 0512-2555293  E-mail: secretarial@ganeshaecosphere.com bharat@ganeshaecosphere.com</p>
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**P. Corporate Identification Number (CIN):**

L51109UP1987PLC009090

**Q. E-mail for Investors:**

The Company has designated [complaints@ganeshaecosphere.com](mailto:complaints@ganeshaecosphere.com) as email address especially for investor grievance(s).

**R. Nomination Facility:**

Shareholders holding Shares in physical form and desirous of making a nomination in respect of their Shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit their request to the Company's Registrar and Transfer Agents, M/s. Skyline Financial Services Private Limited, in the prescribed Form SH-13 which will be sent by the Company upon such request.

**S. Dates for Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF):**

During the financial year 2018-19, pursuant to Section 124 of the Companies Act, 2013, dividend for the financial year 2010-11 which remained unpaid / unclaimed for a period of seven years from the

date it was lying in the unpaid dividend account, has been transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government.

The dividend for following years (see table below), which remains unclaimed for seven years from the date it is lying in the unpaid dividend account, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not encashed their dividend warrants relating to the dividends specified below are requested to immediately lodge their claim with the Company or its Registrar and Transfer Agents, M/s. Skyline Financial Services Private Limited. The details of dividends specified below are available on the website of the Company at link [www.ganeshaecosphere.com/unclaimed-dividends/](http://www.ganeshaecosphere.com/unclaimed-dividends/). Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, w.e.f. September 7, 2016, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. [www.iepf.gov.in](http://www.iepf.gov.in).

The due dates for transfer of unclaimed dividend(s) to IEPF for subsequent years are given below:

Financial Year	Dividend Per Share (₹)	Date of Declaration	Due Date for transfer to IEPF
2011-12	1.20	29.09.2012	30.10.2019
2012-13	1.20	11.09.2013	12.10.2020
2013-14	1.20	29.09.2014	30.10.2021
2014-15	1.20	19.09.2015	20.10.2022
2015-16	1.20	08.09.2016	10.10.2023
2016-17	1.20	25.09.2017	27.10.2024
2017-18	1.50	15.09.2018	16.10.2025

**Mandatory Transfer of Shares to Demat Account of Investor Education and Protection Fund Authority (IEPFA):**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) all shares in respect of which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of IEPFA. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Consequent to the above, during the financial year 2018-19, 33,514 Equity Shares of the Company were transferred to the IEPFA. Relevant details of such shares are available on the website of the Company <http://ganeshaecosphere.com/unclaimed-dividends/>

**7. DISCLOSURES****a) Related Party Transactions:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and they were placed before the Audit Committee as also to the Board for approval. Omnibus approval from the Audit Committee was obtained on annual basis for transactions of repetitive nature. None of the transactions with any of the related parties were in conflict with the interests of the Company. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy.

The Company's Policy on Related Party Transactions is disclosed on the website of the Company at the link [www.ganeshaecosphere.com/wp-content/uploads/2016/05/related-party-transaction.pdf](http://www.ganeshaecosphere.com/wp-content/uploads/2016/05/related-party-transaction.pdf)



**b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authorities on matters relating to Capital Markets during the last three years:**

None.

**c) Whistle Blower Policy:**

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, actual or suspected fraud, violation of Code of Conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. The vigil mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

The Policy has been posted on the website of the Company and may be accessed at the link [www.ganeshaecosphere.com/wp-content/uploads/2016/05/whistle-blower-policy.pdf](http://www.ganeshaecosphere.com/wp-content/uploads/2016/05/whistle-blower-policy.pdf)

**d) Adoption of Mandatory and Non-Mandatory Requirements:**

The Company has complied with all mandatory requirements of Listing Regulations. However, the Company has not adopted the non-mandatory requirements.

**e) Details of utilization of funds raised through Qualified Institutions Placement as specified under Regulation 32 (7A).**

The Company has fully utilized the funds raised through Qualified Institutions Placement in accordance with the objects stated in the offer document.

**f) Certificate from a Company Secretary in Practice:**

A Certificate from M/s. S. K. Gupta & Co., Practicing Company Secretaries, Kanpur, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or such other statutory authority, is annexed herewith as a part of this report.

**g) Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the financial year:**

During the financial year, there have been no instances when the

Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

**h) Total fees for all services paid by the Company to the statutory auditor:**

Details relating to fees paid to the Statutory Auditors are given in Note 22(B) to the Annual Financial Statements of the Company.

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

a)	Number of Complaints filed during the financial year	NIL
b)	Number of Complaints disposed of during the financial year	NIL
c)	Number of Complaints pending at the end of the financial year	NIL

**j) Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations:**

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

## 8. CEO AND CFO CERTIFICATION:

The Chief Executive Officer and the Chief Financial Officer of the Company provide annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. They also provide quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

## DECLARATION

Pursuant to Regulation 26(3) of Listing Regulations, I, Sharad Sharma, Managing Director & Chief Executive Officer of Ganesha Ecosphere Ltd., declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct for the financial year 2018-19.

Place: Kanpur

Date: 1st August, 2019

(Sharad Sharma)

Managing Director & Chief Executive Officer

DIN: 00383178

# CERTIFICATE PURSUANT TO CLAUSE (i) OF POINT (10) OF PARA C OF SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members,  
Ganesha Ecosphere Limited,  
Raipur (Rania), Kalpi Road,  
Distt. Kanpur Dehat (U.P.)

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

as submitted by the Directors of Ganesha Ecosphere Limited ('the Company') bearing CIN: L51109UP1987PLC009090 and having its Registered Office at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.) to the Board of Directors of the Company ('the Board') for the Financial year 2019-2020. We have considered non-disqualification to include non-debarment.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Name of Director	Director Identification Number (DIN)
1.	Shri Shyam Sunder Sharmma	00530921
2.	Shri Sharad Sharma	00383178
3.	Shri Vishnu Dutt Khandelwal	00383507
4.	Shri Surendra Kumar Kabra	01280980
5.	Shri Pradeep Kumar Goenka	00404746
6.	Shri Rajesh Sharma	02228607
7.	Shri Vishwanath Chandak	00313035
8.	Shri Anoop Gupta	00153340
9.	Shri Gopal Singh Shekhavat	06591844
10.	Shri Abhilash Lal	03203177
11.	Shri Narayanan Subramaniam	00166621
12.	Smt. Seema Sharma	07466530

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial year ended 31st March, 2019.

For **S.K.Gupta & Co.**  
Company Secretaries

Place: Kanpur  
Date: 30th July, 2019

**S.K.GUPTA**  
Managing Partner  
F.C.S 2589  
C.P 1920

# CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members,  
Ganesha Ecosphere Limited,  
Raipur (Rania), Kalpi Road,  
Distt. Kanpur Dehat (U.P.)

We have examined the compliance of the conditions of the Corporate Governance by Ganesha Ecosphere Limited ("the Company") for the Financial Year ended 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) 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 referred to as "Listing Regulations"].

The compliance of the conditions of the Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither audit nor an expression of the 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 and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned "Listing Regulations" as applicable during the year ended 31st March, 2019.

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

Place: Kanpur  
Date: 1st August, 2019

For **S.K.Gupta & Co.**  
*Company Secretaries*

**S.K.GUPTA**  
*Managing Partner*  
F.C.S 2589  
C.P 1920

# FINANCIAL SECTION

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Ganesha Ecosphere Limited**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Ganesha Ecosphere Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and changes in equity 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 Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>The Company recognises revenues when control of the goods 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. <i>(as described in note 2.d of the financial statements)</i></p> <p>The terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, create complexity and judgement in determining timing of revenue recognition. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115.</p> <p>Revenue is measured net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded resulting in understatement of the associated expenses and accrual.</p> <p>Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the financial statements.</p>	<ol style="list-style-type: none"> <li>1. Considered the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from Contracts with Customers'.</li> <li>2. Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li> <li>3. Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognised when the conditions for revenue recognitions are satisfied.</li> <li>4. Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents.</li> <li>5. Performed quarterly analytical procedures of revenue to identify any unusual trends.</li> <li>6. Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers is in accordance with the requirements of relevant accounting standards.</li> <li>7. Assessed the relevant disclosures made within the financial statements.</li> </ol>

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

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 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 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 financial controls 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 system 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 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 auditor's 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 financial statements, including the disclosures, and whether the 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 controls 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, 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 purposes 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 cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;

- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) 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:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer note 29.2;
  - ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts- refer note 15;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019.

For **Narendra Singhania & Co.**  
Chartered Accountants  
Firm Reg No. 009781N

**Girish Singhania**  
Partner

Place: Kanpur  
Date: 30 May 2019

Membership No.: 092687

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited on the financial statements as of and for the year ended 31 March 2019)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (1) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets are physically verified by the management, according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of fixed assets has been physically verified by the management during the year and as informed to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (2) As explained to us, the physical verification of inventory has been conducted at reasonable intervals by the management during the year and discrepancies noticed on such physical verification between physical stock and book records were not material considering the operations of the Company and the same have been appropriately dealt with in the books of account.
- (3) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties as covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of Clause 3(iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- (4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect to the investments made by it during the year.
- (5) According to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (6) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (7) (i) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, duty of customs, goods and services tax and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (ii) According to the records of the Company, and as per the information and explanations given to us, there are no dues of duty of customs, and goods and services tax, which have not been deposited on account of any dispute. The particulars of dues of income-tax, sales tax, service tax, value added tax and entry tax as at 31 March 2019, which have not been deposited on account of a dispute, are as follows:



Name of the Statute	Nature of the Dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
U. P. Trade Tax Act, 1948	Entry Tax	13.94*	2003-04 to 2005-06	Supreme court
West Bengal Tax on Entry of Goods in Local Area Act, 2012	Entry Tax	8.81	2013-14 to 2017-18	High Court, Kolkata
Uttarakhand Value Added Tax Act, 2005	Value Added Tax	2.12*	2010-11 to 2011-12	Joint Commissioner (Appeals) (First) Commercial Tax Haldwani Uttarakhand
Central Excise Act, 1944	Service Tax & Penalty	2.85*	2009-10 and 2010-11	Central Goods & Service Tax Appellate Tribunal, Allahabad
TGVAT Act, 2005 and CST Act, 1956	Value Added Tax	0.65	2014-15	Joint Commissioner (ST), Hyderabad Rural Division, Hyderabad
UPVAT Act, 2008	Value Added Tax	5.05	2015-16	Additional Commissioner (Appeals) Grade-II, Kanpur
Income Tax Act, 1961	TDS Demand	6.11	2010-11	Dy. Commissioner of Income Tax (TDS)
Income Tax Act, 1961	Income tax demand u/s 143(3)	35.92	2015-16	Assistant Commissioner of Income Tax, Circle 2(1)(1), Kanpur

\* net of amount deposited under protest.

- (8) Based on our audit procedures, and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or Government during the year. Further, the Company has not issued any debentures during the year.
- (9) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further, as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (11) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid and provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (12) In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the said Order are not applicable to the Company.
- (13) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act.
- (14) According to the information and explanations given to us, the Company has complied with provisions of Section 42 of the Act in respect to the private placement of equity shares during the year. According to the information and explanations given to us, we report that the amounts raised have been used for the purposes for which the funds were raised.
- (15) 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 its Directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the said Order are not applicable to the Company.
- (16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the said Order are not applicable to the Company.

For **Narendra Singhania & Co.**  
Chartered Accountants  
Firm Reg No. 009781N

**Girish Singhania**  
Partner

Place: Kanpur  
Date: 30 May 2019

Membership No.: 092687

## Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited on the financial statements as of and for the year ended 31 March 2019)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ganesha Ecosphere Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information, and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Narendra Singhania & Co.**

Chartered Accountants  
Firm Reg No. 009781N

**Girish Singhania**

Partner

Place: Kanpur

Date: 30 May 2019

Membership No.: 092687

# Balance Sheet

as at March 31, 2019

(₹ in lakh)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3.1	31,036.15	31,584.79
(b) Capital work-in-progress	3.5	-	92.66
(c) Intangible assets	4.1	202.69	11.52
(d) Intangible assets under development	4.2	-	160.07
(e) Financial assets			
(i) Loans	5.1	3.26	5.74
(ii) Others	5.2	640.56	56.05
(f) Other non-current assets	6.0	465.89	538.14
	<b>Sub-total</b>	<b>32,348.55</b>	<b>32,448.97</b>
<b>(2) Current assets</b>			
(a) Inventories	7.0	12,973.56	13,318.13
(b) Financial assets			
(i) Investment	8.1	2,802.96	-
(ii) Trade receivables	8.2	8,844.90	7,861.32
(iii) Cash and cash equivalents	8.3	1,613.72	219.15
(iv) Bank balances other than (iii) above	8.4	725.00	254.01
(v) Loans	8.5	2.33	2.89
(vi) Others	8.6	45.52	15.42
(c) Other current assets	9.0	1,770.81	1,707.03
<b>(3) Assets held for sale/ disposal</b>	<b>10.0</b>	<b>48.93</b>	<b>-</b>
	<b>Sub-total</b>	<b>28,827.73</b>	<b>23,377.95</b>
		<b>61,176.28</b>	<b>55,826.92</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	11.1	2,182.94	1,917.69
(b) Other equity	11.2	39,711.97	24,365.81
	<b>Sub-total</b>	<b>41,894.91</b>	<b>26,283.50</b>
<b>(2) Liabilities</b>			
<b>(2A) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12.0	5,989.31	8,312.71
(b) Deferred tax liabilities (net)	17.2	1,687.91	313.64
(c) Government grants	13.2	461.96	409.38
(d) Provisions	16.1	590.99	447.02
	<b>Sub-total</b>	<b>8,730.17</b>	<b>9,482.75</b>
<b>(2B) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12.0	3,586.35	9,913.41
(ii) Trade payables			
A. Total outstanding dues of micro enterprises and small enterprises	14.1	155.35	-
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	14.1	2,603.91	5,331.83
(iii) Other financial liabilities	14.2	941.50	1,714.32
(b) Government grants	13.1	42.91	29.29
(c) Other current liabilities	15.0	3,006.29	2,854.47
(d) Provisions	16.2	115.32	91.25
(e) Current tax liabilities (net)	17.1	99.57	126.10
	<b>Sub-Total</b>	<b>10,551.20</b>	<b>20,060.67</b>
		<b>61,176.28</b>	<b>55,826.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Significant Accounting Policies	2.0		
The accompanying notes are an integral part of these financial statements			

As per our report of even date attached

For Narendera Singhania & Co.  
Chartered Accountants  
Firm Reg. No. 009781N

Girish Singhania  
Partner  
Membership No.: 092687

Place: Kanpur  
Date: 30 May 2019

For and on behalf of the Board of Directors

Sharad Sharma  
Managing Director

Bharat Kumar Sajnani  
Company Secretary

Shyam Sunder Sharma  
Chairman

Gopal Agarwal  
Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I Income</b>			
Revenue from operations	18.0	1,02,048.58	75,726.43
Other income	19.0	618.57	300.43
<b>Total income</b>		<b>1,02,667.15</b>	<b>76,026.86</b>
<b>II Expenses</b>			
Cost of materials consumed		61,690.61	46,842.16
Purchases of stock-in-trade		1,627.26	2,055.94
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20.0	1,944.09	(1,183.57)
Excise duty on sale of goods		-	380.64
Employee benefits expenses	21.0	5,042.58	4,450.95
Finance costs	24.0	1,048.78	1,457.25
Depreciation and amortization expense	23.0	2,579.60	2,048.37
Other expenses	22.0	19,006.90	14,566.50
<b>Total expenses</b>		<b>92,939.82</b>	<b>70,618.24</b>
<b>III Profit before tax (I-II)</b>		<b>9,727.33</b>	<b>5,408.62</b>
<b>IV Tax expense</b>	25.0		
Current tax		3,338.25	1,397.25
Deferred tax		185.47	513.69
MAT credit		8.12	(25.40)
<b>Total tax expense</b>		<b>3,531.84</b>	<b>1,885.54</b>
<b>V Profit for the year (III-IV)</b>		<b>6,195.49</b>	<b>3,523.08</b>
<b>VI Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefit obligation	28.1	(27.20)	26.07
Income-tax relating to above item	25.0	9.50	(7.85)
		(17.70)	18.22
<b>VII Total comprehensive income for the year (V+VI)</b>		<b>6,177.79</b>	<b>3,541.30</b>
<b>VIII Earnings per share</b>			
Basic & diluted (face value of ₹10/- per equity share)	27.0	28.74	18.37
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached

For Narendra Singhania & Co.  
Chartered Accountants  
Firm Reg. No. 009781N

Girish Singhania  
Partner  
Membership No.: 092687

Place: Kanpur  
Date: 30 May 2019

For and on behalf of the Board of Directors

Sharad Sharma  
Managing Director

Shyam Sunder Sharmma  
Chairman

Bharat Kumar Sajnani  
Company Secretary

Gopal Agarwal  
Chief Financial Officer

## Cash Flow Statement for the year ended March 31, 2019

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>			
Profit before tax as per statement of profit and loss		9,727.33	5,408.62
<b>Adjustments for:</b>			
Depreciation and amortization expense		2,579.60	2,048.37
Amortization of leasehold land		1.61	1.61
Loss on sale/ discard of property, plant and equipment (net)		564.45	61.88
Allowances for doubtful trade receivables and advances		176.99	74.40
Bad debts/ advances written off		60.58	22.15
Liabilities no longer required written back		(11.85)	(111.63)
Loss on foreign currency fluctuations and translations (net)		(43.73)	134.68
Interest expenses		896.38	1,304.81
Interest income		(127.10)	(58.30)
Fair value gain on financial assets		(2.96)	-
Mark to market loss on derivative contracts		6.13	-
Government grant against interest expense		(256.96)	(223.58)
Amortization of Government grants		(33.47)	(16.46)
<b>Operating profit before working capital changes</b>		<b>13,537.00</b>	<b>8,646.55</b>
<b>Movements in working capital:</b>			
Increase in trade receivables		(1,211.07)	(2,351.03)
Increase in other receivables and prepayments		(76.67)	(842.00)
Increase in inventories		344.57	(4,092.73)
Increase in trade payables		(2,572.57)	1,930.42
Increase in other payables		312.19	490.80
Increase in provisions		140.84	83.46
<b>Cash generated from operations</b>		<b>10,474.29</b>	<b>3,865.47</b>
Direct taxes paid (net of refunds)		(2,174.60)	(1,192.59)
<b>Net cash flow generated from operating activities (A)</b>		<b>8,299.69</b>	<b>2,672.88</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(2,617.75)	(7,780.93)
Purchase of intangible assets		(56.80)	(0.25)
Proceeds from sale of property, plant and equipment		73.08	7.24
Intangible assets under development		-	(137.26)
Movement in fixed deposits with banks (net)		(1,056.90)	455.21
Interest received		85.59	49.60
Current investment made		(2,800.00)	-
<b>Net cash flow used in investing activities (B)</b>		<b>(6,372.78)</b>	<b>(7,406.39)</b>

## Cash Flow Statement for the year ended March 31, 2019 (Contd.)

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of equity shares		265.25	-
Proceeds from premium received on issue of equity shares		9,734.75	-
Share issue expenses		(171.63)	-
Proceeds from non-current borrowings (other than related parties)		2,130.12	6,236.46
Repayment of non-current borrowings		(4,746.52)	(3,685.50)
Proceeds from current borrowings (net)		(5,862.06)	2,922.98
Proceeds from related parties as borrowings (net)		(824.75)	389.50
Dividend paid to equity shareholders		(327.44)	(230.12)
Dividend distribution tax paid		(67.31)	(46.85)
Government grant against interest expense		256.96	223.58
Interest paid		(919.71)	(1,214.35)
<b>Net cash flow generated from/ (used in) in financing activities (C)</b>		<b>(532.34)</b>	<b>4,595.70</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		<b>1,394.57</b>	<b>(137.81)</b>
Cash and cash equivalents at the beginning of the year		219.15	356.96
<b>Cash and cash equivalents at the end of the year</b>	<b>8.3</b>	<b>1,613.72</b>	<b>219.15</b>

### Notes:

1. The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.

2. Additions to property, plant and equipment includes movement of capital work-in-progress during the year.

Significant accounting policies

2.0

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For Narendra Singhania & Co.  
Chartered Accountants  
Firm Reg. No. 009781N

Girish Singhania  
Partner  
Membership No.: 092687

Place: Kanpur  
Date: 30 May 2019

For and on behalf of the Board of Directors

Sharad Sharma  
Managing Director

Bharat Kumar Sajnani  
Company Secretary

Shyam Sunder Sharmma  
Chairman

Gopal Agarwal  
Chief Financial Officer

## Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital		(₹ in Lakhs)
As at April 1, 2017		1,917.69
Changes in equity share capital during the year		-
<b>As at March 31, 2018</b>		<b>1,917.69</b>
Changes in equity share capital during the year*		265.25
<b>As at March 31, 2019</b>		<b>2,182.94</b>

\*On May 09, 2018, the Company has allotted 26,52,520 equity shares to QIBs at a price of ₹377/- per share.

B. Other equity							(₹ in lakh)
Particulars	Reserves and surplus					Total	
	Capital redemption reserve	Capital reserve	Securities premium	General reserve	Retained earnings		
Balance as at April 1, 2017	450.00	225.28	4,389.60	264.13	15,772.47	21,101.48	
Profit for the year	-	-	-	-	3,523.08	3,523.08	
Other comprehensive income for the year	-	-	-	-	18.22	18.22	
<b>Total comprehensive income for the year</b>	-	-	-	-	3,541.30	3,541.30	
Dividend paid	-	-	-	-	(230.12)	(230.12)	
Dividend distribution tax	-	-	-	-	(46.85)	(46.85)	
<b>Balance as at March 31, 2018</b>	<b>450.00</b>	<b>225.28</b>	<b>4,389.60</b>	<b>264.13</b>	<b>19,036.80</b>	<b>24,365.81</b>	
Received during the year	-	-	9,734.75	-	-	9,734.75	
Less: Share issue expenses	-	-	(171.63)	-	-	(171.63)	
Profit for the year	-	-	-	-	6,195.49	6,195.49	
Other comprehensive income for the year	-	-	-	-	(17.70)	(17.70)	
<b>Total comprehensive income for the year</b>	-	-	-	-	6,177.79	6,177.79	
Dividend paid	-	-	-	-	(327.44)	(327.44)	
Dividend distribution tax	-	-	-	-	(67.31)	(67.31)	
<b>Balance as at March 31, 2019</b>	<b>450.00</b>	<b>225.28</b>	<b>13,952.72</b>	<b>264.13</b>	<b>24,819.84</b>	<b>39,711.97</b>	

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Narendra Singhania & Co.  
Chartered Accountants  
Firm Reg. No. 009781N

Girish Singhania  
Partner  
Membership No.: 092687

Place: Kanpur  
Date: 30 May 2019

For and on behalf of the Board of Directors

Sharad Sharma  
Managing Director

Shyam Sunder Sharmma  
Chairman

Bharat Kumar Sajnani  
Company Secretary

Gopal Agarwal  
Chief Financial Officer

## Notes to the financial Statements for the year ended March 31, 2019

### 1.0 Corporate information

Ganesha Ecosphere Limited ("the Company") is a public limited company, incorporated and domiciled in India, listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The address of the registered office is Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.). The Company is a leading PET Waste recycling company in India and is engaged in the manufacturing of Recycled Polyester Staple Fibre (RPSF), Spun Yarn and Dyed Texturised yarn.

### 2.0 Significant Accounting Policies

#### a) Basis of preparation

##### (i) Compliance with Indian Accounting Standards

These financial statements have been prepared in accordance with the Indian Accounting Standards ('IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accounting policies have been applied consistently to all the periods presented in the financial statements.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities (including derivative financial instruments such as forward contracts and assets held for sale) measured at fair value.

##### (iii) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

##### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

#### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

#### c) Foreign currency translation

##### (i) Functional and presentation currency

The financial statements are presented in Indian rupee ('₹'), which is Company's functional and presentation currency.

##### (ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss. Exchange differences, in respect of foreign currency borrowings taken for acquiring qualifying assets included in property, plant and equipment, to the extent it is an adjustment to interest cost, has been capitalized. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2017 which are related to the acquisition of qualifying assets are adjusted in the carrying cost of such assets.



## Notes to the financial statements for the year ended March 31, 2019

### d) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Effective April 01, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS-115) – “Revenue from Contracts with Customers” using the cumulative catch-up transition method and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. There was no effect on adoption of Ind AS-115.

The specific criterion for each of the company's activities has been stated below:

#### (i) Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products. The Company does not expect to have any contracts where the period between the transfer of promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the value of money.

Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Goods and Service Tax (GST) or any other taxes collected from the customers and net of returns and discounts.

#### (ii) Job work receipts

Revenue from job work is recognized at the time of dispatch of material.

#### (iii) Export incentives

Export incentives under various schemes are accounted in the year of export.

#### (iv) Interest income

Interest income is recognized on time proportion accrual basis using the applicable/ effective interest rate.

#### (v) Insurance claims

Insurance claims are accounted only when there is reasonable certainty of its ultimate collection. Insurance claim receivable is recognised as a separate asset, but only when the claim receivable is virtually certain.

### e) Government grants

Grants from the Government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight line basis over the expected lives of related assets and are presented within other income. Government grants relating to an expense item is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and are netted off from the related expense. However, where the grant pertains to expenses already incurred in earlier years, it is disclosed in other income.

Export Promotion Capital Goods (EPCG) Scheme allows import of certain capital goods at zero/ concessional duty subject to an export obligation for the duty saved. The duty saved on capital goods under EPCG scheme is treated as a Government grant and is recognised as income spread equally over the expected useful life of the related asset.

In case of interest free/ concessional loan provided by Government, the loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial fair value of the loan and the proceeds received. The loan or assistance is subsequently measured as per the accounting policy applicable to financial liabilities.

## Notes to the financial statements for the year ended March 31, 2019

### f) Taxes

#### (i) Current income-tax

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 substantially enacted, at the reporting date.

#### (ii) Deferred income-tax

Deferred income-tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax assets are realised or the deferred income-tax liabilities are settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 assets to be recovered.

#### (iii) Minimum alternate tax ('MAT')

MAT Credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

### g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered as highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Asset classified as held for sale are presented separately in the Balance Sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

### h) Property, plant and equipment

The Company has elected for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

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 associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

## Notes to the financial statements for the year ended March 31, 2019

Property, plant and equipment which are not ready for their intended use are disclosed under capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects/ assets, including trial run expenses (net of revenue) are treated as pre-operative expenses, pending allocation to the assets, and are included under capital work-in-progress. These expenses are apportioned to related property, plant and equipment on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of the balance sheet.

### Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on Written Down Value Method ("WDV") except in respect of buildings and plant & equipment (excluding Rooftop Solar Panels, which is depreciated on WDV) of Kanpur Unit and Temra Unit (located at Bilaspur) where depreciation is provided on Straight Line Method ("SLM").

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believes that the useful life of assets are same as those prescribed in Schedule II to the Act, except for certain plant & equipment, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets	Useful life
Buildings	30 – 60 years
Roads (capitalised under buildings)	10 years
Continuous process plant (Plant & Equipment)	18 years
Rooftop solar panels (part of plant & equipment)	10 years
Other plant & equipment	5-15 years
Furniture and fixtures	5-10 years
Office equipment (including computers, computers equipment and servers)	3-10 years
Vehicles	8-10 years

Assets individually costing ₹0.10 Lakh or less are fully depreciated within the year of acquisition. Residual value of tangible assets is considered to be not more than 5% of the cost of the asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### i) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairments, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Intangible assets which are not ready for their intended use are disclosed as intangible assets under development and are stated at the amount expended up to the date of the balance sheet.

The Company amortizes computer software and technical know-how using the straight line method over the period of 5 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end and adjusted prospectively, if appropriate.

## Notes to the financial statements for the year ended March 31, 2019

### j) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

### k) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets, which takes substantial period of time to get ready for its intended use, are capitalized. All other interest and borrowing costs are charged to the Statement of Profit and Loss. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### l) Lease

#### Operating lease

##### As a lessee

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Initial premium paid on leasehold land is amortized on straight line basis over the period of lease.

### m) Inventories

Items of inventories are valued at the lower of cost and net realisable value after providing for obsolescence, if any. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is ascertained on the 'weighted average' basis. Inventory of finished goods and work-in-progress is valued on full absorption cost incurred in bringing the inventories to their present location and condition. Goods-in-transit are stated at cost. Wastes and scraps are valued at net realisable value. 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. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### n) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

### o) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resource is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

## Notes to the financial statements for the year ended March 31, 2019

### p) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) Other long-term employee benefit

The liabilities for earned leave, that are not expected to be settled wholly within 12 months, are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund, family pension fund and employee's state insurance

##### (a) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expenses in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

##### (b) Defined contribution plans

Defined contribution plans such as contributions to provident fund, family pension fund and employee's state insurance are made to the funds administered by the Government of India, and are recognized as an expense when employees have rendered service entitling them to the contributions.

### q) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash at banks and on hand, bank overdrafts and short-term deposits with an original maturities of three months or less, which are subject to an insignificant risk of changes in value.

### r) Financial instruments

#### i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not measured at fair value through profit or loss are added to the fair value on initial recognition. Purchase and sale of financial assets are accounted for using the trade date accounting.

## Notes to the financial statements for the year ended March 31, 2019

### ii. Classification and subsequent measurement

#### Financial assets

##### a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### c. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### iii. Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

### iv. Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

### s) Derivative financial instruments

The Company uses derivative financial instruments, such as forward contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are

## Notes to the financial statements for the year ended March 31, 2019

subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss in the period when they arise.

### t) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

#### (ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Company and weighted average number of equity shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

### u) Recent accounting pronouncements

#### Ind AS 116, 'Leases':

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116 Leases, under the Companies (Indian Accounting Standards) Amendment Rules, 2019 ('amended rules'), which is applicable with effect from April 01, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the Statement of Profit and Loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the Statement of Profit and Loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116. The effect on adoption of Ind AS 116 is expected to be insignificant.

## Notes to the financial statements for the year ended March 31, 2019

### 3.1 Property, plant and equipment

(₹ in lakh)

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
<b>Gross block</b>							
As at April 1, 2017	1,129.49	7,564.48	26,258.87	131.76	283.63	259.40	35,627.63
Additions	105.70	1,156.66	8,362.42	25.53	79.20	48.16	9,777.67
Disposals	-	-	(401.41)	(8.43)	(28.44)	(42.73)	(481.01)
As at March 31, 2018	1,235.19	8,721.14	34,219.88	148.86	334.39	264.83	44,924.29
Additions	2.00	60.48	2,500.85	29.18	51.20	48.01	2,691.72
Disposals	-	(58.91)	(1,689.21)	(13.37)	(49.13)	(10.57)	(1,821.19)
As at March 31, 2019	1,237.19	8,722.71	35,031.52	164.67	336.46	302.27	45,794.82
<b>Accumulated depreciation</b>							
As at April 1, 2017	-	1,721.25	9,486.06	110.38	224.62	168.94	11,711.25
Charge for the year	-	326.30	1,619.81	10.27	46.71	37.58	2,040.67
Disposals	-	-	(340.59)	(7.92)	(26.90)	(37.01)	(412.42)
As at March 31, 2018	-	2,047.55	10,765.28	112.73	244.43	169.51	13,339.50
Charge for the year	-	344.13	2,108.75	17.02	50.29	33.71	2,553.90
Disposals	-	(41.19)	(1,024.31)	(12.83)	(46.47)	(9.93)	(1,134.73)
As at March 31, 2019	-	2,350.49	11,849.72	116.92	248.25	193.29	14,758.67
<b>Net block</b>							
As at March 31, 2018	1,235.19	6,673.59	23,454.60	36.13	89.96	95.32	31,584.79
As at March 31, 2019	1,237.19	6,372.22	23,181.80	47.75	88.21	108.98	31,036.15

3.2 All property, plant and equipment are charged as security for the term loan and working capital loan facilities from banks and others, to secure their respective dues (refer notes 12.1 and 26).

3.3 Refer note 29.1 for contractual commitment for the acquisition of property, plant and equipment.

#### 3.4 Capitalized borrowing costs

The amount of borrowing costs capitalized in buildings and plant & equipment during the year ended March 31, 2019 is ₹ Nil (March 31, 2018: 377.50 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalization is the actual rate on specific loan as well as weighted average interest rate applicable to the Company's general borrowings during the year.

#### 3.5 Capital work-in-progress

(₹ in Lakhs)

As at March 31, 2018	92.66
As at March 31, 2019	-



## Notes to the financial statements For the year ended March 31, 2019

### 4.0 Intangible assets

(₹ in lakh)

Particulars	Technical Knowhow	Software	Intangible assets under development	Total
<b>Gross block</b>				
As at April 1, 2017	14.63	60.05	22.81	97.49
Additions	-	0.25	137.26	137.51
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>14.63</b>	<b>60.30</b>	<b>160.07</b>	<b>235.00</b>
Additions	-	216.87	40.00	256.87
Disposals	-	-	(200.07)	(200.07)
<b>As at March 31, 2019</b>	<b>14.63</b>	<b>277.17</b>	<b>-</b>	<b>291.80</b>
<b>Accumulated amortization</b>				
As at April 1, 2017	14.63	41.08	-	55.71
Amortization for the year	-	7.70	-	7.70
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>14.63</b>	<b>48.78</b>	<b>-</b>	<b>63.41</b>
Amortization for the year	-	25.70	-	25.70
Disposals	-	-	-	-
<b>As at March 31, 2019</b>	<b>14.63</b>	<b>74.48</b>	<b>-</b>	<b>89.11</b>
<b>Net block</b>				
As at March 31, 2018	-	11.52	160.07	171.59
As at March 31, 2019	-	202.69	-	202.69

### Net book value

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
4.1 Intangible assets	202.69	11.52
4.2 Intangible assets under development*	-	160.07

\*Intangible assets under development represent the cost of ERP software which is under implementation by the Company.

### 5.0 Non-current financial assets

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>5.1 Loans</b>		
Loans to employees	3.26	5.74
<b>Sub-total</b>	<b>3.26</b>	<b>5.74</b>
<b>Break-up:</b>		
Loans considered good - secured	-	-
Loans considered good - unsecured	3.26	5.74
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	<b>3.26</b>	<b>5.74</b>
Less: Allowance for doubtful loans	-	-
	<b>3.26</b>	<b>5.74</b>
Refer note 35.0 for information about credit risk and market risk of loans.		
<b>5.2 Others</b>		
Bank deposits with remaining maturity of more than twelve months*	640.56	56.05
<b>Sub-total</b>	<b>640.56</b>	<b>56.05</b>
<b>Total</b>	<b>643.82</b>	<b>61.79</b>

\*held as lien by banks against bank guarantees & other credit facilities amounting to ₹269.96 Lakhs (March 31, 2018: ₹55.34 Lakhs).

## Notes to the financial statements for the year ended March 31, 2019

### 6.0 Other non-current assets

(₹ in lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Capital advances	17.88	97.74
Security deposits	316.89	312.01
Prepaid expenses*	131.12	128.39
<b>Total</b>	<b>465.89</b>	<b>538.14</b>

\*includes unamortized non-current portion of leasehold land.

### 7.0 Inventories

(At the lower of cost and net realisable value)

(₹ in lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Raw materials	7,281.65	5,863.52
Raw materials (in-transit)	-	-
Work-in-progress	575.00	900.92
Finished goods	2,034.29	4,154.29
Finished goods (in-transit)	1,279.54	757.72
Stock-in-trade	172.32	213.41
Stock-in-trade (in-transit)	35.48	14.38
Stores and spares	1,595.28	1,413.89
<b>Total</b>	<b>12,973.56</b>	<b>13,318.13</b>

Cost of inventories amounting to ₹42.44 Lakhs (March 31, 2018: ₹43.14 Lakhs) in respect of write-downs of inventory to net realisable value has been recognised as an expense in the Statement of Profit and Loss.

### 8.0 Current financial assets

#### 8.1 Current Investment

(carried at fair value through profit and loss)

(₹ in lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
<b>Investment in mutual funds (unquoted):</b>				
SBI Overnight Fund -Direct Plan - Growth (Unit of ₹1,000 each)	40,445.695	1,250.72	-	-
SBI Liquid Fund -Direct Plan - Growth (Unit of ₹1,000 each)	42,736.589	1,251.57	-	-
SBI Debt Fund Series C -45 (92 days) - Direct Plan - Growth (Unit of ₹10 each)	10,00,000.000	100.67	-	-
<b>Sub-total</b>		<b>2,602.96</b>		<b>-</b>
Fixed deposit with financial institution		200.00		-
<b>Sub-total</b>		<b>200.00</b>		<b>-</b>
<b>Total</b>		<b>2,802.96</b>		<b>-</b>

Refer note 35.0 for information about fair value measurement, credit risk and market risk of investments.

#### 8.2 Trade receivables

(₹ in lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade receivables	9,155.19	8,003.80
Less: Allowance for doubtful trade receivables	(310.29)	(142.48)
<b>Total</b>	<b>8,844.90</b>	<b>7,861.32</b>

## Notes to the financial statements for the year ended March 31, 2019

### 8.2 Trade receivables (Contd.)

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Break-up:</b>		
Receivables considered good - secured	679.45	363.60
Receivables considered good - unsecured	8,165.45	7,497.72
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
Receivables considered doubtful - unsecured	310.29	142.48
	<b>9,155.19</b>	<b>8,003.80</b>
Less: Allowance for doubtful trade receivables	(310.29)	(142.48)
<b>Total</b>	<b>8,844.90</b>	<b>7,861.32</b>

#### Notes:

- 1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies in which any director is a partner, a director or a member.
- 2) No trade receivables are due from any other related party.
- 3) Refer note 35.0 for information about credit risk and market risk of trade receivables.

### 8.3 Cash and cash equivalents

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- On current accounts	390.89	197.93
- Deposits with original maturity of less than three months	1,215.33	14.24
Cheques on hand	-	0.33
Cash on hand	7.50	6.65
<b>Total</b>	<b>1,613.72</b>	<b>219.15</b>

### 8.4 Bank balances other than cash and cash equivalents

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unclaimed dividend (Earmarked)	69.78	71.18
Deposits with original maturity of more than three months*	655.22	182.83
<b>Total</b>	<b>725.00</b>	<b>254.01</b>

\*held as lien by banks against bank guarantees and letter of credits amounting of ₹84.89 Lakhs (March 31, 2018: ₹81.29 Lakhs)

### 8.5 Loans

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to employees	2.33	2.89
<b>Total</b>	<b>2.33</b>	<b>2.89</b>
<b>Break-up:</b>		
Loans considered good - secured	-	-
Loans considered good - unsecured	2.33	2.89
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>2.33</b>	<b>2.89</b>
Less: Allowance for doubtful loans	-	-
<b>Total Loans</b>	<b>2.33</b>	<b>2.89</b>

Refer note 35.0 for information about credit risk and market risk of loans.

## Notes to the financial statements for the year ended March 31, 2019

### 8.6 Other financial assets

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Interest receivable on fixed deposits and others	45.52	15.42
<b>Total</b>	<b>45.52</b>	<b>15.42</b>

### 9.0 Other current assets

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good</b>		
Security deposits	13.77	16.42
Advances to suppliers	1,465.35	1,317.95
Advances to employees and others	18.41	26.16
Prepaid expenses*	106.62	98.93
Balances with Government authorities	67.42	143.02
Interest subsidy receivable	-	8.05
Interest receivable - others	40.37	28.96
Export incentives receivable	58.87	67.54
<b>Sub-total</b>	<b>1,770.81</b>	<b>1,707.03</b>
<b>Unsecured, considered doubtful</b>		
Advances to suppliers	16.12	6.94
Less: Allowance for doubtful advances	(16.12)	(6.94)
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,770.81</b>	<b>1,707.03</b>

\*includes unamortized current portion of leasehold land.

### 10.0 Assets held for sale/ disposal

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Discarded fixed assets held for sale/ disposal	48.93	-
<b>Total</b>	<b>48.93</b>	<b>-</b>

### 11.1 Share capital

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b>		
34,000,000 (March 31, 2018: 34,000,000) equity shares of ₹10/- each	3,400.00	3,400.00
2,150,000 (March 31, 2018: 2,150,000) preference shares of ₹100/- each	2,150.00	2,150.00
<b>Total</b>	<b>5,550.00</b>	<b>5,550.00</b>
<b>Issued, subscribed and fully paid up</b>		
21,829,397 (March 31, 2018: 19,176,877 ) equity shares of ₹10/- each	2,182.94	1,917.69
<b>Total</b>	<b>2,182.94</b>	<b>1,917.69</b>

## Notes to the financial statements for the year ended March 31, 2019

### Notes:

#### i) Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	(Nos.)	(Nos.)
<b>Equity shares</b>		
As at the beginning of the year	1,91,76,877	1,91,76,877
Add: Shares issued during the year	26,52,520	-
As at the end of the year	<b>2,18,29,397</b>	<b>1,91,76,877</b>

#### ii) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

#### iii) Shares in the Company held by each shareholder holding more than five per cent:

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding	Nos.	% holding
<b>Equity shares of ₹10/- each fully paid up</b>				
MCAP India Fund Limited	29,75,877	13.63	29,75,877	15.52
GPL Finance Limited	21,27,658	9.75	21,23,201	11.07
SBI Mutual Fund	20,92,625	9.59	10,30,175	5.37
Shyam Sunder Sharma	19,38,927	8.88	19,38,927	10.11
DSP Equity Fund	13,26,100	6.07	-	-
Rajesh Sharma	10,95,529	5.02	10,95,529	5.71

iv) The Company has neither issued shares for a consideration other than cash/ bonus shares nor bought back any shares during the period of five years immediately preceding the reporting date.

#### 11.2 Other equity

(₹ in lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Capital redemption reserve	450.00	450.00
Capital reserve	225.28	225.28
Securities premium	13,952.72	4,389.60
General reserve	264.13	264.13
Retained earnings	24,819.84	19,036.80
<b>Total</b>	<b>39,711.97</b>	<b>24,365.81</b>
<b>(a) Capital redemption reserve</b>		
Opening balance	450.00	450.00
Adjustment during the year	-	-
<b>Closing balance</b>	<b>450.00</b>	<b>450.00</b>
<b>(b) Capital reserve</b>		
Opening balance	225.28	225.28
Adjustment during the year	-	-
<b>Closing balance</b>	<b>225.28</b>	<b>225.28</b>

## Notes to the financial statements for the year ended March 31, 2019

### 11.2 Other equity

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(c) Securities premium</b>		
Opening balance	4,389.60	4,389.60
Received during the year	9,734.75	-
Share issue expenses incurred	(171.63)	-
<b>Closing balance</b>	<b>13,952.72</b>	<b>4,389.60</b>
<b>(d) General reserve</b>		
Opening balance	264.13	264.13
Adjustment during the year	-	-
<b>Closing balance</b>	<b>264.13</b>	<b>264.13</b>
<b>(e) Retained earnings</b>		
Opening balance	19,036.80	15,772.47
Adjustment during the year		
Net profit for the year	6,195.49	3,523.08
Other comprehensive income (net) for the year	(17.70)	18.22
Dividend	(327.44)	(230.12)
Dividend distribution tax	(67.31)	(46.85)
<b>Closing balance</b>	<b>24,819.84</b>	<b>19,036.80</b>
<b>Total (a to e)</b>	<b>39,711.97</b>	<b>24,365.81</b>

#### Nature and purpose of reserves

##### Capital redemption reserve

Capital redemption reserve was created for redemption of preference share capital and it is a non-distributable reserve.

##### Capital reserve

Capital reserve represent capital subsidy received and amount received on forfeiture of shares of the Company. Capital reserve is utilized in accordance with the provisions of the Companies Act, 2013.

##### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

##### General reserve

General reserve is used to transfer profits from retained earnings for general purposes. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

## Notes to the financial statements for the year ended March 31, 2019

### 12.0 Borrowings

(₹ in lakh)

Particulars	Non-current		Current maturities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Non-current borrowings</b>				
Term loans:				
- from banks (secured)	3,825.35	3,823.53	629.23	1,552.50
- from State Government (secured) (refer footnote (iv) below)	137.04	28.72	-	-
- from others (secured)	-	-	-	4.89
Foreign currency loans from banks (secured)	1,775.42	626.39	193.96	-
Buyers credit from bank in foreign currency (secured)	-	3,222.82	-	-
Loans from directors (unsecured)	120.00	110.00	-	-
Loans from directors' relatives (related parties) (unsecured)	131.50	501.25	-	-
	<b>5,989.31</b>	<b>8,312.71</b>	<b>823.19</b>	<b>1,557.39</b>
<b>Current borrowings</b>				
<b>Working capital loans from banks</b>				
- Rupee loans (secured)	3,176.35	9,038.41		
<b>Loans repayable on demand</b>				
- from directors (unsecured)	327.00	565.00		
- from directors' relatives and other related parties (unsecured)	83.00	310.00		
	<b>3,586.35</b>	<b>9,913.41</b>		

#### Notes:

- Refer note 12.1 for the details of effective interest rate, repayment terms and security details for the borrowings.
- The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 26.
- Refer note 35 for liquidity risk.
- Loans discounted to their present value using the average interest rate on borrowings and the differential loan amount has been disclosed as government grant.

#### v) Net debt reconciliation

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	1,613.72	219.15
Current and non-current borrowings (including current maturities)	(10,398.85)	(19,783.51)
Interest payable (net of interest subsidy receivable)	(48.53)	(77.70)
<b>Net debt</b>	<b>(8,833.66)</b>	<b>(19,642.06)</b>

## Notes to the financial statements for the year ended March 31, 2019

(₹ in lakh)

Particulars	Cash and cash equivalents	Current and non-current borrowings (including current maturities)	Interest payable (net of interest subsidy receivable)	Total
<b>Net debt as at April 1, 2017</b>	<b>356.96</b>	<b>(13,611.45)</b>	<b>11.21</b>	<b>(13,243.28)</b>
Cash flows	(137.81)	(5,863.44)	-	(6,001.25)
Other non-cash movements				
- foreign exchange adjustments	-	(321.72)	-	(321.72)
- fair value adjustments	-	13.10	1.55	14.65
Interest expense	-	-	(1,304.81)	(1,304.81)
Interest paid	-	-	1,214.35	1,214.35
<b>Net debt as at March 31, 2018</b>	<b>219.15</b>	<b>(19,783.51)</b>	<b>(77.70)</b>	<b>(19,642.06)</b>
Cash flows	1,394.57	9,303.21		10,697.78
Other non-cash movements				
- foreign exchange adjustments	-	(5.13)	-	(5.13)
- fair value adjustments	-	86.58	5.84	92.42
Interest expense	-	-	(896.38)	(896.38)
Interest paid	-	-	919.71	919.71
<b>Net debt as at March 31, 2019</b>	<b>1,613.72</b>	<b>(10,398.85)</b>	<b>(48.53)</b>	<b>(8,833.66)</b>

### 12.1 Nature of security and terms of repayment for non-current borrowings (including their current maturities):

	Nature of security	Terms of repayment
1	Term loan from bank, balance outstanding amounting to Nil (March 31, 2018: ₹950.00 Lakhs is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future) of the Company. The loan is further secured by way of personal guarantees of some of the executive directors of the Company.	Repaid in May 2018. Rate of Interest: 10.50% p.a. at the time of repayment (March 31, 2018: 10.50% p.a.).
2	Term loan from bank, balance outstanding amounting to ₹860.00 Lakhs (March 31, 2018: Nil) is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company and personal guarantees of some of the executive directors of the Company and others.	Repayable in 34 quarterly installments starting from December, 2018 and last installment falling due in March 2027. Rate of interest 8.95% p.a. as at the year end (March 31, 2018: N.A.).
3	Term loan from bank, balance outstanding amounting to ₹1.79 Lakhs (March 31, 2018: ₹1,749.17 Lakhs), including foreign currency loan, balance outstanding amounting to ₹Nil (March 31, 2018: ₹626.39 Lakhs), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company, fixed deposit receipt of ₹211.00 Lakhs and personal guarantees of some of the executive directors of the Company and others.	Repayable in 18 quarterly installments starting from October 2015 and last installment falling due in January 2020. Rate of interest 9.90% p.a. as at the year end (March 31, 2018: 9.90% p.a.) [Foreign currency loan: Rate of interest 5.10% p.a. at the time of repayment (March 31, 2018: 5.10% p.a.)].



## Notes to the financial statements for the year ended March 31, 2019

### 12.1 Nature of security and terms of repayment for non-current borrowings (including their current maturities):

	Nature of security	Terms of repayment
4	Term loan from bank, balance outstanding amounting to ₹2,634.27 Lakhs (March 31, 2018: 2,768.12 Lakhs), including foreign currency loan, balance outstanding amounting to ₹1,969.38 Lakhs (March 31, 2018: Buyers credit ₹2,088.84 lakhs), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future) of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company and personal guarantees of some of the executive directors of the Company and others.	Repayable in 32 quarterly installments starting from January 2019 and last installment falling due in October 2026. Rate of interest 10.40% p.a. (Foreign currency loan: Rate of interest 2.95% p.a.) as at the year end [March 31, 2018: 9.55% p.a. (Buyers credit: rate of interest 0.28% p.a.)].
5	Term loan from bank, balance outstanding amounting to ₹2,927.89 Lakhs (March 31, 2018: 3,757.95 Lakhs including buyers credit, balance outstanding amounting to ₹1,133.98 Lakhs), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company, fixed deposit receipt of ₹211.00 Lakhs and personal guarantees of some of the executive directors of the Company and others.	Repayable in 32 quarterly installments starting from January 2019 and last installment falling due in October 2026. Rate of interest 9.60% p.a. as at the year end [March 31, 2018: 9.60% p.a. (Buyers credit: Rate of interest ranging from 0.28% to 2.39% p.a.)].
6	Term loans from others, balance outstanding amounting to ₹Nil (March 31, 2018: ₹4.89 Lakhs), is secured by way of exclusive charge against the specific asset financed under the loan.	Repaid in May, 2018. Rate of interest 13.50% p.a. at the time of repayment (March 31, 2018: 13.50% p.a.).
7	Loan from U.P. Government, balance outstanding amounting to ₹23.04 Lakhs (March 31, 2018: ₹23.04 Lakhs), is secured by way of bank guarantee of equivalent amount.	Repayable in 2 installments during August 2023 and December 2023. The loan is interest free.
8	Loan from U.P. Government, balance outstanding amounting to ₹29.42 Lakhs (March 31, 2018: ₹29.42 Lakhs), is secured by way of bank guarantee of equivalent amount.	Repayable in January 2025. The loan is interest free.
9	Loan from U.P. Government, balance outstanding amounting to ₹194.90 Lakhs (March 31, 2018: Nil), is secured by way of bank guarantee of equivalent amount.	Repayable in December 2025. The loan is interest free.
10	Unsecured loans from directors and their relatives amounting to ₹251.50 Lakhs (March 31, 2018: ₹611.25 Lakhs).	Repayable during 2020-21. Rate of interest 9.00% p.a. as at the year end (March 31, 2018: 9.00% p.a.).

### Nature of security and terms of repayment for current borrowings:

	Nature of security	Terms of repayment
1	Working capital loans from banks, balance outstanding amounting to ₹3,176.35 Lakhs (March 31, 2018: ₹9,038.41 Lakhs) are secured by hypothecation of current assets of the Company (both present and future), ranking pari passu inter-se. These loans are further secured by way of extension of pari-passu second charge on property, plant and equipment of the Company, fixed deposit receipt of ₹211.00 Lakhs and personal guarantees of some of the executive directors of the Company and others.	Repayable on demand. Rate of interest is ranging from 8.60% to 13% p.a. over the tenure of the loans.
2	Unsecured loans from directors, director's relatives and other related parties and others amounting to ₹410.00 Lakhs (March 31, 2018: ₹875.00 Lakhs).	Repayable on demand. Rate of interest 9.00% p.a. as at the year end (March 31, 2018: 9.00% p.a.)

12.2 The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of the loans.

## Notes to the financial statements for the year ended March 31, 2019

### 13.0 Government grants

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>At the beginning of the year</b>	438.67	195.67
Received during the year*	99.67	259.46
Released to the statement of profit and loss	(33.47)	(16.46)
<b>At the end of the year</b>	<b>504.87</b>	<b>438.67</b>
<b>13.1 Current</b>	42.91	29.29
<b>13.2 Non-current</b>	461.96	409.38

\*Refer note 29.1.b for the details of unfulfilled commitments as at the balance sheet date related to Government grant received under the EPCG Scheme.

### 14.1 Trade payables

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	155.35	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,603.91	5,331.83
<b>Total</b>	<b>2,759.26</b>	<b>5,331.83</b>

Refer note 35.0 for information about liquidity risk and market risk of trade payables.

#### Note:

#### Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a) The principal amount remaining unpaid to any supplier at the end of the year.	155.35	-
b) Interest due remaining unpaid to any supplier at the end of the year.	-	-
c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) 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 the MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of the year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Disclosure of payable to vendors as defined under the MSMED Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

## Notes to the financial statements for the year ended March 31, 2019

### 14.2 Other current financial liabilities

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings	823.19	1,557.39
Interest accrued	48.53	85.75
Unclaimed dividends*	69.78	71.18
<b>Total</b>	<b>941.50</b>	<b>1,714.32</b>

\* During the year, the Company has transferred ₹8.65 Lakhs (March 31, 2018: ₹4.64 Lakhs) to Investor Education and Protection Fund towards unclaimed dividend and there are no overdue amounts as at the balance sheet date.

### 15.0 Other current liabilities

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Creditors for capital expenditure	182.95	337.60
Advance from customers	44.37	21.77
Statutory dues payables	703.20	399.09
Other payables	2,069.64	2,096.01
Mark to market of derivative financial instruments	6.13	-
<b>Total</b>	<b>3,006.29</b>	<b>2,854.47</b>

### 16.0 Provisions

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Employee benefits</b>		
<b>16.1 Non-current</b>		
Leave obligations	86.19	55.63
Gratuity (refer note 28.1)	504.80	391.39
<b>Total</b>	<b>590.99</b>	<b>447.02</b>
<b>16.2 Current</b>		
Leave obligations	31.28	20.94
Gratuity (refer note 28.1)	84.04	70.31
<b>Total</b>	<b>115.32</b>	<b>91.25</b>

### 17.1 Current tax liabilities (net)

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Income-tax	99.57	126.10
<b>Total</b>	<b>99.57</b>	<b>126.10</b>

### 17.2 Deferred tax assets/ (liabilities) (net)

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	397.22	468.17
Deferred tax liabilities	(2,520.22)	(2,415.20)
<b>Deferred tax liabilities (net)</b>	<b>(2,123.00)</b>	<b>(1,947.03)</b>
Less: MAT credit entitlement	435.09	1,633.39
<b>Total</b>	<b>(1,687.91)</b>	<b>(313.64)</b>

## Notes to the financial statements for the year ended March 31, 2019

### 17.2.a Movement of deferred tax assets/ (liabilities) (net)

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred tax assets/ (liabilities) (net)</b>		
As at the beginning of the year	(1,947.03)	(1,425.49)
(Charge)/ credit to statement of profit and loss*	(175.97)	(521.54)
<b>Sub-total</b>	<b>(2,123.00)</b>	<b>(1,947.03)</b>
Less: MAT credit entitlement	435.09	1,633.39
<b>Total</b>	<b>(1,687.91)</b>	<b>(313.64)</b>

\*Deferred tax on remeasurement of defined benefit obligation of ₹9.50 Lakhs has been credited to other comprehensive income (March 31, 2018: charge of ₹7.85 Lakhs).

### 17.2.b Components of deferred tax assets/ (liabilities)

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred tax liability</b>		
Property, plant and equipment	(2,520.22)	(2,415.20)
<b>Sub-total</b>	<b>(2,520.22)</b>	<b>(2,415.20)</b>
<b>Deferred tax asset</b>		
Expenses allowed in the year of payment	283.16	272.61
Provision for doubtful trade receivables and advances	114.06	51.71
Others	-	143.85
<b>Sub-total</b>	<b>397.22</b>	<b>468.17</b>
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>(2,123.00)</b>	<b>(1,947.03)</b>
Less: MAT credit entitlement	435.09	1,633.39
<b>Total</b>	<b>(1,687.91)</b>	<b>(313.64)</b>

### 18.0 Revenue from operations

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Sale of products</b>		
Finished goods (including process waste)	99,719.41	72,625.40
Stock-in-trade	1,882.65	2,498.41
<b>Sub-total</b>	<b>1,01,602.06</b>	<b>75,123.81</b>
<b>Other operating revenues</b>		
Sale of waste and scrap	227.26	184.08
Job work receipts	5.91	5.01
Insurance claims received	51.23	14.19
Export incentive	150.27	191.72
Refund of service tax	-	4.37
Refund of excise duty	-	88.73
Liabilities no longer required written back	11.85	111.63
Bad debts recovered	-	1.75
Others	-	1.14
<b>Sub-total</b>	<b>446.52</b>	<b>602.62</b>
<b>Total</b>	<b>1,02,048.58</b>	<b>75,726.43</b>

## Notes to the financial statements for the year ended March 31, 2019

18.1 Sale of products includes excise duty collected from customers of ₹ Nil (March 31, 2018: ₹380.64 Lakhs). Sale of products net of excise duty is ₹1,01,602.06 Lakhs (March 31, 2018: ₹74,743.17 Lakhs). During FY 2017-18, Revenue from operations for periods from April 1, 2017 to June 30, 2017 included excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Services Tax ('GST'). The Company collects GST on behalf of the Government and hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for year ended March 31, 2019 and March 31, 2018 are not comparable.

18.2 The Company offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sale invoice is the de facto contract agreement with the Customers. Any credit notes for discounts issued thereafter are reduced from gross sales and net sales is shown in the Statement of Profit and Loss. Details of the revenue from contracts with customers as it appears in the invoices raised on them and credit notes issued thereafter are as under:

Particulars	(₹ in lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Revenue from contracts with Customers	1,01,773.09	75,285.71
Less:		
b. Performance and price discounts	108.85	139.16
c. Other discounts	62.18	22.74
<b>Revenue from sale of Products</b>	<b>1,01,602.06</b>	<b>75,123.81</b>

### 19.0 Other income

Particulars	(₹ in lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	127.10	58.30
Government grants*	290.43	240.04
Gain on foreign currency fluctuations and translations (net)	198.08	-
Fair value gain on financial assets	2.96	-
Other non-operating income	-	2.09
<b>Total</b>	<b>618.57</b>	<b>300.43</b>

\*Government grants for the year ended March 31, 2019 includes ₹256.96 Lakhs (March 31, 2018: 223.58 Lakhs) received by the Company from Handloom & Textile Industry Department against the interest expense incurred on term loans taken from banks and further includes ₹33.47 Lakhs (March 31, 2018: ₹16.46 Lakhs) against reversal of deferred Government grant.

### 20.0 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	(₹ in lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Inventories at the end of the year*</b>		
Finished goods	3,313.83	4,912.01
Stock-in-trade	207.80	227.79
Work-in-progress	575.00	900.92
<b>Sub-total</b>	<b>4,096.63</b>	<b>6,040.72</b>
<b>Inventories of trial run production</b>		
Finished goods	-	604.19

## Notes to the financial statements for the year ended March 31, 2019

### 20.0 Changes in inventories of finished goods, stock-in-trade and work-in-progress (contd.) (₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Work-in-progress	-	35.54
<b>Sub-total</b>	<b>-</b>	<b>639.73</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	4,912.01	3,308.36
Stock-in-trade	227.79	215.47
Work-in-progress	900.92	693.59
<b>Sub-total</b>	<b>6,040.72</b>	<b>4,217.42</b>
<b>Total</b>	<b>1,944.09</b>	<b>(1,183.57)</b>

\*including goods-in-transit.

### 21.0 Employee benefits expenses (₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	4,610.70	4,075.29
Contribution to provident and other funds (refer note 28.2)	191.52	172.58
Gratuity expense (refer note 28.1)	123.72	104.29
Staff welfare expenses	116.64	98.79
<b>Total</b>	<b>5,042.58</b>	<b>4,450.95</b>

### 22.0 Other expenses (₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Manufacturing expenses:</b>		
Consumption of stores and spares	2,827.24	1,981.49
Excise duty on increase/ (decrease) in inventory	-	(16.85)
Power and fuel	9,104.36	7,776.00
Processing charges	941.43	985.51
Repairs and maintenance	-	-
- Plant and machinery	407.58	327.86
- Buildings	308.41	98.68
<b>Sub-total</b>	<b>13,589.02</b>	<b>11,152.69</b>
<b>B. Administrative expenses</b>		
Rent (refer note 30)	99.72	95.70
Rates and taxes	12.35	14.09
Insurance	106.74	101.33
Repairs and maintenance - others	58.84	40.55
CSR expenditure (refer note 31)	93.51	73.08
Travelling and conveyance	194.90	149.89
Communication costs	54.31	46.60

## Notes to the financial statements for the year ended March 31, 2019

### 22.0 Other expenses

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Printing and stationery	40.41	35.20
Legal and professional fee	71.11	46.26
Cost auditors' remuneration	1.00	0.80
Directors' sitting fee	1.85	2.10
Payment to auditor (refer details below)	14.33	9.21
Bad debts/ advances written off	60.58	22.15
Allowances for doubtful trade receivables and advances	176.99	74.40
Loss on sale/ discard of property, plant and equipment (net)	564.45	61.88
Miscellaneous expenses	130.21	121.87
Vehicle running and maintenance	94.07	79.18
Commission to non-executive directors	36.67	30.00
Security service charges	144.48	128.45
Loss on foreign currency fluctuations and translations (net)	-	5.65
Amortization of leasehold land	1.61	1.61
<b>Sub-total</b>	<b>1,958.13</b>	<b>1,140.00</b>
<b>C. Selling expenses</b>		
Freight and forwarding charges	2,993.25	2,059.69
Other selling and distribution expenses	466.50	214.12
<b>Sub-total</b>	<b>3,459.75</b>	<b>2,273.81</b>
<b>Total</b>	<b>19,006.90</b>	<b>14,566.50</b>
<b>Break up of payment to auditor:</b>		
<b>As auditor:</b>		
- Audit fee	8.50	5.50
- Tax audit fee	1.00	0.50
- Limited review fee	2.50	1.08
<b>In other capacity</b>		
- Other services (certification fee)*	1.30	1.98
- Reimbursement of expenses*	1.03	0.15
<b>Total</b>	<b>14.33</b>	<b>9.21</b>

\*Certification fee and reimbursement of expenses of ₹9.58 Lakhs (March 31,2018: Nil) paid to Auditors in respect of raising of capital through QIP has been adjusted against securities premium.

### 23.0 Depreciation and amortization expense

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	2,553.90	2,040.67
Amortization of intangible assets	25.70	7.70
<b>Total</b>	<b>2,579.60</b>	<b>2,048.37</b>

## Notes to the financial statements for the year ended March 31, 2019

### 24.0 Finance costs

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest*	896.38	1,304.81
Exchange differences regarded as an adjustment to borrowing cost	30.41	47.43
Other borrowing costs	121.99	105.01
<b>Total</b>	<b>1,048.78</b>	<b>1,457.25</b>

\*Net of subsidy of ₹ Nil (March 31, 2018: ₹23.13 Lakhs) under the Technology Upgradation Fund ('TUF') Scheme of the Government of India.

### 25.0 Tax expense

#### 25.1 The major components of income-tax expense are as under:

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A) Profit and loss section</b>		
<b>Current tax</b>		
In respect of current year	3,318.58	1,371.44
In respect of earlier years	19.67	25.81
<b>Sub-total</b>	<b>3,338.25</b>	<b>1,397.25</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	185.47	513.69
<b>Sub-total</b>	<b>185.47</b>	<b>513.69</b>
<b>MAT credit entitlement</b>		
In respect of current year	-	-
In respect of earlier years	8.12	(25.40)
<b>Sub-total</b>	<b>8.12</b>	<b>(25.40)</b>
<b>Income tax expense charged in the statement of profit and loss</b>	<b>3,531.84</b>	<b>1,885.54</b>
<b>B) Other comprehensive income ('OCI') section</b>		
Deferred tax related to items recognized in OCI during the year:		
Re-measurement (loss)/gain on defined benefit obligation	9.50	(7.85)
<b>Income-tax credited/ (charged) to OCI</b>	<b>9.50</b>	<b>(7.85)</b>

#### 25.2 Reconciliation of tax expense and the accounting profit multiplied by applying the statutory income-tax rate to the profit before tax is as under:

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before income-tax	9,727.33	5,408.62
Enacted income-tax rate applicable to the Company	34.944%	34.608%
<b>Current tax expense on profit before tax at the enacted income-tax rate</b>	<b>3,399.12</b>	<b>1,871.82</b>
Adjustments in respect of current income-tax of earlier years	19.67	25.81
Adjustments in respect of MAT credit of earlier years	8.12	(25.40)
Permanent disallowances	34.21	25.94
Others	70.72	(12.63)
<b>Total income-tax expense</b>	<b>3,531.84</b>	<b>1,885.54</b>

Consequent to reconciliation items shown above, the effective tax rate is 36.309% (March 31, 2018: 34.862%).



## Notes to the financial statements for the year ended March 31, 2019

### 26.0 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>First charge</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,036.15	31,584.79
Capital work-in-progress	-	92.66
Non-current financial assets	643.82	61.79
Other non-current assets	465.89	538.14
<b>Total non-current assets pledged as security</b>	<b>32,145.86</b>	<b>32,277.38</b>
<b>Second charge</b>		
<b>Current assets</b>		
<b>Financial assets</b>		
Investments	2,802.96	-
Trade receivables	8,844.90	7,861.32
Cash and cash equivalents	1,613.72	219.15
Bank balances	655.22	182.83
Others	47.85	18.31
<b>Non financial assets</b>		
Inventories	12,973.56	13,318.13
Others	1,819.74	1,707.03
<b>Total current assets pledged as security</b>	<b>28,757.95</b>	<b>23,306.77</b>
<b>Total assets pledged as security</b>	<b>60,903.81</b>	<b>55,584.15</b>

### 27.0 Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Earning per share has been computed as under:</b>		
Profit for the year (₹ in Lakhs)	6,195.49	3,523.08
Weighted average number of equity shares outstanding (Numbers)	2,15,53,244	1,91,76,877
Earnings per share (₹) - Basic (face value of ₹10/- per share)	28.74	18.37
Earnings per share (₹) - Diluted (face value of ₹10/- per share)	<b>28.74</b>	<b>18.37</b>

### 28.0 Gratuity and other post-employment benefit plans

#### 28.1 Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the numbers of years of services. The gratuity plan is an unfunded plan.

## Notes to the financial statements for the year ended March 31, 2019

Movement in the present value of the defined benefit obligation for gratuity are as follows:

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Opening defined benefit obligation</b>	<b>461.70</b>	<b>399.38</b>
Current service cost	88.63	71.24
Past service cost	-	5.09
Interest expense	35.09	27.96
Benefits paid	(23.78)	(15.90)
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.81)	-
Actuarial (gains) / losses arising from changes in financial assumptions	2.93	(14.09)
Actuarial (gains) / losses arising from experience adjustments	25.08	(11.98)
<b>Closing defined benefit obligation</b>	<b>588.84</b>	<b>461.70</b>

Net liability recognized in balance sheet:

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	588.84	461.70
Fair value of plan assets	-	-
Funded status (deficit)	(588.84)	(461.70)
<b>Net liability recognized in balance sheet</b>	<b>588.84</b>	<b>461.70</b>
<b>Break-up of defined benefit obligation</b>		
Current liability	84.04	70.31
Non-current liability	504.80	391.39
<b>Total</b>	<b>588.84</b>	<b>461.70</b>

Net defined benefit expense recognized in employee benefit expenses in the statement of profit and loss:

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	88.63	76.33
Net interest cost	35.09	27.96
<b>Total</b>	<b>123.72</b>	<b>104.29</b>

Remeasurement (gain) / loss recognized in other comprehensive income:

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.81)	-
Actuarial (gains) / losses arising from changes in financial assumptions	2.93	(14.09)
Actuarial (gains) / losses arising from experience adjustments	25.08	(11.98)
<b>Total</b>	<b>27.20</b>	<b>(26.07)</b>

## Notes to the financial statements for the year ended March 31, 2019

The principal assumptions used in determining gratuity as shown below:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.50%	7.60%
Salary escalation rate	7.00%	7.00%
Withdrawal rate	15.00%	15.00%
Mortality	Published rates under the Indian Assured Lives Mortality (2006-08) Ultimate table	

### Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the key assumptions is as under:

(₹ in lakh)

Particulars	Year	Change in assumption	Change due to increase in assumption	Change due to decrease in assumption
Discount rate	March 31, 2019	1.00%	(28.08)	30.98
	March 31, 2018	1.00%	(21.73)	23.95
Salary escalation rate	March 31, 2019	1.00%	30.18	(28.01)
	March 31, 2018	1.00%	23.54	(21.93)
Attrition rate	March 31, 2019	1.00%	negligible	negligible
	March 31, 2018	1.00%		

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period. There is no change in the method of valuation for the prior periods.

Maturity profile of demand of defined benefit obligation is as under:

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Within 1 year	84.04	70.31
1 - 2 Year	77.11	57.22
2 - 3 Year	69.30	54.36
3 - 4 Year	60.30	48.56
4 - 5 Year	52.90	45.11
Above 5 years	245.19	186.14
<b>Total</b>	<b>588.84</b>	<b>461.70</b>

Fair value and changes in fair value of plan assets during the year ended March 31, 2019:

Gratuity obligations are not funded.

As per the policy of the Company, no gratuity is payable to the executive directors of the Company.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

## Notes to the financial statements for the year ended March 31, 2019

### 28.2 Defined contribution plans

The Company also has certain defined contribution plans, such as provident fund, family pension fund and employee's state insurance for benefit of employees. Contributions are made to funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards contribution to defined contribution plans is ₹191.52 Lakhs (March 31, 2018: ₹172.58 Lakhs).

### 28.3 Leave obligation

The Company provides for leave obligations based on actuarial valuation carried at the year end using the projected unit credit method.

## 29.0 Commitments and contingencies (to the extent not provided for)

### 29.1 Commitments

Particulars	₹ in lakh	
	As at March 31, 2019	As at March 31, 2018
a) Estimated amount of contracts remaining to be executed on capital account (net of advances):	0.88	1,474.66
b) Undertakings given by the Company to fulfil quantified exports in respect of capital goods imported under the Export Promotion Capital Goods Scheme of the Government of India	146.24	1,402.59
<b>Total</b>	<b>147.12</b>	<b>2,877.25</b>

### 29.2 Contingent liabilities

Particulars	₹ in lakh	
	As at March 31, 2019	As at March 31, 2018
Matters with tax authorities		
- Income-tax matters	42.04	6.11
- Entry tax matters	36.69	36.69
- Purchase tax matters	-	22.04
- VAT matters	8.31	14.82
- Service tax matters	2.96	2.96
Bills discounted under letters of credit and outstanding	399.95	1,346.55
Claims against the Company not acknowledged as debt (interest thereon not ascertainable at present)	40.51	24.63
<b>Total</b>	<b>530.46</b>	<b>1,453.80</b>

### 30.0 Leases

The Company has taken offices, guest houses and warehouses on operating lease basis which are cancellable by either party. Most of the leases are renewable for further period on mutually agreeable terms. The total operating lease expense debited to the Statement of Profit and Loss during the year is ₹99.72 Lakhs (March 31, 2018: ₹95.70 Lakhs).

### 31.0 Details of corporate social responsibility (CSR) expenditure

Particulars	₹ in lakh	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Amount required to be spent as per Section 135 of the Companies Act, 2013	93.51	73.08
Amount spent during the year on:		
i. Construction/ acquisition of an asset	-	-
ii. On purpose other than (i) above*	93.51	73.08
<b>Total</b>	<b>93.51</b>	<b>73.08</b>

\* includes contribution to Ganesh Memorial Trust (related party) of ₹81.35 Lakhs (March 31, 2018: ₹49.11 Lakhs).

## Notes to the financial statements for the year ended March 31, 2019

### 32.0 Segment information

#### 32.1 Primary segment (by business segment):

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Company's operations comprises of only one segment i.e. sale of polyester staple fibre and polyester yarn which are mainly having similar risks and returns. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment (synthetic textile). In view of the same, separate primary segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments".

#### 32.2 Secondary segment (by geographical demarcation):

Considering the nature of the business in which the Company operates, the Company deals with various customers in multiple geographies. The details of segment revenue based on geographical demarcation is as under:

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from sale of products		
- India	94,484.90	71,567.43
- Outside India	7,117.16	3,556.38
<b>Total</b>	<b>1,01,602.06</b>	<b>75,123.81</b>

### 33.0 Related party disclosures

#### Name of related parties and description of relationship:

#### 33.1 A. Key management personnel

Shri Shyam Sunder Sharmma	Non-Executive Chairman (till September 17, 2018, working as Chairman & Managing Director)
Shri Vishnu Dutt Khandelwal	Executive Vice Chairman
Shri Sharad Sharma	Managing Director (till September 17, 2018, working as Joint Managing Director)
Shri Rajesh Sharma	Executive Director
Shri Gopal Singh Shekhavat	Director (Administration)
Shri Surendra Kumar Kabra	Independent & Non-Executive Director
Shri Pradeep Kumar Goenka	Independent & Non-Executive Director
Shri Vishwa Nath Chandak	Independent & Non-Executive Director
Shri Anoop Gupta	Independent & Non-Executive Director
Shri Abhilash Lal	Independent & Non-Executive Director
Shri Narayanan Subramaniam	Independent & Non-Executive Director
Smt. Seema Sharma	Non-Executive Director

## Notes to the financial statements for the year ended March 31, 2019

### B. Relatives of key management personnel

Smt. Vimal Sharma	Wife of Shri Shyam Sunder Sharmma
Smt. Nirmal Khandelwal	Wife of Shri Vishnu Dutt Khandelwal
Smt. Ratna Sharma	Wife of Shri Rajesh Sharma
Shri Sandeep Khandelwal	Son of Shri Vishnu Dutt Khandelwal
Smt. Charu Khandelwal	Son's Wife of Shri Vishnu Dutt Khandelwal
Shri Yash Sharma	Son of Shri Sharad Sharma
Shri Ashwani Sharma	Son of Shri Rajesh Sharma
Shyam Sunder Sharmma HUF	Shri Shyam Sunder Sharmma is Karta
Vishnu Dutt Khandelwal HUF	Shri Vishnu Dutt Khandelwal is Karta
Sharad Sharma HUF	Shri Sharad Sharma is Karta
Rajesh Sharma HUF	Shri Rajesh Sharma is Karta

### C. Entities controlled by key management personnel or their relatives

Sandeep Yarns Private Limited  
GPL Finance Limited

### D. Entities over which key management personnel are able to exercise significant influence

Ganesh Memorial Trust

### 33.2 Summary of transactions:

(₹ in lakh)

Particulars	Year ended	Key management personnel	Relatives of key management personnel	Entities controlled by key management personnel or their relatives	Entities over which key management personnel are able to exercise significant influence
<b>Transaction during the year</b>					
Managerial remuneration	March 31, 2019	326.90	-	-	-
	March 31, 2018	309.46	-	-	-
Salary/ stipend/ commission	March 31, 2019	38.52	27.53	-	-
(including sitting fee)	March 31, 2018	32.10	21.92	-	-
Reimbursement of expenses	March 31, 2019	3.40	6.78	-	-
	March 31, 2018	4.15	2.62	-	-
Interest paid	March 31, 2019	37.00	17.40	10.86	-
	March 31, 2018	52.81	56.81	14.35	-
Unsecured loan accepted	March 31, 2019	180.00	-	35.00	-
	March 31, 2018	347.00	-	43.50	-
Unsecured loan repaid	March 31, 2019	408.00	499.75	132.00	-
	March 31, 2018	-	-	1.00	-
Contribution to trust for CSR expenditure	March 31, 2019	-	-	-	81.35
	March 31, 2018	-	-	-	49.11
<b>Amount outstanding at balance sheet date</b>					
Unsecured loan outstanding	March 31, 2019	447.00	131.50	83.00	-
	March 31, 2018	675.00	631.25	180.00	-
Amounts payable	March 31, 2019	131.07	2.37	1.66	-
	March 31, 2018	158.70	6.13	3.60	-

33.3 The Company has not given/ provided any guarantee/ collaterals for and on behalf of the aforementioned related parties.

33.4 No amount has been written off or written back during the year in respect of debts due from or to related parties.

## Notes to the financial statements for the year ended March 31, 2019

### 34.0 Financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### The following methods and assumptions were used to estimate the fair values

- The fair values of derivatives such as forward contracts are on mark to market basis as per bank.
- The Company has adopted effective interest rate for calculating interest expense. Processing fees and transaction costs relating to each loan has been considered for calculating effective interest rate. The fair values of non-current borrowings are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs including own credit risk.
- Loans and other non-current financial assets are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for expected losses of these receivables. Accordingly, the fair value of loans is equal to their carrying amount. These fair values are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
- Fair values of cash and cash equivalents, trade receivables, bank balances, current investments, current loans, other current financial assets, trade payables, current borrowings and other financial liabilities are considered to be the same as their carrying amount due to short-term maturities of these instruments.

#### Fair value hierarchy

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).

#### Financial assets

(₹ in lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>1. Financial assets designated at fair value through profit and loss (FVTPL)</b>						
Current Investments	D	Level 2	2,802.96	2,802.96	-	-
<b>2. Financial assets designated at fair value through other comprehensive income (FVTOCI)</b>			-	-	-	-
<b>3. Financial assets designated at amortized cost</b>						
a) Trade receivables	D	Level 3	8,844.90	8,844.90	7,861.32	7,861.32
b) Cash and cash equivalents	D	Level 3	1,613.72	1,613.72	219.15	219.15
c) Other bank balances	D	Level 3	725.00	725.00	254.01	254.01
d) Loans	C, D	Level 3	5.59	5.59	8.63	8.63
e) Other financial assets	C, D	Level 3	686.08	686.08	71.47	71.47
		<b>Total</b>	<b>14,678.25</b>	<b>14,678.25</b>	<b>8,414.58</b>	<b>8,414.58</b>

## Notes to the financial statements for the year ended March 31, 2019

### Financial liabilities

(₹ in lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial liabilities designated at fair value through profit and loss			-	-	-	-
2. Financial liabilities designated at fair value through other comprehensive income			-	-	-	-
3. Financial liabilities designated at amortized cost						
a) Borrowings	B, D	Level 3	9,575.66	9,575.66	18,226.12	18,226.12
b) Trade payables	D	Level 3	2,759.26	2,759.26	5,331.83	5,331.83
c) Other financial liabilities	D	Level 3	941.50	941.50	1,714.32	1,714.32
		<b>Total</b>	<b>13,276.42</b>	<b>13,276.42</b>	<b>25,272.27</b>	<b>25,272.27</b>

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

### 35.0 Financial risk management

The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's senior management oversees the management of these risks.

#### The Company has exposure to the following risks (arising from financial instruments):

- Credit risk
- Liquidity risk
- Market risk

#### A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk mainly from trade receivables, loans given and other financial assets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition.

Trade receivables are typically unsecured and derived from revenue earned from customers located in India and abroad. Credit risk is managed by the Company through customer assessment, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company measures the expected credit loss of trade receivables based on historical trend, industry practice and the business environment in which the entity operates. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, loans given and other financial assets.

#### The allowance for lifetime expected credit loss on trade receivables is as under:

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Allowance for expected credit loss</b>		
Opening balance	142.48	70.87
Impairment loss recognized (net of reversals)	167.81	71.61
<b>Closing balance</b>	<b>310.29</b>	<b>142.48</b>

Loans given and other financial assets are considered to be of good quality and there is no significant credit risk.



## Notes to the financial statements for the year ended March 31, 2019

### B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### a) Financing arrangements

The Company believes that it has sufficient working capital to meet its current requirements. Accordingly, no liquidity risk is perceived. Further, the Company is having cash credit facilities from banks of ₹12,500.00 Lakhs (March 31, 2018: ₹12,500.00 Lakhs), repayable on demand which carry floating rate of interest.

#### b) Contractual maturities of financial liabilities

(₹ in lakh)

As at March 31, 2019	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	823.19	1,072.90	3,001.56	1,914.85	6,812.50
Current borrowings	3,586.35	-	-	-	3,586.35
Trade payables	2,759.26	-	-	-	2,759.26
Other financial liabilities	118.31	-	-	-	118.31
<b>Total</b>	<b>7,287.11</b>	<b>1,072.90</b>	<b>3,001.56</b>	<b>1,914.85</b>	<b>13,276.42</b>

(₹ in lakh)

As at March 31, 2018	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	1,557.39	1,799.18	3,367.25	3,146.28	9,870.10
Current borrowings	9,913.41	-	-	-	9,913.41
Trade payables	5,331.83	-	-	-	5,331.83
Other financial liabilities	156.93	-	-	-	156.93
<b>Total</b>	<b>16,959.56</b>	<b>1,799.18</b>	<b>3,367.25</b>	<b>3,146.28</b>	<b>25,272.27</b>

### C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include borrowings, loans given, deposits, foreign currency receivables and payables and derivative financial instruments such as forward contracts. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

#### i) Foreign currency risk

The Company is exposed to foreign currency risk through operating and financing activities in foreign currency. The Company uses derivative financial instruments, such as foreign currency forwards, to reduce foreign currency risk exposure and follows its risk management policies.

## Notes to the financial statements for the year ended March 31, 2019

### Derivatives outstanding as at the reporting date

(₹ in lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Nominal value of forward contracts</b>		
Forward contracts to sell USD	144.18	-

Foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

The currency profile of financial assets and financial liabilities (unhedged foreign currency exposure) as at the balance sheet date is as under:

(₹ in lakh)

Particulars	As at March 31, 2019			As at March 31, 2018		
	USD	EURO	Total	USD	EURO	Total
<b>Financial assets</b>						
Trade receivables	716.66	345.28	1,061.94	332.27	86.73	419.00
<b>Financial liabilities</b>						
Trade and other payables	(164.26)	(10.12)	(174.38)	(217.28)	(7.26)	(224.54)
Borrowings	-	(1,969.38)	(1,969.38)	(980.91)	(2,868.30)	(3,849.21)
Interest accrued but not due	-	(4.99)	(4.99)	(3.13)	-	(3.13)
<b>Net assets/ (liabilities)</b>	<b>552.40</b>	<b>(1,639.21)</b>	<b>(1,086.81)</b>	<b>(869.05)</b>	<b>(2,788.83)</b>	<b>(3,657.88)</b>

### Foreign currency risk sensitivity

1% increase and decrease in foreign exchanges rate will have the following impact on profit before tax:

(₹ in lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	1% increase	1% decrease	1% increase	1% decrease
USD	5.52	(5.52)	(8.69)	8.69
EURO	(16.39)	16.39	(27.89)	27.89
<b>Increase / (decrease) in profit before tax</b>	<b>(10.87)</b>	<b>10.87</b>	<b>(36.58)</b>	<b>36.58</b>

### ii) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligation at floating interest rates.

#### Exposure to interest rate risk:

Particulars	As at March 31, 2019		As at March 31, 2018	
	(₹ in Lakhs)	% of total	(₹ in Lakhs)	% of total
Fixed rate borrowings	2,767.92	26.62%	3,149.13	15.92%
Variable rate borrowings	7,630.93	73.38%	16,634.38	84.08%
<b>Total</b>	<b>10,398.85</b>	<b>100.00%</b>	<b>19,783.51</b>	<b>100.00%</b>

#### Interest rate sensitivity on variable rate borrowings

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for whole of the year.

(₹ in lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
50 basis points increase would decrease the profit before tax by	(38.15)	(83.17)
50 basis points decrease would Increase the profit before tax by	<b>38.15</b>	<b>83.17</b>

## Notes to the financial statements for the year ended March 31, 2019

### 36.0 Capital risk management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor's, creditor's and market's confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure in consonance with its long term strategic plans.

The gearing ratio at the end of the reporting period is as under:

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Current and non-current borrowings (including current maturities)	10,398.85	19,783.51
<b>Debt (A)</b>	<b>10,398.85</b>	<b>19,783.51</b>
<b>Total equity (B)</b>	<b>41,894.91</b>	<b>26,283.50</b>
<b>Equity and debt (C =A+B)</b>	<b>52,293.76</b>	<b>46,067.01</b>
<b>Gearing ratio (A/C)</b>	<b>19.89%</b>	<b>42.95%</b>

### 37.0 Events occurring after the balance sheet date

The Board of Directors of the Company have recommended dividend of ₹2 per fully paid up equity share of ₹10 each, aggregating to ₹526.33 Lakhs, including dividend distribution tax of ₹89.74 Lakhs, for the financial year 2018-19 (March 31, 2018: ₹1.50 per fully paid up equity share of ₹10 each, aggregating ₹394.75 Lakhs including dividend distribution tax of ₹67.31 Lakhs, which is inclusive of dividend on 26,52,520 equity shares allotted on May 9, 2018). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and the actual dividend amount will be dependent on the share capital outstanding as on the relevant record date/ book closure.

38.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date attached

For Narendra Singhania & Co.  
Chartered Accountants  
Firm Reg. No. 009781N

Girish Singhania  
Partner  
Membership No.: 092687

Place: Kanpur  
Date: 30 May 2019

For and on behalf of the Board of Directors

Sharad Sharma  
Managing Director

Shyam Sunder Sharma  
Chairman

Bharat Kumar Sajnani  
Company Secretary

Gopal Agarwal  
Chief Financial Officer





# Corporate Information

## Board of Directors

**Shri Shyam Sunder Sharmma**  
*Chairman*

**Shri Vishnu Dutt Khandelwal**  
*Executive Vice Chairman*

**Shri Sharad Sharma**  
*Managing Director & CEO*

**Shri Rajesh Sharma**  
*Joint Managing Director*

**Shri Gopal Singh Shekhavat**  
*Director (Administration)*

**Shri Surendra Kumar Kabra**  
*Independent Director*

**Shri Pradeep Kumar Goenka**  
*Independent Director*

**Shri Vishwa Nath Chandak**  
*Independent Director*

**Shri Anoop Gupta**  
*Independent Director*

**Shri Abhilash Lal**  
*Independent Director*

**Shri Narayanan Subramaniam**  
*Independent Director*

**Smt. Seema Sharma**  
*Non-Executive Director*

## Chief Financial Officer

Shri Gopal Agarwal

## Company Secretary

Shri Bharat Kumar Sajnani

## Auditors

M/s. Narendra Singhania & Co.,  
Chartered Accountants, New Delhi

## Bankers

State Bank of India  
HDFC Bank  
Yes Bank Limited  
Bank of India

## Administrative office

113/216-B, Swaroop Nagar,  
Kanpur-208002, Uttar Pradesh  
Email: gesl@ganeshaecosphere.com  
Tel: +91-512-2555505-06  
Fax:+91-512-2555293

## Registered Office

Raipur, (Rania), Kalpi Road,  
Distt. Kanpur Dehat, Uttar Pradesh - 209304  
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Tel: +91-9198708383

## Works

### Kanpur Unit

Raipur, (Rania), Kalpi Road,  
Distt. Kanpur Dehat, Uttar Pradesh - 209304

### Rudrapur Unit

Plot No. 6, Sector -2,  
Integrated Industrial Estate,  
Pantnagar, Uttarakhand - 263153.

### Bilaspur Units

- a. Khata No. 96 and 97,  
Arazi Village Kotha, Ali Nagar,  
Pargana and Tehsil Bilaspur,  
Distt. Rampur, Uttar Pradesh - 244923.
- b. Gata No. 112, Village Temra,  
Tehsil Bilaspur,  
Distt. Rampur, Uttar Pradesh - 244923.

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**Website:** [www.ganeshaecosphere.com](http://www.ganeshaecosphere.com)



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