The information in this Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

Placement Document
Subject to Completion
Not for Circulation
Serial Number: ____
Strictly Confidential

GULSHAN POLYOLS LIMITED

Registered Office: 9th K.M., Jansath Road, Muzaffanagar - 251001, Uttar Pradesh | **Corporate Office**: G -81, Preet Vihar, Delhi- 110092
CIN: L24231UP2000PLC034918, **Telephone No**.: +91-0131-32958800; +91-11-49999200; **Email**: cs@gulshanindia.com;
Contact Person: Ms. Asha Mittal, Company Secretary and Compliance Officer; **Website**: www.gulshanindia.com

Gulshan Polyols Limited ("**GPL**", the "**Issuer**" or our "**Company**") was incorporated under the provisions of the Companies Act, 1956 on October 20, 2000 as a public company and the certificate of incorporation bearing registration no. 20-25708 of 2000 dated October 20, 2000 and the certificate of commencement of business dated October 24, 2000 was issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Pursuant to the approval of the scheme of arrangement/demerger of GSCL with our Company and Gulshan Chemfill Limited by the Hon'ble High Court at Allahabad vide its order dated February 28, 2001 along with order dated March 27, 2001 and the rectification order dated April 12, 2001, our Company filed listing applications with the Uttar Pradesh Stock Exchange Association Limited, the Delhi Stock Exchange Stock Association Limited and the Stock Exchange, Mumbai and, subsequently, the Equity Shares of our Company were listed on the Uttar Pradesh Stock Exchange Association Limited, the Delhi Stock Exchange Association Limited and the Stock Exchange, Mumbai with effect from May 22, 2001, June 15, 2001 and March 26, 2002, respectively. In 2004, our Company was delisted from the Uttar Pradesh Stock Exchange Association Limited and the Delhi Stock Exchange Association Limited. In 2008, our Company was amalgamated with GSCL pursuant to the approval of the scheme of arrangement by the Hon'ble High Court at Allahabad vide its order dated September 26, 2008. In 2010, Salil Industries Limited was merged with our Company pursuant to the approval of the scheme of arrangement by the Hon'ble High Court at Allahabad vide its order dated September 30, 2010. On January 28, 2015, the equity shares of our Company were also listed on NSE. See *"General Information"* and *"Organizational Structure"* on pages 178 and 124, respectively.

Our Company is issuing up to 24,16,000 equity shares of face value of ₹ 1 each (the "**Equity Shares**") at a price of ₹ 326.48 per Equity Share (the "**Issue Price**"), including a premium of ₹ 325.48 per Equity Share, aggregating up to ₹ 7,887.76 lakhs (the "**Issue**"). For further details, see *"Summary of the Issue"* on page 30.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

The Equity Shares are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**"). The closing prices of the outstanding Equity Shares on BSE and NSE as on March 23, 2022 was ₹ 382.05 and ₹ 380.80 per Equity Share, respectively. In- principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for listing of the Equity Shares to be issued pursuant to the Issue have been received from BSE and NSE on March 21, 2022. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THE PRELIMINARY PLACEMENT DOCUMENT WAS CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 37 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of the Preliminary Placement Document and a copy of this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Uttar Pradesh at Kanpur (the "**RoC**"), within the stipulated period as prescribed under the Companies Act and the PAS Rules. The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs *(as defined hereinafter)*. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note *(each as defined hereinafter)*. For further details, see *"Issue Procedure"* on page 139. The distribution of this Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 155. Also see, "*Purchaser Representations and Transfer Restrictions*" on page 163 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the BRLM *(as defined thereunder)* or any of their respective affiliates does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated March 24, 2022
BOOK RUNNING LEAD MANAGER

Motilal Oswal Investment Advisors Limited

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, our Subsidiary and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, Subsidiary and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, Subsidiary and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the BRLM has any obligation to update such information to a later date.

Motilal Oswal Investment Advisors Limited (the "**BRLM**"**)** has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM and/or any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiary and the Equity Shares or distribution of this Placement Document. Each person receiving this Placement Document acknowledges that such person has not relied either on the BRLM nor any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiary and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLM. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLM or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the BRLM that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 155 and 163, respectively.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For selling restrictions in certain other jurisdictions, please see *"Selling Restrictions"* on page 155. Also see, *"Purchaser Representations and Transfer Restrictions"* on page 163 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination and due diligence of our Company, our Subsidiary, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the BRLM are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to the Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations.

Each investor, purchaser, offeree, subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares. Each investor, purchaser, offeree, subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company, our Subsidiary and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, www.gulshanindia.com, or any website directly or indirectly linked to the website of our Company or on the website of the BRLM or any of its respective affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN THE UNITED STATES AND U.S. PERSONS

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see *"Selling Restrictions"* on page 155. The Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 163.

NOTICE TO INVESTORS IN CERTAIN JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on page 155 and 163, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed set forth in the sections *"Notice to Investors"*, *"Selling Restrictions"* and *"Purchase Representations and Transfer Restrictions"* on pages 3, 155 and 163, respectively, and to have represented, warranted, acknowledged, and agreed with our Company and the BRLM, as follows:

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted *(as defined hereinafter)* to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act (as defined hereinafter), and all other applicable laws; and (ii) comply with all requirements under applicable laws in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the FEMA Non-Debt Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- You are aware that in terms of the SEBI FPI Regulations and FEMA Non-Debt Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Non-Debt Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Non-Debt Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. Further, additional restrictions may apply if you are within the United States and certain other jurisdictions. For further details in this regard, see "*Selling Restrictions"* and *"Purchase Representations and Transfer Restrictions*" on pages 155 and 163, respectively;

- You are aware that the Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in

India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) have not been reviewed, verified or affirmed by the SEBI, the Stock Exchanges, the RBI, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You are aware that the Preliminary Placement Document and this Placement Document have been filed, with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

- You are aware that, our Company, Subsidiary, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. The BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company, Subsidiary and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to our Company or our Subsidiary which is not set forth in this Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company, or our Subsidiary, financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company or Subsidiary's present and future business strategies and environment in which our Company or Subsidiary will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 37;

- In making your investment decision, you have (i) relied on your own examination of the Company and the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matter as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a ‘promoter’ (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid (as defined hereinafter) does not directly or indirectly represent any of our ‘Promoters’, or members of our ‘Promoter Group’ (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders’ agreement or voting agreement entered into with any of our Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoter or a person related to the Promoter;

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  a) Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  b) ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations.

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI LODR Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to the Issue, will be obtained in time or at all. Neither our Company nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and that neither the BRLM nor any person acting on its behalf or any of the counsel or advisors to the Issue has or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and the BRLM or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and their affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company of any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in *"Selling Restrictions"* on page 155, you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in the "*Purchase Representations and Transfer Restrictions"* on page 163, and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and "*Purchase Representations and Transfer Restrictions*" on page 155 and 163 respectively;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. You are outside the United States and are subscribing to the Equity Shares in an "offshore transaction" as defined in and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLM and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Preliminary Placement Document and this Placement Document does not, and shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for the subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the Application Form (*as defined hereinafter*);

  You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with Consolidated FDI Policy, issued by the DPIIT (*as defined hereinafter*), and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for the Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLM;

- You represent that you are not an affiliate of our Company, Subsidiary or the BRLM or a person acting on behalf of such affiliate;

- Our Company, the BRLM, their respective affiliates, directors, officers, employees, shareholders, representative agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLM; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLM, who are registered as Category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by the SEBI and subject to compliance with such other conditions as may be specified by the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the DPIIT, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Non-Debt Rules. These investment restrictions shall also apply to subscribers of offshore P-Notes.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Subsidiary, our Promoters, our management or any scheme or project of our Company;

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder(s)', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Issue and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to Gulshan Polyols Limited and references to 'we', 'us' or 'the Group' are to Company on a consolidated basis, including its Holding Company and Subsidiary, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Placement Document, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to "EUR" or "€" are to Euro, the official currency of the European Union and references to "AED" are to the United Arab Emirates Dirham, the official currency of the United Arab Emirates. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Placement Document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs unless stated otherwise. Further, certain figures in the "*Industry Overview*" section of this Placement Document have been presented in USD million. Our Audited Financial Statements for Fiscal 2021, Fiscal 2020, Fiscal 2019 and the Unaudited Interim Financial Statements as at and for the six months period ended September 30, 2021 and Unaudited Interim Financial Results for the nine months period ended December 31, 2021 are prepared in lakhs and have been presented in this Placement Document in lakhs for presentation purposes.

In this Placement Document, references to "Lakh" or "Lacs" represents "100,000", "million" represents "10 lakh" or "1,000,000", "Crore" represents "10,000,000" or "10 million" or "100 lakhs", and "billion" represents "1,000,000,000" or "1,000 million" or "100 Crore".

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Placement Document are to the page numbers of this Placement Document.

Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, unless otherwise specified or if the context requires otherwise. The terms "Fiscal" or "Fiscal year" or "financial year" or "FY", refer to the 12-month period ending, or as of March 31 of that year (as the case may be).

Our Company has published its Audited Financial Statements for Fiscal 2021, Fiscal 2020 and Fiscal 2019 and Unaudited Interim Financial Statements as at and for the six months period ended September 30, 2021 and Unaudited Interim Financial Results for the nine months period ended December 31, 2021 in Indian Rupees in lakhs. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

- audited financial statements of our Company as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**"), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and other relevant provisions of the Companies Act (collectively, the "**Audited Financial Statements**");

- unaudited limited reviewed interim financial statements of our Company as at and for the six months period ended September 30, 2021 and unaudited limited reviewed interim financial results for the nine months period ended December 31, 2021 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India (the "**Unaudited Interim Financial Statements**").

The Audited Financial Statements should be read along with the respective audit reports dated May 22, 2021, May 26, 2020, May 29, 2019, respectively, and the Unaudited Interim Financial Statements should be read along with its limited review reports dated November 09, 2021 and February 4, 2022, respectively. Further, our Unaudited Interim Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials. For further information, see "*Financial Statements*" on page 181.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its Audited Financial Statements and Unaudited Interim Financial Statements to IFRS or U.S. GAAP and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the Audited Financial Statements and the Unaudited Interim Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. See "*Risk Factors - Differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document, established principles generally, or in respect of specific industries, such as the industry in which we operate"* on page 53.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in the Preliminary Placement Document and this Placement Document as at and for the year ended March 31, 2021 is derived from the Audited Financial Statements as at and for the year ended March 31, 2021, as at and for the year ended March 31, 2020 is derived from the comparative financial information included for Fiscal 2020 in our Fiscal 2021 Audited Financial Statements, as at and for the year ended March 31, 2019 is derived from the comparative financial information included for Fiscal 2019 in our Fiscal 2020 Audited Financial Statements and for the period ended September 30, 2021 are derived from Unaudited Interim Financial Statements as at and for the six months period ended September 30, 2021 and for the period ended December 31, 2021 are derived from the Unaudited Interim Financial Results for the nine months period ended December 31, 2021. For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 181 and 67, respectively.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margins, ROE, Debt/Equity, Interest Coverage Ratio, ROCE, PAT Margins, etc. (together referred as "**Non-GAAP Measures**") presented in this Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. Prospective investors should read this information in conjunction with the financial statements included in *"Financial Statements"* beginning on page 181.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled *"Indian Sorbitol Market Research Report – Forecast to 2027",* dated January 11, 2022, which is a report commissioned and paid for by us and prepared by Market Research Future.

Further, Market Research Future has issued the following disclaimer in the Market Research Future Report:

"Market Research Future strategic analysis services are limited publications containing valuable market information provided to a select group of customers in response to orders. Our customers acknowledge, when ordering, that Market Research Future strategic analysis services are for our customers' internal use and not for general publication or disclosure to third parties. Quantitative market information is based primarily on interviews and therefore, is subject to fluctuation.

Market Research Future does not endorse any vendor, product or service depicted in its research publications. Market Research Future strategic analysis publications consist of the opinions of Market Research Future' research and should not be construed as statement of fact. Market Research Future disclaims all warrants, expressed or implied, with respect to this research, including any warrants of merchantability or fitness for a particular purpose.

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No part of this strategic analysis service may be given, lent, resold or disclosed to non-customers without written permission.

Reproduction and/or transmission in any form and by any means including photocopying, mechanical, electronic, recording or otherwise, without the permission of the publisher is prohibited."

Neither we nor the BRLM have independently verified this market and industry data, nor do we or the BRLM make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the BRLM can assure potential Investors as to their accuracy. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Market Research Future Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Placement Document has been derived from industry reports. There can be no assurance that such third party statistical, financial and other industry data in this Placement Document may be complete or reliable."* on page 47.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements.' Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', 'will likely result' 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

1. There could be seasonal fluctuations which could cause volatility in the supply and pricing of our raw materials.

2. There could be shortage or non-availability of power and fuel facilities which may adversely affect our manufacturing process.

3. A significant portion of our revenue from the sale of ethanol is dependent on the volume of sales to OMCs pursuant to the EBPP instituted by the GoI and any adverse change in the policies of the GoI in this regard, would have an adverse effect on our Company.

4. Any social unrest or any natural disaster in and around our manufacturing facilities or any disruption in production at, or shutdown of, our manufacturing facilities or breakdown of machinery could have material adverse effect.

5. Expansion of our manufacturing capacities would require us to incur significant capital expenditure and we may need to seek additional financing in the future to support our growth strategies.

6. A large part of our customers depend on retail consumption for their sale and any impact on their sales as a result of the continued impact of the COVID-19 pandemic could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations.

7. Our estimates of production volumes may not correspond to the actual demand for our products.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" and on pages 37, 67, 94 and 107 of this Placement Document, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor any of the Book Running Lead Manager nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. All the Directors and key managerial personnel of our Company named herein are residents of India and all of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the CPC. Section 13 of the CPC provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;
2. where the judgment has not been given on the merits of the case;
3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
4. where the proceedings in which the judgment was obtained were opposed to natural justice;
5. where the judgment has been obtained by fraud; and
6. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the CPC provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the CPC, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the CPC is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the CPC, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), Rupee and the Euros (in ₹ per EUR), Rupee and the UAE Dirham (in ₹ per AED) for the periods indicated. The exchange rates for US$ and EUR are based on the reference rates released by the RBI and FBIL, which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

	Period end			Average			High			Low		
	US$	**EUR**	**AED#**	**US$**	**EUR**	**AED#**	**US$**	**EUR**	**AED#**	**US$**	**EUR**	**AED#**
Fiscal ended:												
March 31, 2021	73.50	86.10	19.95	74.20	86.67	20.22	76.81	90.31	20.97	72.29	81.50	19.70
March 31, 2020	75.39	83.05	20.54	70.88	78.80	19.31	76.15	84.33	20.86	68.37	76.31	18.62
March 31, 2019	69.17	77.70	18.89	69.89	80.93	19.03	74.39	85.90	20.24	64.93	77.60	17.66
Month Ended												
February 28, 2022	75.49	84.26	2051	75.00	84.97	20.43	75.66	85.74	20.62	74.48	83.77	20.32
January 31, 2022	74.97	83.08	20.32	74.44	84.24	20.29	75.17	85.08	20.49	73.93	83.70	20.11
December 31, 2021	74.30	84.04	20.28	75.37	85.19	20.54	76.25	86.39	20.77	74.30	84.04	20.28
November 30, 2021	75.09	84.94	20.43	74.50	84.95	20.29	75.09	86.74	20.45	73.92	83.56	20.14
October 31, 2021	74.79	87.26	20.41	74.92	86.90	20.41	75.46	87.41	20.56	74.24	85.99	20.18
September 30, 2021	74.26	86.14	20.23	73.56	86.60	20.05	74.26	87.15	20.24	72.96	86.07	19.87

Source: www.rbi.org,in and www.fbil.org.in, as applicable.
#Source: https://www.currency-converter.org.uk/currency-rates/historical/table/AED-INR.html

Notes:
1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*
5. *The reference rates are rounded off to two decimal places.*

Note:
• *In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Statement of Possible Tax Benefits*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*" beginning on pages 172, 94, 181 and 175 respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Issuer/ GPL/ Company/ Our Company/ the Company	Unless the context otherwise indicates or implies, refers to Gulshan Polyols Limited, a public limited company incorporated in India under the Companies Act, 1956 having its registered office at 9th K.M. Jansath Road, Muzaffarnagar – 251001, Uttar Pradesh
Group/ we/ us/ our	Unless the context otherwise indicates or implies, refers to our Company, our Holding Company and our Subsidiary

Company Related Terms

Term	Description
Articles / Articles of Association/ AoA	The Articles of association of our Company, as amended from time to time
Audit Committee	The Audit committee of our Board of Directors
Audited Financial Statements	Collectively, the audited financial statements of our Company as of and for the years ended March 31, 2021, 2020 and 2019 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the balance sheet, statement of profit and loss (including other comprehensive income), statement of changes in equity and the cash flow statement for the years then ended, and notes to the respective financial statements
Auditors/ Statutory Auditors	Statutory auditors of our Company namely M/s. Rajeev Singal & Co., Chartered Accountants
Board of Directors or Board	The board of directors of our Company or any duly constituted committee thereof
Chairman and Managing Director	The Chairman and managing director of our Company, being Chandra Kumar Jain
Chief Financial Officer	The Chief Financial Officer of our Company, being Rajiv Gupta
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Asha Mittal
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors
Director(s)	The director(s) of our Company presently on our Board, unless otherwise specified
Equity Share(s)	The equity shares of our Company of face value of ₹1 each
GPL ESOS 2018	Gulshan Polyols Limited Employees Stock Option Scheme, 2018
Financial Statements	Collectively, Audited Financial Statements and Unaudited Interim Financial Statements

Term	Description
GSCL	Gulshan Sugars and Chemicals Limited having corporate identification number L15422UP1980PLC005012 which was amalgamated with our Company pursuant to the scheme of arrangement approved by the Hon'ble High Court at Allahabad *vide* its order dated September 26, 2008
Gulshan Sugars	Gulshan Sugars and Chemicals Limited having corporate identification number U24233UP2013PLC055280 and having its registered office at 9th KM, Jansath Road, Muzaffarnagar - 251001, Uttar Pradesh, India
Holding Company	The holding company of our Company namely, Gulshan Holdings Private Limited having corporate identification number U74899UP1985PTC128005 and having its registered office at 9th KM, Jansath Road, Muzaffarnagar - 251001, Uttar Pradesh, India *Upon the Scheme of Amalgamation becoming effective, Gulshan Holdings Private Limited will be merged into our Company*
Independent Director(s)	The independent Director(s) of our Company as per section 2(47) of the Companies Act and Regulation 16(1)(b) of the SEBI LODR Regulations, as disclosed in *"Board of Directors and Senior Management"* on page 126
Key Management Personnel	Key management personnel of our Company, as disclosed in *"Board of Directors and Senior Management"* on page 126
Memorandum/ Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
Nomination, Remuneration and Compensation Committee	The nomination, remuneration and compensation committee constituted by our Board of Directors
Promoter(s)	The promoters of our Company namely, Chandra Kumar Jain, Arushi Jain, Aditi Pasari, Mridula Jain and Anubha Gupta
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations namely, Gulshan Holdings Private Limited i.e. our Holding Company and East Delhi Importers & Exporters Private Limited *Upon the Scheme of Amalgamation becoming effective, the companies namely Gulshan Holdings Private Limited i.e. our Holding Company and East Delhi Importers & Exporters Private Limited forming part of the Promoter Group will be merged into our Company*
Registered Office	The registered office of our Company located at 9th K.M., Jansath Road, Muzaffarnagar – 251001, Uttar Pradesh, India
Risk Management Committee	The risk management committee constituted by our Board of Directors
RoC/ Registrar of Companies	The Registrar of Companies, Uttar Pradesh at Kanpur
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Scheme of Amalgamation	The scheme of amalgamation of our Holding Company and East Delhi Importers & Exporters Private Limited with our Company and their respective shareholders and creditors as approved by NCLT, Allahabad *vide* order dated March 9, 2022
Subsidiary	The wholly owned subsidiary of our Company namely, Gulshan Overseas - FZCO, bearing registration number DSO-FZCO-8775, incorporated under the IFZA *vide* certification of formation dated September 8, 2021
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors
Unaudited Interim Financial Statements	Unaudited limited reviewed interim financial statements of our Company as at and for the six months period ended September 30, 2021 and unaudited limited reviewed interim financial results for the nine months period ended December 31, 2021 prepared in accordance with the principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time, read with relevant rules issued thereunder and other accounting principles generally accepted in India, as amended and other relevant

Term	Description
	provisions of the Companies Act, comprising the condensed interim balance sheet as at September 30, 2021, interim statement of profit and loss, interim statement of changes in equity and interim statement of cash flows for the six months period ended September 30, 2021, and interim statement of profit and loss for the nine months period ended December 31, 2021 and notes to the unaudited interim financial statements including a summary of significant accounting policies and other explanatory information

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, in consultation with the BRLM, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, the allotment of Equity Shares to be issued pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bidding/ Issue Period. An indicative format of such form is set forth in *"Application Form"* on page 185.
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	An Eligible QIB who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders submitted their Bids including any revision and/or modifications thereof
Bid Amount/ Application Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Bidder(s) and payable by the Bidder(s) in the Issue on submission of the Application Form
Book Running Lead Manager/ BRLM	Motilal Oswal Investment Advisors Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about March 25, 2022
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Allottee's demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made
Escrow Account	Special non-interest bearing, no-lien, escrow bank account without any cheques or overdraft facilities, opened with the Escrow Agent by our Company in the name and style of *'Gulshan Polyols Limited QIP Escrow*

Term	Description
	Account' subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited and from which refunds, if any, shall be remitted, as set out in the CAN
Escrow Bank/ Escrow Agent	State Bank of India
Escrow Agreement	The agreement dated March 21, 2022 entered into amongst our Company, the Escrow Agent and the BRLM for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price of ₹ 343.66 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through their special resolution passed in the annual general meeting held on September 18, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	The offer, issue and Allotment of 24,16,000 Equity Shares at a price of ₹ 326.48 per Equity Share, including a premium of ₹ 325.48 per Equity Share, aggregating ₹ 7,887.76 lakhs to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	March 24, 2022 the last date up to which the Application Forms and Bid Amount shall be accepted by our Company (or the BRLM, on behalf of our Company)
Issue Opening Date	March 21, 2022 the date on which the acceptance of the Application Forms and Bid Amount shall have commenced by our Company (or the BRLM, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ 326.48
Issue Size	The aggregate size of the Issue of up to 24,16,000 Equity Shares, aggregating up to ₹ 7,887.76 lakhs
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Pay-In Date	Last date specified in the Application Form for the payment of application monies by Bidders in the Issue
Placement Agreement	The agreement dated March 21, 2022 entered between our Company and the BRLM
Placement Document	This placement document dated March 24, 2022 issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The Preliminary Placement Document cum application form dated March 21, 2022 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts.
Relevant Date	March 21, 2022, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue

Term	Description
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading holiday of the Stock Exchanges, as applicable

Technical and Industry Related Terms

Term	Description
ACC	Activated Calcium Carbonate
AIDCL	Assam Industrial Development Corporation Limited
BP	British Pharmacopia
BRC	Brand Reputation through Compliance
CCPP	Co-generation Captive Power Plants
CONCOR	Container Corporation of India Limited
DDGS	Dried Distillers Grain Solids
EBPP	Ethanol Blended Petroleum Programme
ENA	Extra Neutral Alcohol
EoI	Expression of Interest
ERP	Enterprise Resource Planning
ESY	Ethanol Supply Year
FCI Rice	Food Corporation of India
FSSAI	Food Safety and Standards Authority of India
FMCG	Food-Moving Consumer Goods
GIDC	Gujarat Industrial Development Corporation
GMO	Genetically modified organisms
GNCC	Ground Natural Calcium Carbonate
HACCP	Hazard Analysis Critical Control Point
HPLC	High Performance Liquid Chromatography
IFZA	International Free Zone Authority under which the wholly owned subsidiary of our Company has been incorporated
IP	Intellectual Property
ISO	International Organization for Standardization
IT	Information Technology
KLPD	Kilolitres Per Day
LMT	Lakh Metric Tonne
LoI	Letter of Intent
Market Research Future Report	"Indian Sorbitol Market Research Report – Forecast to 2027" dated January 11, 2022, prepared by Market Research Future
MSP	Minimum Support Price
MT	Metric Tonne
MTPA	Metric Tonnes Per Annum
MW	Megawatt
MPAKVN	Madhya Pradesh Audyogik Kendra Vikas Nigam
NC	Non crystalline
NPB Policy 2018	National Policy on Biofuels – 2018 adopted on May 16, 2018 by Ministry of New & Renewable Energy, GoI
Onsite PCC	Onsite Precipitated Calcium Carbonate
PCC	Precipitated Calcium Carbonate
PSU	Public Sector Undertaking
PVC	Polyvinyl Chloride
WGCC	Wet Ground Calcium Carbonate

Conventional and General Terms/Abbreviations

Term	Description
AED	United Arab Emirates Dirham
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by ICAI, as required under the Companies Act
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CLB	Company Law Board
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
CGST Act, 2017	The Central Goods and Services Tax Act, 2017, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act / CompaniesAct, 2013	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications andclarifications thereunder, to the extent notified
Consolidated FDI Policy	The Consolidated FDI policy, issued by the DPIIT and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositoriesand Participant) Regulations, 2018, as amended
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DSE	Delhi Stock Exchange Stock Association Limited
DIN	Director Identification Number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI
EBIT	Earnings before interest and tax expense
EBITDA	Earnings before interest, tax, depreciation and amortization less other income
EGM	Extraordinary general meeting
ESG	Environment, social and governance
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, as amended, read with the rule and regulations issued thereunder
FEMA Non-Debt Rules/ FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
Financial year/ Fiscal Year/ FY/ Fiscal	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GDR	Global Depositary Receipt

Term	Description
GIR	General index registrar
GoI/ Government	Government of India, unless otherwise specified
GST	Goods and Services tax
HUF	Hindu Undivided Family
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards, as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/ IT Act	The Income tax Act, 1961
Lac/ lakh	Lakhs
MCA	Ministry of Corporate Affairs, GoI
Mn/ mn	million
N.A./ NA	Not Applicable
NAV	Net asset value
Net Worth	Net worth is the sum of (i) issued, subscribed and paid-up equity share capital at the end of the year, (ii) general reserve as at the end of the year, (iii) securities premium reserve as at the end of the year, and (iv) retained earnings as at the end of the year
NCLT	National Company Law Tribunal
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PAS Rules	Companies (Prospectus and Allotment of Securities Rules, 2014, as amended
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Revenue	Revenue from operations is net of Goods and Service Tax as applicable
ROE	Return on equity
ROCE	Return on capital employed
Rs. / Rupees/ Re. / INR / ₹	Indian Rupees, the legal currency of the India
S&P CNX NIFTY	Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended

Term	Description
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SENSEX	Index of 30 stocks traded on the BSE representing a sample of large and liquid listed companies
Stock Exchanges	BSE and NSE, taken together
STT	Securities Transaction Tax
TDS	Tax deducted at source
UPSE	Uttar Pradesh Stock Exchange Association Limited
USA / U.S. / United States	United States of America
U.S.$ / USD / U.S. dollar/ $	United States Dollar, the legal currency of the United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act / Securities Act	The United States Securities Act of 1933, as amended
Video Conferencing / Other Audio-Visual Means facility or VC / OAVM facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

SUMMARY OF BUSINESS

We are one of India’s leading manufacturers of grain and mineral based specialty products with years of demonstrated experience. Our business portfolio broadly spans across three main segments, *viz.* grain processing, bio-fuel / distillery and mineral processing operations that allows us to produce specialty products such as starch and starch derivatives including sorbitol, calcium carbonate, ethanol (bio-fuel), country liquor, agro based animal feed and installation, commissioning, operating and maintaining on-site precipitated calcium carbonate (“**PCC**”) plants located at multiple client locations within India. We are also in the business of supply of plant and machinery for erection and commissioning of wet ground calcium carbonate (“**WGCC**”) plants to various paper mills on turnkey basis outside India. We are one of the largest manufacturers of sorbitol (d-glucitol) with an installed capacity of producing 72000 MTPA sorbitol (d-glucitol), in India *(Source – Market Research Future Report).* We have been amongst the large manufacturers of calcium carbonate in India. We are also the market leader having a substantial market share in the calcium carbonate and sorbitol business segment operations in India *(Source – Market Research Future Report).* Our products are sold in domestic markets to leading OMCs for EBPP, FMCG, paints, plastics and PVC, pharmaceuticals, paper, construction and adhesives, among other companies and are also exported to 34 countries globally to international clients, which provides us the flexibility to manage demand variations and enables us to mitigate price volatility risks in procuring our key raw materials.

The principle segments of our business are:

Segment	Products		End use industries
Grain processing	Maize / Rice	Maize starch powder	Pharmaceuticals, oral care, paints, paper and packaging, food and confectionary, animal feed, oil, textiles and adhesives
		Animal feed	
		Sorbitol 70% solution	
		Liquid glucose	
		Dextrose monohydrate	
		Maltodextrin powder	
		Glucose powder	
		Rice gluten	
		Rice syrup	
Ethanol (bio-fuel) and Distillery	Ethanol (bio-fuel) Country liquor Grain-based ENA DDGS		OMCs for EBPP, liquor, petroleum, animal feed
Mineral processing	Precipitated calcium carbonate Activated calcium carbonate Ground natural calcium carbonate / Wet ground calcium carbonate On-site PCC plant		Paints, plastics and PVC formulations, pharmaceuticals, paper, oral care, FMCG

***Grain Processing*:** We are the market leader having substantial market share in the sorbitol business segment and manufacturing in India *(Source – Market Research Future Report).* We are also the largest exporter of sorbitol in India, with a presence in 34 countries, across various continents including South America, North America, Europe, Middle East, Africa, and Asia. Our output of sorbitol (70%) solution stood at around 56,378 MTPA during the Fiscal 2021. Our manufacturing facility at Bharuch (Gujarat) has an installed capacity of 72,000 MTPA for producing sorbitol (70%) solution in India. We have two dedicated facilities at Bharuch (Gujarat) and Muzaffarnagar (Uttar Pradesh) which produce starch sugars with a combined capacity to grind 174,000 MT grain. Our manufacturing facilities at Bharuch (Gujarat) and Muzaffarnagar (Uttar Pradesh) maintain highest quality standards through our inhouse quality control and quality assurance laboratory and both our facilities at Bharuch (Gujarat) and Muzaffarnagar (Uttar Pradesh) is equipped with 7.5 and 6.75 MW CCPP respectively.

Grain based Ethanol (bio-fuel) and Distillery production: Our Company has recently diversified the grain processing segment by entering the foray of producing ethanol from damaged food grain. Pursuant to the NPB Policy 2018, the GoI, under the EBPP, had set an indicative target of 20% blending of ethanol with petrol by the year 2025-2026. Our Company had an existing set up of producing 60 KLPD ethanol at Borgaon (Madhya Pradesh) since May 2020. Our Company is constantly suppling ethanol to OMC’s. In order to participate in GoI initiative of blending 20% of ethanol with petrol by the year 2025-2026, our Company is already in the process of setting up a new facility for producing 500 KLPD of ethanol and for this purpose, our Company has also acquired land on long-term lease basis which is adjacent to our existing facility in Borgaon (Madhya Pradesh). We have already received the environmental clearance from MoEF & CC on September 27, 2021 including for the CCPP. The construction activity on the said facility has already commenced and we have placed the order for plant and machinery required for the manufacturing of ethanol (bio-fuel). Our manufacturing facility at Borgaon (Madhya Pradesh) is equipped with in-house laboratory and state-of-the-art facilities backed by 2.2 MW CCPP for the ethanol and liquor production.

Our Company had participated in a tender issued by the OMCs inviting various molasses and grain-based distilleries for supplying ethanol (bio-fuel) post which our Company has been allocated for supplying of entire applied quantity of ethanol (bio-fuel) to OMCs for the period commencing from December 1, 2021 till November 30, 2022 at their various locations across the country, from our distillery facility at Borgaon (Madhya Pradesh). Further, our Company, pursuant to an EOI floated by one of the major OMC on behalf of other PSU OMCs, has received a LOI from the OMCs whereby we have been shortlisted for signing of the long term off-take agreement with upcoming dedicated ethanol deficit states of India for supply of indigenous denatured anhydrous ethanol to such OMCs to meet the ethanol requirement.

As part of our future growth, our Company has also made its footprint in the north-eastern region of India. Our Company has received letter of allotment and the certificate of handing over and taking over physical possession from AIDCL for allotment of 25 acres of land at Industrial Growth Centre, Matia, Mornai, District Goalpara – 783101, Assam on lease for setting up of a 250 KLPD grain based ethanol (distillery) unit. Our Company has received the environmental clearance for setting up of the 250 KLPD grain based ethanol (distillery) unit along with CCPP from MOEF&CC. Our Company has also executed the lease agreement as per the terms enlisted in the allotment letter on January 11, 2022. Our Company, pursuant to an EOI floated by one of the major OMC on behalf of other PSU OMCs, has received a LOI from OMCs whereby we have been shortlisted for signing of the long term off-take agreement with upcoming dedicated ethanol deficit states of India for supply of indigenous denatured anhydrous ethanol to such OMCs to meet the ethanol requirement.

Mineral Processing**:** Apart from being the market leader in India for the sorbitol segment, we are also the market leader and hold a substantial market share in the calcium carbonate business segment in India. Our Company manufactures 19 grades of calcium carbonate. Our product range consist of (a) precipitated calcium carbonate, (b) activated calcium carbonate; and (c) ground natural calcium carbonate / wet ground calcium carbonate. We export to neighbouring countries like Nepal, Bangladesh, Nigeria, and U.A.E. Our installed manufacturing facilities have an integrated combined capacity of producing more than 170,400 MTPA of calcium carbonate products. Our dedicated manufacturing facilities at Muzaffarnagar (Uttar Pradesh), Dhaula Kuan (Himachal Pradesh) and Abu Road (Rajasthan) are equipped with in-house microbiology laboratory and state-of-the-art research facilities. We use limestone as the base sedimentary rock which is primarily composed of the calcium carbonate mineral i.e. calcite, which is treated chemically and physically to produce different grades of calcium carbonate.

On-site plants: Our Company, being one of the largest calcium carbonate manufacturers, is the first entity in India to come up with the first-of-its-kind '*On-site plant*' for producing and supplying PCC. Our Company provides the raw materials and expertise to set up and maintain an on-site PCC plant. Our facilities utilise power, water, steam and the CO2 from the boiler stake to make PCC in slurry form, which is then used in paper application. We use unique environment friendly technology not only to reduce the energy consumption but also reduce the drying time while utilizing the CO2 emitted from the boilers. Our Company was awarded with the National Award, 2010 by the Limca Book of Records for introducing this unique and first-of-its-kind concept in India. Our Company had also supplied plant and machinery for erection and commissioning of WGCC plants to various paper mills on turnkey basis outside India.

Our manufacturing facilities are equipped to manage products from the stage of production to despatch, to ensure better quality and lending us competitive advantages such as cost effectiveness and maintenance of quality standards. The facilities of the Company are designed to maintain quality parameters which are achieved after comprehensive support from the professionals. Apart from productivity, quality and innovation, we are also committed to safety, health and environment.

We are headquartered in New Delhi, with manufacturing facilities located in Muzaffarnagar (Uttar Pradesh), one manufacturing facility in Bharuch (Gujarat), Paonta Sahib (Himachal Pradesh), Sirohi (Rajasthan), Borgaon (Madhya Pradesh), Goalpara (Assam). Further, the on-site PPC plants being operated by the Company are located at Patiala (Punjab), Hooghly (West Bengal), Muzaffarnagar (Uttar Pradesh) and Amlai (Madhya Pradesh). All our manufacturing facilities are strategically located in close proximity to the major customer of the products manufactured by the Company in India.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the section "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares"* beginning on pages 37, 60, 153, 139 and 168 respectively.

Issuer	Gulshan Polyols Limited
Face Value	₹ 1 per Equity Share
Issue Price	₹ 326.48 per Equity Share (including a premium of ₹ 325.48 per Equity Share)
Floor Price	₹ 343.66 per Equity Share, which has been calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has offered a discount of 5% on the Floor Price in accordance with the approval of the Shareholders granted at the Annual General Meeting held on September 18, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. The Floor Price, net of discount of 5% is ₹ 326.48.
Issue Size	Issue of 24,16,000 Equity Shares, aggregating up to ₹ 7,887.76 lakhs A minimum of 10% of the Issue Size i.e., 2,41,600 Equity Shares shall be available for Allocation to Mutual Funds only and balance 21,74,400 Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution authorizing the Issue	August 17, 2021
Date of Shareholders' Resolution authorizing the Issue	September 18, 2021
Dividend	See *"Description of the Equity Shares", "Statement of Possible Tax Benefits"* and *"Dividends"* on pages 168, 172 and 65, respectively.
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form are delivered and to whom this Placement Document will be circulated and who are eligible to bid and participate in the Issue. For further details, see *"Issue Procedure", "Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 139, 155 and 163, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form was delivered which was determined by our Company in consultation with the Book Running Lead Manager.
Equity Shares issued and outstanding immediately prior to the Issue	46,917,020 Equity Shares.
Equity Shares issued and outstanding immediately after the Issue	49,333,020 Equity Shares.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations For further details, see "*Issue Procedure*" on page 139.
Depositories	NSDL and CDSL.
Listing and trading	Our Company has obtained in-principle approvals dated March 21, 2022 and March 21, 2022 from BSE and NSE, respectively in terms of Regulation 28(1)(a) of the SEBI LODR Regulations, for listing of the Equity Shares to be issued pursuant to the Issue.

<table>
<tr><td></td><td colspan="2">Our Company will make applications to each of the Stock Exchange after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.</td></tr>
<tr><td>Lock-up</td><td colspan="2">For details of the lock-up, see “Placement – Lock-up” on page 154.</td></tr>
<tr><td>Transferability Restrictions</td><td colspan="2">The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to VCFs, and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See “Issue Procedure” and “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” on pages 139, 155 and 163, respectively.</td></tr>
<tr><td>Use of Proceeds</td><td colspan="2">The gross proceeds from the Issue will be aggregating to approximately ₹ 7,887.76 lakhs. The net proceeds from the Issue, after deducting Issue relating expenses, is expected to be approximately ₹ 7,631.06 lakhs.

See “Use of Proceeds” on page 60 for information regarding the use of Net Proceeds from the Issue.</td></tr>
<tr><td>Risk Factors</td><td colspan="2">See “Risk Factors” on page 37 for a discussion of risks you should consider before investing in the Equity Shares.</td></tr>
<tr><td>Indian taxation</td><td colspan="2">See “Statement of Possible Tax Benefits” on page 172.</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares, expected to be made on or about March 25, 2022.</td></tr>
<tr><td>Ranking</td><td colspan="2">The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares of our Company, including rights in respect of dividends.

The Shareholders of our Company who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI LODR Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. See “Dividends” and “Description of the Equity Shares” on pages 65 and 168 respectively.</td></tr>
<tr><td rowspan="3">Security Codes for the Equity Shares</td><td>ISIN</td><td>INE255D01024</td></tr>
<tr><td>BSE Code</td><td>532457</td></tr>
<tr><td>NSE Code</td><td>GULPOLY</td></tr>
</table>

SUMMARY OF FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Financial Statements and Unaudited Interim Financial Statements. *For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements", on pages 67 and 181, respectively.*

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SUMMARY BALANCE SHEET FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021, 2020, 2019 AND FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2021

All figures in ₹ lakhs

Particulars	**H1FY22**	**FY21**	**FY20**	**FY19**
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	23,959.47	24,083.87	25,978.79	27,291.57
(b) Capital Work-in-Progress	1,415.16	303.11	321.56	456.54
(c) Intangible Assets	8.43	8.81	11.88	14.79
(d) Financial Assets	-	-	-	-
(i) Investments	41.95	41.95	41.95	46.73
(ii) Loans	554.76	506.93	459.66	337.26
(iii) Other Financial Assets	114.39	192.30	83.69	164.20
(e) Other Non-Current Assets	1,425.21	180.08	148.35	118.64
Total Non- Current Assets	**27,519.37**	**25,317.05**	**27,045.88**	**28,429.71**
Current Assets				
(a) Inventories	11,699.68	9,045.07	8,650.06	5,332.99
(b) Financial Assets	-	-	-	-
(i) Trade Receivables	11,314.97	9,838.15	8,236.90	10,003.93
(ii) Cash and Cash equivalents	2,454.40	1,787.89	242.51	2,515.67
(iii) Other Financial Assets	324.26	66.95	73.41	59.95
(c) Other Current Assets	2,801.87	3,593.48	1,449.50	1,880.03
Total Current Assets	**28,595.18**	**24,331.54**	**18,652.38**	**19,792.57**
Total Assets	**56,114.55**	**49,648.59**	**45,698.26**	**48,222.28**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	469.17	469.17	469.17	469.17
(b) Other Equity	41,372.97	36,086.07	30,059.90	28,586.11
Total Equity	41,842.14	36,555.24	30,529.07	29,055.28
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,014.00	1,053.00	2,108.94	4,081.77
(ii) Other Financial Liabilities	129.90	133.48	41.01	-
(b) Deferred Tax Liabilities (Net)	1,423.83	1,475.91	23.71	-
Total Non-Current Liabilities	**2,567.73**	**2,662.39**	**2,173.66**	**4,081.77**
Current Liabilities				
(a) Financial Liabilities	-	-	-	-
(i) Borrowings	-	-	5,960.93	7,459.27
(ii) Trade payables	-	-	-	-
- Outstanding dues of micro, small and medium enterprises	127.52	231.74	229.60	-
- Outstanding dues of creditors other than above	5,682.91	5,399.04	2,658.10	2,096.45
(iii) Other Financial Liabilities	1,624.48	752.32	2,654.57	3,835.87
(b) Other Current Liabilities	1,836.06	1,707.55	820.02	937.57
(c) Provisions	356.61	512.20	180.56	164.23
(d) Liabilities for current Tax (Net)	2,077.09	1,828.11	491.74	591.83
Total Current Liabilities	**11,704.67**	**10,430.96**	**12,995.53**	**15,085.23**
Total Equity and Liabilities	**56,114.55**	**49,648.59**	**45,698.26**	**48,222.28**

SUMMARY STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021, 2020, 2019 AND FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2021

All figures in ₹ lakhs except for EPS data

Particulars	H1FY22	FY21	FY20	FY19
REVENUE				
Revenue from Operations	51,583.87	76,603.44	62,079.77	67,388.61
Other Income	84.27	187.42	94.72	196.30
Total Income (I)	**51,668.14**	**76,790.86**	**62,174.49**	**67,584.91**
EXPENSES				
Cost of Materials Consumed	25,341.41	36,055.47	35,496.96	34,822.21
Purchase of Stock in Trade	298.82	471.74	704.73	1,320.16
Changes in Inventories of Finished goods, Work in progress and Stock in Trade	584.57	664.69	(848.39)	(77.97)
Employee Benefits Expenses	1,592.97	2,860.58	2,168.43	2,232.78
Finance Cost	197.89	654.67	1,138.08	1,425.88
Depreciation & amortisation Expenses	1,556.52	3,255.37	3,101.96	4,433.67
Other Expenses	14,744.41	23,478.51	17,670.49	20,726.43
Total Expenses (II)	**44,316.59**	**67,441.03**	**59,432.26**	**64,883.18**
Profit Before Tax (III) (I-II)	**7,351.54**	**9,349.83**	**2,742.22**	**2,701.73**
Tax Expense:				
Current Tax Expense	1,936.67	1,813.17	495.94	592.68
Add: Mat Credit (Utilised)	-	1,285.05	47.95	44.82
Deferred Tax Expense	(52.08)	6.06	139.93	(78.30)
Total Tax Expenses (IV)	**1,884.59**	**3,104.28**	**683.82**	**559.21**
Profit/(Loss) for the year (V) (III-IV)	**5,466.95**	**6,245.55**	**2,058.40**	**2,142.52**
Other Comprehensive Income				
Item that will not to be reclassified to Profit and Loss:				
(Gain)/Loss of defined benefit obligation	11.60	(77.07)	23.21	3.88
Income Tax relating to item that will not be reclassified to profit or loss	(3.06)	14.95	(4.20)	(0.85)
Total Other Comprehensive (Income)/Loss (VI)	**8.54**	**(62.12)**	**19.01**	**3.02**
Total Comprehensive Income for the year (VII) (V - VI)	**5,458.41**	**6,307.67**	**2,039.39**	**2,139.50**
Earning per equity share ("EPS") of face value of ₹1 each Basic and diluted (in ₹)				
Basic	11.65	13.31	4.39	4.57
Diluted	11.65	13.31	4.39	4.57

SUMMARY STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2021

All figures in ₹ lakhs except for EPS data

Particulars	**For the nine months period ended on December 31, 2021**
REVENUE	
Revenue from Operations	80,849.97
Other Income	94.06
Total Income (I)	**80,944.03**
EXPENSES	
Cost of Materials Consumed	41,060.69
Purchase of Stock in Trade	571.72
Changes in Inventories of Finished goods, Work in progress and Stock in Trade	143.35
Employee Benefits Expenses	2,375.40
Finance Cost	358.22
Depreciation & amortisation Expenses	2,391.40
Other Expenses	24,156.26
Total Expenses (II)	**71,057.02**
Profit Before Tax (III) (I-II)	**9,887.01**
Tax Expense:	
Current Tax Expense	2,595.59
Add: Mat Credit (Utilised)	-
Deferred Tax Expense	(88.86)
Total Tax Expenses (IV)	**2,506.72**
Profit/(Loss) for the year (V) (III-IV)	**7,380.28**
Other Comprehensive Income	
Item that will not to be reclassified to Profit and Loss:	
(Gain)/Loss of defined benefit obligation	17.10
Income Tax relating to item that will not be reclassified to profit or loss	(4.49)
Total Other Comprehensive (Income)/Loss (VI)	**12.61**
Total Comprehensive Income for the year (VII) (V - VI)	**7,367.67**
Earning per equity share ("EPS") of face value of ₹1 each Basic and diluted (in ₹)	
Basic	15.73
Diluted	15.73

SUMMARY STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021 2020, 2019 AND FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2021

All figures in ₹ lakhs

Particulars	**H1FY22**	**FY21**	**FY20**	**FY19**
Cash flow from operating activities				
Profit before Tax	7,351.54	9,349.84	2,742.22	2,701.73
Adjustment for :				
Depreciation and Amortization Expenses	1,556.52	3,255.37	3,101.96	4,433.67
Dividend income	(0.24)	(0.24)	(0.99)	(0.57)
Provision/(write back) for doubtful debts and advances (net)	-	98.32	-	22.24
Gain) / Loss on disposal of property, plant and equipment	(2.74)	(82.02)	(0.18)	(22.94)
Gain) / Loss on disposal of Investment	(62.19)	(13.04)	-	(49.59)
Interest income	(7.99)	(65.61)	(93.55)	(70.51)
Interest expenses	197.89	654.67	1,138.08	1,425.88
Cash generated from operations before working capital changes	**9,032.80**	**13,197.27**	**6,887.53**	**8,439.91**
Adjustment for :				
Decrease/(increase) in other assets	709.25	(690.12)	182.95	(554.92)
Decrease/(increase) in trade receivables	(1,476.82)	(1,699.57)	1,767.03	1,571.67
Decrease/(increase) in inventories	(2,654.61)	(395.01)	(3,317.07)	2,106.45
Decrease)/increase in other current liabilities	(1,567.71)	633.94	(117.55)	201.99
Decrease)/increase in provisions	(155.59)	331.63	16.33	(21.94)
Decrease)/increase in trade and other payables	1,048.24	840.82	(390.04)	(2,301.24)
Cash generated from operating activities	(4,097.25)	(978.29)	(1,858.36)	1,002.01
Direct taxes paid (net of refunds)	(1,390.00)	(1,635.00)	(616.70)	(733.00)
Cash flows before exceptional items	**3,545.55**	**10,583.97**	**4,412.47**	**8,708.93**
Net Cash flow generated from operating activities (A)	**3,545.55**	**10,583.97**	**4,412.47**	**8,708.93**
Cash Flow from Investing activities				
Sale proceeds from property, plant and equipment	4.30	208.40	93.52	52.63
Purchase of property, plant and equipment	(2,544.55)	(1,465.30)	(1,743.62)	(2,374.57)
Purchase of intangibles	(0.80)	-	(1.01)	(2.58)
Net Sale/ Purchase proceeds of from non-current investments and current investments	62.19	13.04	4.78	581.27
Interest income	7.99	65.61	93.55	70.51
Dividend income	0.24	0.24	0.99	0.57
Net Cash Flow Generated from investing activities (B)	**(2,470.64)**	**(1,178.01)**	**(1,551.79)**	**(1,672.16)**
Cash flow from Financing activities				
Interest expenses	(197.89)	(654.67)	(1,138.08)	(1,425.88)
Repayment of long-term borrowings	(39.00)	(963.47)	(1,931.82)	(2,939.57)
Repayment of short-term borrowings	-	(5,960.93)	(1,498.34)	(49.70)
Dividend paid	(171.52)	(281.50)	(469.17)	(328.42)
Dividend distribution tax paid	-	-	(96.44)	(67.23)
Net Cash flow Generated from financing activities (C)	**(408.41)**	**(7,860.57)**	**(5,133.85)**	**(4,810.80)**
Net increase in cash and cash equivalents (A+B+C)	**666.51**	**1,545.39**	**(2,273.17)**	**2,225.96**
Cash and cash equivalents at the beginning of the year	**1,787.89**	**242.50**	**2,515.67**	**289.71**
Cash and cash equivalents at year end	**2,454.40**	**1,787.89**	**242.50**	**2,515.67**

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Private Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Private Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 107, 94 and 67 respectively, as well as the financial, statistical and other information contained in this Private Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Gulshan Polyols Limited on Standalone basis for the last three financial year and for the stub period.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2021, Fiscal 2020 and Fiscal 2019 has been extracted from our Audited Financial Statements beginning on page F-9. The financial information included in this section for the six months ended September 30, 2021 and nine months period ended December 31, 2021 has been extracted from our Unaudited Interim Financial Statements approved by the Board of Directors and limited reviewed by statutory auditors of the Company beginning on page F-1.

Internal Risk Factors

Risks Relating to Our Business

1. ***Seasonal fluctuations could cause volatility in the supply and pricing of our raw materials which may have an adverse effect on our business, financial condition, and results of operations.***

The primary raw materials for our principle products are rice (including broken rice) and maize. We procure the raw materials directly through aggregators. In the event we are unable to procure sufficient quantities of raw material on a timely basis, our operating results in one or more periods might be affected and which in turn may impact our cash flows. The weather can affect the presence of disease and pest infestations in the short term on a regional basis, and accordingly may negatively affect the crop. The agricultural sector is also affected by adverse weather conditions in India such as droughts and typhoons or other natural calamities such as fires, floods and earthquakes. The effects of monsoonal weather in India, including flooding, droughts and subsequent damage to crops, can be more severe than in other countries, significantly affecting production of crops in India.

Our mineral processing segment is a raw material intensive industry and while we have not had any instances of disruption of raw material supply, we could be susceptible to unpredictability in the supply of raw materials in the future. Disruption in the supply of raw material may lead to hampering of the production process flow. Uncertainty over the availability of primary raw material i.e., limestone, inputs for captive power plant such as coal and other sources such as water, power, skilled manpower, etc. could cause a disruption to our production schedules.

If we fail to (i) receive the quality of raw materials that we require; (ii) negotiate appropriate financial terms; (iii) obtain adequate supply of raw materials in a timely manner, or if our suppliers were to experience business disruptions or become insolvent, we cannot assure you that we will be able to find alternate sources for the procurement of raw materials in a timely manner. Moreover, in the event that either our demand increases or our suppliers experience a scarcity of resources, our suppliers may be unable to meet our demand for raw materials. Any such reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources in a timely manner for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner. Further, if we cannot reasonably offset increases in the prices of raw materials with the increase in the prices of our products, we will experience lower margins which will adversely affect our profitability. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition.

2. ***The shortage or non-availability of power and fuel facilities may adversely affect our manufacturing process and have an adverse impact on our business, results of operations and financial condition.***

Our manufacturing process requires substantial amount of power and fuel facilities that is sourced from our CCPP and any shortage is taken from the grid. The inputs for our CCPP, i.e. coal, paddy/husk, wood and/or bamboo are sourced from one of the PSU, local suppliers, aggregators or through agents. Power and fuel cost accounts for a significant percentage of our cost of operations. For the nine months period ended December 31, 2021 and for the Fiscals 2021, 2020 and 2019, our power and fuel expenses were 12.06%, 10.85%, 10.68% and 13.10% respectively of our total revenue from operations. The quantum and nature of power and fuel requirements of our industry and Company is such that it cannot be supplemented or augmented by alternative or independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high. To battle electricity failures, we also have CCPP as well as back-up generators to meet exigencies at our main facilities, however, we cannot assure you that our facilities will be operational during power failures. Any disruption or non-availability of power or fuel or any failure on our part to arrange alternate sources of electricity and fuel supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on our business, results of operations and financial conditions of our Company.

3. ***A significant portion of our revenue from the sale of ethanol is dependent on the volume of sales to OMCs pursuant to the EBPP instituted by the GoI. Any adverse change in the policies of the GoI in this regard, would have an adverse effect on our revenue, results of operations and financial condition.***

Our Company sells a significant portion of the total production of ethanol to OMCs under the EBPP of the GoI under a tender driven process. While our Company has entered into an agreement with OMCs for a period of 10 years from the date of commencement of commercial production from our upcoming ethanol plant, however, for our existing facility at Borgaon (Madhya Pradesh), we enter into an agreement for a period of 12 months that typically commences in November or December each year.

We cannot assure if we will be able to successfully bid in order to continue participating in the EBPP, especially owing to the increasing competition among ethanol providers. Further, we cannot assure you that we will be able to maintain historic levels of business with the OMCs. Failure to provide the requisite quantum of ethanol under existing arrangements or to meet other terms and conditions may result in *inter alia* the OMCs paying reduced prices for the quantity delivered, invoking of bank guarantee furnished by the Company or the Company being ineligible to participate in the process for a particular period. Any reduction in the volume of sale of ethanol under the EBPP may have an adverse effect on our revenue, financial condition and results of operations. The EBPP is regulated by the GoI and the demand for ethanol is dependent on the requirements of the EBPP. While the GoI’s policy requires that the ethanol blend in petrol should be increased to 20% by 2025, any change or delays in implementation of such policy may adversely affect the demand for ethanol under the EBPP.

Our production and pricing of ethanol for the EBPP are subject to the policies, notifications and incentives provided by the GoI, from time to time. Over the years, our contribution in terms of volume towards the EBPP has increased owing to the GoI’s decision to scale up blending targets for OMCs. We also benefit from the incentives provided by the GoI through various schemes under the EBPP. Any change in governmental policies could adversely affect the business, revenue and results of operations of our Company.

4. ***Any social unrest or any natural disaster in and around our manufacturing facilities or any disruption in production at, or shutdown of, our manufacturing facilities or breakdown of machinery could have material adverse effect on our business and financial condition.***

Our manufacturing operations and consequently our business is dependent upon our ability to manage the manufacturing facilities, which is subject to operating risks, including those beyond our control. In the event of any disruptions at our manufacturing facilities or breakdown of machinery, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions, our ability to manufacture our products may be adversely affected.

We depend on expensive machinery for manufacture of our products and any breakdown of such machinery at our manufacturing facilities could result in us being unable to meet with our commitments or require us to incur significant capital expenditure. Further, there are registered trade unions at our manufacturing facilities at Muzaffarnagar (Uttar Pradesh) and Bharuch (Gujarat) consisting of 73 employees, with the existing contracts valid till August 31, 2024 for the facility at Muzaffarnagar (Uttar Pradesh) and March 31, 2023 for the facility at Bharuch (Gujarat). We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour working at our manufacturing facilities. Any disruption to the steady and regular supply of labour workforce for our operations, including due to strikes, work stoppages or increased wage demands by our labour workforce or any other kind of disputes with our labour workforce or our inability to control the composition and cost of our labour workforce could adversely affect our business, cash flows and results of operations.

5. *Expansion of our manufacturing capacities would require us to incur significant capital expenditure and we may need to seek additional financing in the future to support our growth strategies.*

The grain/mineral processing and ethanol industry requires a substantial amount of capital, and we will continue to incur significant expenditure in the future for maintaining and growing our existing infrastructure, purchasing equipment and developing and implementing new technologies in our new and existing manufacturing facilities. For instance, we are in the process of setting up a 500 KLPD grain-based ethanol manufacturing facility at our existing site as well as the new land acquired on lease at Borgaon (Madhya Pradesh). The management of the Company has estimated that the investment required for adding the capacity is ₹ 30,000 lakhs. While we have principally funded our capital expenditure through internal accruals, cash flow from operations and debt, we cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, and other financial institutions.

Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, our credit rating, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Further, if we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

6. A large part of our customers depend on retail consumption for their sale and any impact on their sales as a result of the continued impact of the COVID-19 pandemic could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations.

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. To contain the spread and impact of COVID-19, authorities throughout the world and in India have implemented measures such as travel bans and restrictions, quarantines, stay-at-home and shelter-in place orders, promotion of social distancing, and limitations on business activity. This pandemic has resulted in a significant economic downturn in India and globally and has also led to significant disruptions and volatility in capital and financial markets.

Certain countries have reinstated lockdown conditions due to a “third wave” of the COVID-19 outbreak. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Resurgence of the virus or a variant of the virus that causes a rapid increase in cases and deaths, if measures taken by governments fail or if vaccinations are not administered as planned, may cause significant economic disruption in India and in the rest of the world. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, ‘stay-at-home’ orders, and enforcing remote working regulations. These measures have led to a significant decline in economic activities. No prediction can be made of when any of the restrictions currently in place will be relaxed or when further restrictions will be announced.

As a consequence of the scale of the pandemic and the extent to which the local and global community has been impacted, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, may differ significantly from our historical rates, and our future operating results may fall below expectations. The potential impact of the pandemic on our business, operations and future financial performance includes, but are not limited to the following:

- a temporary shutdown of our manufacturing facilities due to government restrictions or illness in connection with COVID-19;

- a decrease in demand for our products as a result of COVID-19 on account of government restrictions imposed and additionally on account of cost control measures implemented by our customers;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- delays in orders or delivery of orders due to delays at ports, which may negatively impact our exports and consequently our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are affected by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Further, we generate our revenues from different geographies due to exports. The effects of COVID-19 in India and the geographies we operate in may last for different duration or have different magnitude in different countries which may make it difficult for us to normalise the operations. Due to logistical disruptions and delay in dispatch and delivery of orders on account of COVID-19, an export consignment to one of our customers was cancelled. We cannot assure that any such delays beyond our control may not happen in the future and can have an adverse effect on our business and financial condition. Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers' employees and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Our existing insurance coverage may not provide protection for all costs that may arise from all such possible events. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether.

7. Our estimates of production volumes may not correspond to the actual demand for our products.

We estimate our production volumes based on customer dialogue, historical production volumes by our customers, purchase orders, trade exhibitions and conferences, our experience and general economic and market conditions. However, we are unable to assure that the demand for our products will develop in line with our estimates. There is no assurance that we will be able to plan our production schedules to meet the actual requirements. In addition, regardless of the accuracy of such indicators, factors outside our control may require revision of our estimates. If we over-estimate the volume of products we expect to sell, we will have excess production capacity which may reduce operational efficiency and the margins on the products sold. If we underestimate the volume of products, we need to produce at any of our manufacturing facilities or fail to order a sufficient volume of supplies and input materials from our third-party suppliers, we may be unable to meet customer orders, which may affect our reputation or lead to a discontinuation of future orders from customers which could have a material adverse effect on our business, financial condition, and results of operations. Further, capacity utilisation of our manufacturing facilities as disclosed in this Placement Document are based on the period during which the manufacturing facilities operate in a year/period, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies, and considering the number of working days in a year and number of shifts in a day. Accordingly, actual manufacturing capacity levels may vary from the information of our manufacturing facilities included in this Placement Document.

8. We may be unable to effectively implement our growth strategies or manage our growth

Our total income has grown from ₹ 67,584.91 lakhs in the Fiscal 2019 to ₹ 76,790.86 lakhs in the Fiscal 2021. Further, our total income was ₹ 80,944.03 lakhs in the nine months period ended on December 31, 2021. A large part of our growth can be attributable to the increase of revenue from operations of our ethanol / distillery segment from ₹ 3,191.38 lakhs in Fiscal 2019 to ₹ 13,269.60 lakhs in Fiscal 2021 at a CAGR of 103.91% over 2 fiscals and the contribution of the segment in our total revenue from operations increased from 4.74% in Fiscal 2019 to 17.32% in Fiscal 2021 and, thereafter, to 17.91% in the nine months period ended on December 31, 2021. The current capacity at which our ethanol plant at Borgaon (Madhya Pradesh) is operating stands at 110.63% and we are in the process of setting up a new facility in the State of Assam, for which we have received environmental clearance, with other approvals in process.

Our growth has been a result of our growth strategies over the years and involves risks and difficulties, many of which are beyond our control and, accordingly, there may be no assurance that we will be able to complete our plans on schedule or at all, or without incurring additional unforeseen material capital expenditure. Any inability on our part to manage our growth effectively or to ensure the continued adequacy of our current systems to support our growth strategy could have an adverse effect on our growth plans. Furthermore, if market conditions change or if our operations do not generate sufficient funds or for any other reasons, we may decide to delay, modify or forgo some aspects of our growth strategy which could have a material and adverse effect on our business prospects.

9. Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.

Our manufacturing processes involves solvent extraction and processing processes with respect to sorbitol, ethanol/alcohol as well as calcium carbonate. We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We are required to obtain and maintain various regulatory approvals and registrations for our operations, including consents from the local pollution control board in India to establish and operate manufacturing facilities in India. There can be no assurance that these relevant authorities will issue such permits or approvals, or renewals thereof, in the time frame anticipated by us. While we believe we currently have all the permits and approvals required for operating our manufacturing facilities, certain of these approvals require to be renewed periodically, and we cannot assure you that we would be successful in renewing them in a timely manner or at all. We handle and use hazardous materials in our manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. However, we cannot assure you that we will not experience accidents in the future. Any accident at our facility may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations.

10. Our key customers contributed 30.01% of our total revenue from operations for the year ended March 31, 2021. If one or more of key customers were to suffer a deterioration of their business, cease doing business with us or substantially reduce its dealings with us, our revenues could decline, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our key customers contributed 30.01% of our total revenue from operations for the year ended March 31, 2021. However, the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We believe we have maintained good and long-term relationships with our customers, however, there can be no assurance that we will continue to have such long-term relationship with them. Also, any delay or default in payment by these customers may adversely affect our business, results of operations, cash flows and financial condition of our Company. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

11. Our success depends on the smooth supply and transportation of raw materials from our suppliers to our plants and of our products from our plants to our customers, which is subject to various uncertainties and risks.

We procure our raw materials and stock in trade from domestic and international suppliers. Any disruption of our suppliers' operations and/or inadequate or interrupted transportation of the raw materials and stock in trade to our facilities could result in delay in manufacturing the products for the customers and adversely affect our reputation, business, financial condition and results of operations. We depend principally on roadways and railways for the delivery of raw materials to our manufacturing facilities and the delivery of our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. These transportation providers may not be adequate to support our existing and future operations. Further, disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, geopolitical events, or other events could impair our ability to supply our products to our customers. In the event of any of the foregoing, we may be required to buy our raw materials and stock in trade at unfavourable prices depending on demand and competition for raw materials, which could materially and adversely affect our reputation, business, results of operations and financial condition.

12. ***We require various regulatory approvals and licenses for the purpose of our business. Our inability to obtain such regulatory approvals and licenses for the purpose of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.***

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state and local government rules in India, generally for carrying out our business and for our manufacturing facilities. A majority of these approvals are granted for a limited duration. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

13. ***Any inability on our part to successfully maintain quality standards could adversely impact our business.***

Quality of our products is very important for our customers and their brands equity. Our product goes through various quality checks at various stages including random sampling check. We supply our products to OMCs for EBPP, petroleum, FMCG, pharmaceuticals, oral care, paints, paper and packaging, food and confectionary, animal feed, edible oil, textiles and adhesives, plastics and PVC formulations industries each of which have different product specifications. Receipt of certifications and accreditations under the standards of quality is important for the success and wide acceptability of our products and also required to be maintained under certain purchasing agreements with our customers for specific products. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality accreditations in the future, in a timely manner, or at all, our business and prospects may be adversely affected.

We maintain utmost hygiene standards in our manufacturing plants serving FMCG, pharmaceuticals, oral care, paints, paper and packaging, food and confectionary, animal feed, edible oil, textiles and adhesives, plastics and PVC formulations sectors amongst others. We ensure that our products are tested for various application tests, in line with certain international standards. Failure of our products to meet prescribed quality standards may results in rejection and reworking of product hence any failure on our part to successfully maintain quality standards for our products may affect our customer demands or preference which may negatively affect our business.

14. ***We are subject to various operational risks and hazards which may have a significant impact on our operations or result in significant liabilities and costs.***

Some of the raw materials that we use as well as our finished goods are flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. For instance, the hydrogenation process that we use in the manufacture of our sorbitol is a high-risk process as it imposes the risk of pipe-line blast, further, while the autoclave reactors used by us are built to withstand high pressures, there could be a risk of the vessel imploding due to pressure. Our ethanol process includes the fermentation during which it creates a significant amount of carbon dioxide (CO_2), and any leaks or failure in the extraction system could result in a toxic hazard if not properly vented. Ethanol is a flammable colourless liquid; a polar solvent that is completely miscible in water. It is heavier than air, and has a wider flammable range than petroleum products. Any failure in handling these raw materials and finished products appropriately, or any mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage.

15. ***We may be subject to financial and reputational risks due to product quality and liability issues which may have an adverse effect on our business, financial condition and results of our operations.***

Our Company has entered into contract with OMCs for a period of 10 years for the supply of ethanol under the NBP Policy, 2018. Apart from the ethanol supply contract, our Company has not entered into any long-term contracts with our customers. Our Company receives regular purchase orders from the associated clientele, which explicitly mentions the specifications of the products. While all applicable quality standards are followed by the Company during the manufacturing process, there exists a limited possibility of rejection of the produced batch of such products by our customers, which could result into replacing such products for such customers. If any of the products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. From time to time, due to human or unforeseen weather conditions, orders may not meet the specifications required by those customers and may therefore be rejected by customers. Any ongoing issues with products not meeting required specifications could reduce our revenue and negatively impact our reputation and financial performance.

While we undertake sample-based testing of our products in accordance with the specifications mentioned under the purchase orders provided by our customers, there are factory level rejections, owing to which the stock gets reprocessed and the cost involved will be limited to such reprocessing. The possibility of future product failures could cause us to incur substantial expense to replace defective products, provide refunds or resolve disputes with our customers through litigation, arbitration or other means. Defects, if any, in our products could lead to rejection of supplied products and consequential financial claims and could require us to undertake service actions. As per the terms of our agreements with certain clients, these actions could require us to expend considerable resources in rectifying and/or addressing these problems, to absorb costs incurred by our customers in addressing such problems. We are currently not covered by insurance for any product liability claims and hence any such liability could have an adverse impact on our results of operations. Though there have not been any significant rejection and claims experienced by our Company in past, we cannot assure you that no such claims will be made against us in the future or that such claims will be settled in our favour. Any such successful claims could adversely affect our results of operations and cash flow.

16. ***Our Company is involved in certain legal and other proceedings. An adverse outcome in such proceedings may have an adverse effect on our financials.***

The nature of the business segments that we operate in are such that, from time to time we have been, and expect to continue to be subject to legal proceedings and claims in the ordinary course of our business, particularly relating to liability claims. We are currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details of these legal proceedings, see "*Legal Proceedings*" page 175.

We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be an adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

17. ***We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of September 30, 2021, contingent liabilities disclosed in the notes to our Unaudited Interim Financial Statements aggregated ₹ 697.11 lakhs. Set forth below are our contingent liabilities that had not been provided for as of September 30, 2021:

Nature of contingent liability	**Amount (₹ in lakhs)**
Corporate guarantee (in the form of counter guarantee) extended to GIDC on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the Company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units	7.39
Bank guarantees (including financial and performance guarantees) issued in favour of statutory authorities, PSUs, government bodies and corporates	689.72

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial conditions and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current financial year or in the future.

18. ***Certain corporate and secretarial records of our Company are not traceable and some of our corporate records contain discrepancies.***

Our Company is unable to locate some of the regulatory filings made with the RoC and/or secretarial records including *inter alia* in respect of allotment of preference shares, notices for call money relating to convertible share warrants and certain other corporate records. These corporate records include forms filed by our Company with the RoC or at the portal maintained by the MCA. While our Company believes that these forms were duly filed with the appropriate authority, we have been unable to locate copies of these documents in our records or obtain copies of the same from the appropriate authorities. Accordingly, we have relied on the certified search report dated February 7, 2022 issued by RMG and Associates, Company Secretaries. We cannot assure you that all or any of such filings were in fact made in a timely manner or at all or that these filings will be available in the future. While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as mentioned above, as of the date of this Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

There may be inconsistencies between the information provided in certain RoC forms, disclosures made to the Stock Exchanges and the statutory and corporate records maintained by us. We cannot assure you of the accuracy and completeness of such internal records maintained by us including the aforesaid search report in respect to the above mentioned and that these discrepancies will not adversely affect our business.

19. We are subject to certain restrictive covenants in our financing arrangements which may limit our operational and financial flexibility, and our future results of operations and financial condition may be adversely affected if we fail to comply with these covenants.

As at December 31, 2021, our Company has vehicle loan of ₹ 57.14 lakhs, working capital loan of ₹ 5,938.38 lakhs and unsecured loan (preference share) of ₹ 1,033.50 lakhs. Our financing agreements set limits on us or require us to obtain lender consents before, among other things, pledging assets as security, selling assets, hedging, undergoing a change of control, dilution of shareholding of Promoters including no reduction in number of shares held by the Promoter and making substantial changes to the nature of the business. In addition, certain covenants may limit our Company's ability to borrow additional funds or to incur additional liens. Such restrictions or limitations may adversely limit our Company's operations and financial flexibility, and adversely affect its business growth. For further details of our borrowings, see '*Financial Statements'* on page 181.

We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. In the event that we breach any of these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition. Such restrictive covenants may restrict our flexibility in managing our business and could in turn adversely affect our business and prospects. Under these financing agreements, consents from the respective lenders are required for and in connection with the Issue. As on the date of this Placement Document, our Company has received all required consents from the relevant lenders in relation to the Issue.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our corporate activities from time to time. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. We cannot assure that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements, which may delay the execution of orders leading to loss of reputation and an adverse effect on the cash flows. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

20. Certain government/statutory approvals/certifications/licenses may have expired or renewal/fresh applications for the same are pending before the concerned authorities. Any failure to obtain them in a timely manner or at all may adversely affect our operations.

We require certain statutory and regulatory permits, licenses and approvals to operate our business and require renewing some of them on periodic basis and need to apply for some of them, for expansion. We have made renewal or new applications for certain approvals or licenses that have expired or that are required for our business but have not yet been received. In the future as well, our Company will be required to renew such permits, licenses and approvals, and obtain new permits, licenses and approvals in order to carry on current business operations and for any proposed new operations or expansions. While we believe that we will be able to renew or obtain such permits, licenses and approvals as and when required, there can be no assurance that the relevant authorities will issue or renew any of such permits, licenses or approvals in the timeframe anticipated by it or at all. Such non-issuance or non-renewal or non – availability may result in the interruption of our business operations and may have a material adverse effect on our results of operations and any present or future expansions. Further, in the event any of such approvals or licenses or any renewals thereof are refused to be granted to us, we may be required to temporarily discontinue our relevant operations for want of such approvals or licenses.

21. ***Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our Company has paid ₹ 281.50 lakhs and ₹ 187.67 lakhs as dividend to our shareholders for the Fiscal 2021 and for the six month period ended September 30, 2021, respectively. Our Company has also paid ₹ 78 lakhs as dividend on 8% redeemable preference shares to our preference shareholder for Fiscal 2021. Our Company's ability to pay dividends in the future will depend on number of factors, including but not limited to our Company's earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position. In addition, our Company's ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements that our Company is currently availing itself of or may enter into to finance out fund requirements for our business activities. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. We cannot assure you that we will be able to pay dividends at any point and in the future. For details of dividends that we paid in the past, see "*Dividends*" on page 65.

22. ***Our corporate office and some of our manufacturing facilities are located on leased premises. If these leases are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition and results of operations.***

Our corporate office and some of our manufacturing facilities are situated on premises that we have taken on lease. We typically enter into long term lease agreements with an option to renew such term. We may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements during their currency. We may also be required to vacate the premises at short notice period prescribed in the lease agreements, and we may not be able to obtain alternate location, in a short span of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations and financial condition. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations.

Additionally, some of our manufacturing facilities are operated on premises forming part of the industrial land purchased from state industrial development boards and accordingly are subject to certain compliance requirements. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition. For further information, including the details of the owned/leased premises used by the Company for their operations, see "*Our Business – Our Properties*" on page 122.

23. ***Our Promoters will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

As on date of this Placement Document, our Promoters and members of the Promoter Group hold approximately 68.20% of the share capital of our Company. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, investments and capital expenditures and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of our Company , Our Promoters shall comply with the applicable requirements under the SEBI LODR Regulations, and efforts shall be made to resolve any conflict of interest between our Promoters and our interests or the interests of its other shareholders. However, we cannot assure you that the Promoters will be successful in resolving such conflicts.

24. We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performing certain of our ancillary operations. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. All contract labourers engaged at our manufacturing facilities are assured minimum wages that are fixed by the state government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations. As of the date of filing of the Placement Document, we had 424 employees on the rolls of our Company and 401 contract labour employed at our manufacturing facilities for administrative and housekeeping function.

Further, in the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract labourers as our employees, the Indian courts on a case-by-case basis have directed employers in the past to absorb contract labourers as employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

25. Our customers may engage in certain transactions in or with countries or persons that are subject to international economic sanctions.

Various international jurisdictions, including the United States and the United Kingdom, restrict investments or otherwise doing business in or with certain countries or territories and with certain persons or businesses that have been specially designated by such government agencies. Other governments and international or regional organizations also administer similar economic sanctions.

Customers of our client, may be located in and/ or may enter into transactions with end customers located in, jurisdictions to which certain OFAC-administered and other sanctions apply, such as Iran, Iraq and Syria. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to penalties, and our reputation and future business prospects could be adversely affected. Further, investors in the Equity Shares could incur reputational or other risks as a consequence. There can be no assurance that our future business will be free of risk under sanctions implemented by these jurisdictions or that we will be able to conform our business operations to the expectations and requirements of such international regulatory agencies that do not have jurisdiction over our business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Further, investors in the Equity Shares could incur reputational or other risks as a result of our or our customers' dealings in or with sanctioned countries or with persons that are the subject of such sanctions.

26. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business and financial condition.

We maintain insurance for a variety of risks, including risks relating to fire, special perils, earthquake, public liability and directors and officers liability insurance etc., and other similar risks. However, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Any liability in excess of our insurance limits could result in additional costs, which would reduce our profits. Further, we may be subject to claims arising from alleged, suspected or actual defects in the products that we manufacture, which may require us to conduct product recalls, due to alleged, suspected or actual defects in end product manufactured by them for their own customers. In the event that any significant product liability, performance improvement or replacement claims are brought against us, which are not covered by insurance or result in recoveries in excess of our insurance coverage, it may adversely affect our business, financial condition, results of operations and prospects.

27. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our Company will have broad discretion over utilization of the Net Proceeds.***

Our Company proposes to utilize the Net Proceeds towards (i) ongoing and future capital expenditure requirements of our Company; (ii) working capital requirements; (iii) debt repayment; (iv) general corporate purpose including but not limited to pursuing new business opportunities, organic and inorganic and meeting the issue expenses etc., as may be permissible under the applicable law and approved by our Board or a duly constituted committee thereof from time to time to meet corporate exigencies. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

28. ***Industry information included in this Placement Document has been derived from industry reports. There can be no assurance that such third party statistical, financial and other industry data in this Placement Document may be complete or reliable.***

We have not independently verified data obtained from industry publications and other third-party sources, including the report titled *"Indian Sorbitol Market Research Report - Forecast to 2027"* prepared by Market Research Future Report dated January 11, 2022, referred to in this Placement Document. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from these industry reports. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document.

Further, this Placement Document contains certain statistical information relating to the sorbitol industry that is sourced from third parties. This information includes general market and industry data that is derived from both public and private sources, including market and industry data that is derived from both public and private sources, including market research, publicly available information and industry publications. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Placement Document are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Investors should exercise caution when relying upon such third-party information.

29. ***If we are not able to compete successfully against existing and new competitors, we may lose customers and market share as well as reduce our margins.***

The product segments in which we operate are mature and highly competitive in India, as a limited number of large manufacturers compete for consumer acceptance, competition is based upon brand perceptions, product performance and innovation, customer service and price.

Our ability to compete effectively may be affected by factors such as:

- our competitors may have substantially greater financial, marketing, research and development and other resources and greater market share in certain segments than we do, which could provide them with greater scale and negotiating leverage with distributors, and suppliers;

- our competitors may have lower manufacturing, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives.

Any failure by us to compete effectively, including in terms of pricing or providing quality products, could have a material adverse effect on our business, results of operations and financial condition. Our ability to compete successfully will depend, in significant part, on our ability to reduce costs by improving productivity, elimination of redundancies and increasing manufacturing at low-cost supply sources. If we are unable to compete successfully, our market share may decline, which may have a material adverse effect on our results of operations and financial condition.

30. Our success depends on our senior management and skilled manpower and an inability to attract and retain key personnel may have an adverse effect on our business prospects.

Our experienced senior management and executive director have made significant contribution to the growth of our business, and our future success is dependent on the continued service of our senior management team. An inability to retain any senior management personnel may have an adverse effect on our operations. Our ability to successfully grow depends on our ability to attract, train, motivate and retain highly skilled professionals. We cannot assure you that we will be able to retain these individuals or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. For further information, see "*Board of Directors and Senior Management*" beginning on page 126.

31. If we do not continue to leverage our in-house upgradation and development activities to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. As discussed in detail in "*Our Business*" on page 107, we have committed extensively to the constant monitoring, development and modernization of our plants in order to increase our capacities and our abilities to manufacture multiple types of products across segments.

If we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively with the sale of our products, our business, financial condition and results of operations may be adversely affected.

32. We have entered into related party transactions in the past and may continue to do so in future

Our Company in the past has entered into certain related party transactions with the Promoters, Directors and Promoter Group towards salaries & perks, commission on profits, product sales, rent paid, and interest paid. The total amount of related party transactions as on six month period ended on September 30, 2021, and March 31, 2021, March 31, 2020, and March 31, 2019, were ₹ 392.95 lakhs, ₹ 913.70 lakhs, ₹ 516.11 lakhs, and ₹ 449.84 lakhs, respectively. While our Company believes that all such transactions have been conducted on an arm's length basis and are accounted as per Accounting Standard 18, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. For further details, see '*Financial Statements*' on page 181.

33. Our Company is currently part of Scheme of Amalgamation which may lead to dilution of existing shareholders and/ or significant increase in debt obligations of our Company.

Our Board at its meeting held on August 6, 2020, approved a scheme of amalgamation of our Holding Company and East Delhi Importers and Exporters Private Limited with our Company (the "**Scheme**"), under Section 232 read with other applicable provisions of the Companies Act, 2013 and the Income-tax Act, 1961. The Scheme which was filed before the NCLT, Allahabad has been approved vide order dated March 9, 2022. Our Company is in the process of applying for a certified copy of the order passed by NCLT, Allahabad in order to file the same with RoC from which date, the said order will stand effective. Upon this Scheme becoming effective, the authorised share capital of our Company will automatically stand increased by an additional share capital.

As part of the Scheme, as consideration for their shareholding in the transferor companies, the shareholders of such companies, at their sole discretion, will be entitled to shares of our Company as per the swap ratios agreed as part of the Scheme as per the terms agreed upon in the Scheme. Upon this Scheme becoming effective, any issuance of shares by our

Company under this Scheme will lead to dilution in shareholding of existing shareholders of our Company. We cannot assure you that the proposed scheme will be successful or that the expected strategic benefits of any such action will be realized.

34. As the securities of our Company are listed on a stock exchange in India, our Company and our Promoters are subject to certain obligations and reporting requirements under SEBI Insider Trading Regulations, SEBI Takeover Regulations and SEBI LODR Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements in the future may render us/our Promoters liable to prosecution and/or penalties.

Our Company and our Promoters are subject to certain obligations and reporting requirements under SEBI Insider Trading Regulations, SEBI Takeover Regulations and listing agreement such as submission of interest or holding by the directors and officers of our Company etc. Though our Company and our Promoters endeavour to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company/our Promoters to prosecution and/or penalties. For the financial year March 31, 2021, our Company was found to be in non-compliance with certain corporate governance norms provided under Regulation 23(9) of the SEBI LODR Regulations. SEBI *vide* circular dated May 3, 2018 has prescribed certain penal actions that can be taken by Stock Exchanges in the event of non-compliance with SEBI LODR Regulations. Accordingly, BSE *vide* email correspondence dated September 7, 2021 imposed a fine of ₹ 11,800 for such non-compliance. We have accordingly paid the penalty amount to BSE on September 8, 2021 for the non-compliance and are currently in compliance with SEBI LODR Regulations. A certificate to this effect certifying our compliance with SEBI LODR Regulations have been provided by our statutory auditor. Any non-compliance with the applicable laws, rules and regulations in the future may subject us to regulatory action, including penalties, suspension of trading of Equity Shares or even compulsory delisting of our Equity Shares, which may not only materially and adversely affect our business, prospects and reputation but also the shareholders.

External Risk Factors

Risks Relating to India

35. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

36. The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

37. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB "stable" to BBB "negative" by DBRS in May 2020. India's sovereign ratings from S&P is BBB-with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

38. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

39. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Taxation Laws (Amendment) Act, 2019 (the "**2019 Tax Amendment**"), a new tax amendment issued by India's Ministry of Law and Justice on December 11, 2019, prescribed certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favour of a concessional tax Any future amendments may affect exemptions and benefits that we currently available, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combined taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

Further, the Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the amendments in the Indian Stamp Act, 1899 and rules made thereunder were made effective from July 1, 2020. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, the GoI had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. The Finance Act, 2021 has introduced various amendments and as such, there is no certainty on the impact that the Finance Act, 2021 may have on our business and operations nor can we predict whether any amendments made pursuant to the Finance Act, 2021 would have an adverse effect on our business, financial condition and results of operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

40. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

41. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

42. A third party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

43. Investors may not be able to enforce a judgment of a foreign court against us.

Our Company is a company incorporated under the laws of India. All Directors on the Board of Directors of our Company and a majority of our employees are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for prospective investors outside India to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the CPC. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law then in force in India. Further, India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment.

44. Differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document, established principles generally, or in respect of specific industries, such as the industry in which we operate.

The financial statements for Financials 2019, 2020 and 2021 presented in this Placement Document are prepared and presented in accordance with Ind AS. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019, notifying the leasing standard Ind AS 116 "**Leases**", which replaces the prior standard (Ind AS 17). Ind AS 116 is applicable to companies in India from the fiscal year beginning on or after April 1, 2019. The Company has adopted Ind AS 116 "**Leases**'' effective April 1, 2019 as notified by the Ministry of Corporate Affairs ("**MCA**") and applied the Standard to its leases using the simplified approach. The financial statements that we prepare after implementation of Ind AS 116 in the future will not be comparable with our historical financial statements.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Placement Document. Accordingly, the degree to which our financial statements included in this Placement Document provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. In addition, as the transition to Ind AS is recent, there is no significant body of established practice from which we can draw on, in forming judgments regarding the implementation and application of Ind AS, as compared to other.

Risks Relating to the Equity Shares

45. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, in a timely manner or at all.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT, the Consolidated FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the GoI, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

46. Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

47. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

48. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The GoI has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act has undergone various amendments. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

49. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

The Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

50. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

51. Listed companies in India are highly regulated and we are subject to continuous reporting requirements.

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI LODR Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

52. The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.

The Issue Price shall be determined by us in consultation with the BRLM, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the ongoing COVID-19 pandemic, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the construction equipment sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "*There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*" below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See "*Dividends*" on page 65.

Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

53. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

54. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

55. The right of the Equity Shareholders to receive payments under the Equity Shares will be subject to tax and other liabilities upon insolvency of the Company.

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the GoI on account of taxes and certain liabilities incurred in the ordinary course of the Company's business (including workmen's dues, such as salary, holiday remuneration, amounts due under the Employees' State Insurance Act, 1948, compensation in relation to death or disability of employees, money payable to the provident fund, gratuity fund, etc.). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against the Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in the Company may be significantly diluted or otherwise completely extinguished.

56. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, Eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

57. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time-to-time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 46,917,020 Equity Shares have been issued, subscribed and paid up. The Equity Shares have been listed on BSE and NSE since March 26, 2002 and January 28, 2015, respectively. The Equity Shares are listed and traded on BSE under the scrip code 532457 and NSE under the symbol GULPOLY.

On March 23, 2022 the closing price of the Equity Shares on BSE and NSE was ₹ 382.05 and ₹ 380.80 per Equity Share respectively. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of BSE and NSE has been provided separately.

1. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchange on the dates on which such high and low prices were recorded for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019:

BSE									
Fiscal Year / Period	**High (₹)**	**Date of High**	**Number of Equity Shares traded on the date of high**	**Total turnover of the Equity Shares traded on the date of high (₹)**	**Low (₹)**	**Date of Low**	**Number of Equity Shares traded on the date of low**	**Total volume of the Equity Shares traded on the date of low (₹)**	**Average Price for the Year (₹)**
2021	101.70	19-Jan-21	30216.00	3040628.00	21.05	7-Apr-20	1.00	21.00	80.17
2020	55.80	2-Apr-19	1087.00	60424.00	20.05	31-Mar-20	1986.00	42476.00	43.20
2019	73.90	9-Apr-18	1840.00	135742.00	49.20	9-Oct-18	6259.00	312796.00	61.74

(Source: www.bseindia.com)

1. *High and low prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the year represents the total turnover for the year divided by the total number of shares traded during the year.*

NSE									
Fiscal Year / Period	**High (₹)**	**Date of High**	**Number of Equity Shares traded on the date of high**	**Total volume of the Equity Shares traded on the date of high (₹)**	**Low (₹)**	**Date of Low**	**Number of Equity Shares traded on the date of low**	**Total volume of the Equity Shares traded on the date of low (₹)**	**Average Price for the Year (₹)**
2021	101.35	19-Jan-21	313076.00	31474911.55	22.35	1-Apr-20	9247.00	203908.75	75.21
2020	55.75	1-Apr-19	7118.00	395870.75	20.55	30-Mar-20	20944.00	432780.55	44.00
2019	73.75	9-Apr-18	12999.00	955629.20	49.25	18-Feb-19	14164.00	695933.05	61.57

(Source: www.nseindia.com)

1. *High and low prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the year represents the total turnover for the year divided by the total number of shares traded during the year.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchange on the dates on which such high and low prices were recorded during each of the last six months:

BSE									
Month/ Period	**High (₹)**	**Date of High**	**Number of Equity Shares traded on the date of high**	**Total turnover of the Equity Shares traded on the date of high (₹)**	**Low (₹)**	**Date of Low**	**Number of Equity Shares traded on the date of low**	**Total volume of the Equity Shares traded on the date of low (₹)**	**Average Price for the Year (₹)**
Feb- 22	422.00	04-Feb-22	53833.00	22442238.00	283.50	22-Feb-22	39637.00	11535837.00	350.88
Jan- 22	416.00	18-Jan-22	159033.00	66169751.00	279.40	03-Jan-22	18179.00	5110716.00	371.91
Dec-21	276.50	9-Dec-21	23744.00	6564966.00	242.850	1-Dec-21	7247.00	1721140.00	265.57
Nov-21	302.90	10-Nov-21	57699.00	17197933.00	231.40	30-Nov-21	10942.00	2499644.00	275.84

BSE									
Month/ Period	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of the Equity Shares traded on the date of high (₹)	Low (₹)	Date of Low	Number of Equity Shares traded on the date of low	Total volume of the Equity Shares traded on the date of low (₹)	Average Price for the Year (₹)
Oct-21	315.70	14-Oct-21	81150.00	25576914.00	270.30	25-Oct-21	23020.00	6182588.00	298.33
Sep-21	285.30	30-Sep-21	36041.00	10603541.00	236.75	3-Sep-21	10543.00	2490710.00	256.05

(Source: www.bseindia.com)

1. *High and low prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the year represents the total turnover for the year divided by the total number of shares traded during the year.*

NSE									
Month/ Period	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total turnover of the Equity Shares traded on the date of high (₹)	Low (₹)	Date of Low	Number of Equity Shares traded on the date of low	Total volume of the Equity Shares traded on the date of low (₹)	Average Price for the Year (₹)
Feb-22	421.45	04-Feb-22	132227.00	55140744.80	282.10	22-Feb-22	169809.00	49291701.25	348.29
Jan-22	413.85	18-Jan-22	278086.00	115256688.65	279.35	03-Jan-22	63195.00	17720494.25	406.12
Dec-21	275.80	9-Dec-21	26931.00	7427552.50	241.80	1-Dec-21	34066	8083659.25	266.31
Nov-21	302.75	10-Nov-21	170537.00	50529986.25	233.65	29-Nov-21	56541	13323332.00	270.60
Oct-21	315.05	14-Oct-21	82039.00	25815599.70	271.35	29-Oct-21	36002	9708241.70	290.52
Sep-21	286.30	30-Sep-21	166794.00	48738845.35	237.60	3-Sep-21	21539	5094639.05	260.39

(Source: www.nseindia.com)

1. *High and low prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the year represents the total turnover for the year divided by the total number of shares traded during the year.*

3. The following table set forth the details of the number of Equity Shares traded and the turnover during the last six months and the Financial Years ended March 31, 2021, 2020 and 2019 on the Stock Exchanges:

Period	Number Of Equity Shares Traded		Turnover	
	BSE	NSE	BSE	NSE
Fiscal 2021	39,10,741.00	2,23,42,459.00	31,35,07,946.00	1,68,03,81,641.85
Fiscal 2020	6,73,388.00	1,01,37,201.00	2,90,87,889.00	44,60,02,583.50
Fiscal 2019	10,50,728.00	59,05,080.00	6,48,67,884.00	44,60,02,583.50
Feb-22	3,88,569.00	16,71,519.00	13,63,41,796.00	58,21,69,300.45
Jan-22	8,37,050.00	25,34,447.00	31,13,04,459.00	91,63,54,932.55
Dec-21	2,66,245.00	9,69,164.00	7,07,07,540.00	25,80,98,957.75
Nov-21	2,70,660.00	11,25,903.00	7,46,59,609.00	30,46,73,563.85
Oct-21	5,05,726.00	13,43,771.00	15,08,74,867.00	39,03,96,092.10
Sep-21	2,92,457.00	12,08,215.00	7,48,82,769.00	31,46,12,268.75

(Source: www.bseindia.com and nseindia.com)

4. The following table sets forth the market price on the Stock Exchanges on August 18, 2021, being the first working day following the approval of the Board of Directors for the Issue:

	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ in Lakhs)
BSE	246.00	250.00	237.00	240.40	0.16	37.72
NSE	235.50	249.30	235.50	241.60	0.43	104.91

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue will be up to approximately ₹ 7,887.76 lakhs. The net proceeds from the Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹ 7,631.06 lakhs ("**Net Proceeds**").

Purpose of this Issue

Our Company proposes to utilize the Net Proceeds towards (i) ongoing and future capital expenditure requirements of our Company; (ii) working capital requirements; (iii) debt repayment; (iv) general corporate purpose including but not limited to pursuing new business opportunities, organic and inorganic and meeting the issue expenses etc., as may be permissible under the applicable law and approved by our Board or a duly constituted committee thereof from time to time to meet corporate exigencies.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

If the Net Proceeds are not completely utilised for the purposes stated hereinabove due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) delay in procuring and operationalizing assets; (iv) receiving the necessary approvals; and (v) other commercial considerations, the same would be utilised (in part or full) as may be decided by our Board, in accordance with applicable law.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

As permissible under applicable laws, our management will have flexibility in deploying the Net Proceeds received by our Company from the Issue. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. Pending utilization of the Net Proceeds, our Company intends to invest the funds in creditworthy instruments, including but not limited to money market, mutual funds and deposits with banks and corporates and other securities. Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. See *"Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our Company will have broad discretion over utilization of the Net Proceeds"* on page 47.

Our Company shall disclose the utilization of funds raised through the Issue in its annual report every year until such funds are fully utilized and shall file such quarterly or other statements in relation to utilization of funds as may be required under applicable laws.

Our main objects clause and objects incidental or ancillary to the main objects clause of our Memorandum of Association enables us to undertake the activities towards which the proceeds from this Issue will be applied.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the Net Proceeds.

Further, neither our Promoter nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or Key Managerial Personnel or senior management personnel are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation and total debt as at September 30, 2021 which is derived from the Unaudited Interim Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This capitalisation table should be read together with "*Summary of Financial Information*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" on pages 32, 37, 67 and 181, respectively.

(*₹ in Lakhs*)

Particulars	**As of September 30, 2021**	**As adjusted for the Allotment and the Issue***
Short term borrowing#:		
Secured	-	-
Unsecured	-	-
Total short-term borrowings	-	-
Long term borrowing#:		
Secured	-	-
Unsecured	1,014.00	1,014.00
Total long-term borrowings	1,014.00	1,014.00
Total borrowings (A)	1,014.00*	1,014.00*
Shareholders' funds:		
Equity Share capital	469.17	493.33
Other Equity	41,372.97	49,236.57
Total Equity (B)	**41,842.14**	**49,729.90****
Total capitalisation (A+B)	**42,856.14**	**50,743.90**
Debt/Equity Ratio (A/B)	**0.02**	**0.02**

 # Including maturities of long-term borrowings.

** See "Significant Developments after December 31, 2021 that may affect our future results of operations" under Management's Discussion and Analysis of Financial Condition and Results of Operations on page 92.*

*** Only the securities premium account and the equity share capital after the Issue is adjusted on the basis of gross proceeds.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below.

(In ₹ lakhs, except share data)

Sr. No.	Particulars	Aggregate value at face value (except for securities Premium account)
(A)	**AUTHORISED SHARE CAPITAL**	
	22,50,00,000 Equity shares of ₹ 1 each	2,250.00
	2,50,000 of 0% Redeemable Preference shares of ₹ 10 each	25.00
	14,50,000 of 8% Redeemable Preference shares of ₹ 100 each	1,450.00
(B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE***	
	4,69,17,020 Equity shares of ₹ 1 each	469.17
(C)	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	Up to 24,16,000 Equity Shares of face value of ₹ 1 each aggregating up to ₹ 24,16,000(1)	24.16
(D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	4,93,33,020 Equity Shares of face value of ₹ 1each	493.33
(E)	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	3,701.57
	After the Issue(2)	11,565.17

(1) The Issue has been authorised by the Board of Directors on August 17, 2021 and the shareholders pursuant to their resolution passed at the annual general meeting dated September 18, 2021.
(2) The securities premium account after the Issue is calculated on the basis of gross proceeds. To be determined upon finalization of Issue Price.
** Our Company has redeemed 9,75,000 of 8% redeemable preference shares of ₹ 100 each pursuant to the board resolution passed by the Board of Directors on February 4, 2022.*

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of issue/ allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares
October 25, 2000	70	5	5	Cash	Initial subscription to the Memorandum of Association	70
May 07, 2001	6,212,230	5	5	Consideration other than cash	Allotment pursuant to scheme of arrangement/demerger approved by Hon'ble High Court, Allahabad vide its order dated February 28, 2001 in the share exchange ratio of 1:1	6,212,300
November 14, 2008	2,135,407	5	5	Consideration other than cash	Allotment pursuant to scheme of amalgamation of GSCL with our Company in the share exchange ratio of 6:1	8,347,707
November 13, 2010	100,697	5	5	Consideration other than cash	Allotment pursuant to scheme of amalgamation of Salil Industries Limited with our Company in the share exchange ratio of 30:1	8,448,404
October 09, 2014	435,000	5	175*	Cash	Allotment pursuant to private placement to Antara India Evergreen Fund Ltd	8,883,404
December 05, 2015	160,000	5	175*	Cash	Allotment to Antara India Evergreen Fund Ltd upon conversion of warrants	9,043,404

Date of issue/ allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares
December 31, 2015	108,470	5	175*	Cash	Allotment to Antara India Evergreen Fund Ltd upon conversion of warrants	9,151,874
February 11, 2016	108,968	5	175*	Cash	Allotment to Antara India Evergreen Fund Ltd upon conversion of warrants	9,260,842
April 02, 2016	122,562	5	175*	Cash	Allotment to Antara India Evergreen Fund Ltd upon conversion of warrants	9,383,404
Pursuant to the shareholders resolution passed at the extra ordinary general meeting held on December 8, 2016, 9,383,404 Equity Shares of face value of ₹ 5 each were split into 46,917,020 Equity Shares of the face value of ₹ 1 each.						
December 8, 2016	-	-	1	Sub division of shares	-	46,917,020

Inclusive of premium

Pursuant to the board meeting held on October 22, 2007, our Company allotted 21,00,000 number of convertible share warrants on a preferential allotment basis at a price of ₹ 58 per equity shares. However, due to the non-payment of the application money within 18 months from the date of issuance of convertible warrants, the application money paid on the convertible share warrants was forfeited vide resolution passed in the board meeting held on March 31, 2009*.

* *Also, see "Risk Factors - Certain corporate and secretarial records of our Company are not traceable and some of our corporate records contain discrepancies" on page 43.*

Except as stated in *"Equity Share Capital History of our Company"* above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Employee Stock Option Scheme

Pursuant to a Board resolution dated August 3, 2018 and Shareholders' resolution dated September 29, 2018, our Company had approved the Gulshan Polyols Limited Employees Stock Option Scheme, 2018 ("**GPL ESOS 2018"** or **"Scheme**") to provide for grant of stock options exercisable into not more than 23,45,851 equity shares of face value of ₹ 1 each to eligible employees of the Company including directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) as defined in the Scheme. GPL ESOS 2018 is in compliance with SEBI ESOP Regulations and other applicable laws and implemented through Employees Welfare Trust ("**Trust**").

For the purpose of GPL ESOS 2018, the trustees of the Trust holds i.e. Mr. Avdhesh Kumar Garg holds 2171 equity shares of the Company and Mr. Rajender Singh Negi holds 5000 equity shares of the Company as on date. The eligibility and number of options to be granted to an eligible employee is determined on the basis of criteria laid down in the GPL ESOS 2018 and is administered by the Nomination, Remuneration and Compensation Committee through the Trust.

As on the date of this Placement Document, the details of options pursuant to GPL ESOS 2018 are as follows:

Particulars	Number of stock options
Total number of stock options	23,45,851
Stock options granted	2,89,040
Stock options vested and remain unexercised	Nil
Stock options exercised	2,34,598
Stock options lapsed / forfeited/ cancelled	15,782
Total stock options outstanding	38,660

Proposed Allottees

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue"* on page 180.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of the Company is set forth below:

Sr. No.	Category	Pre-Issue (As of March 18, 2022)^		Post-Issue@	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A	**Promoters' holding****				
1	*Indian*				
	-Individual/Hindu Undivided Family	46,58,371	9.93	46,58,371	9.44
	-Bodies corporate/Firms	2,73,40,067	58.27	2,73,40,067	55.42
	-Any others	-	-	-	-
	Sub-total	**3,19,98,438**	**68.20**	**3,19,98,438**	**64.86**
2	Foreign promoters	-	-	-	-
	Sub-total (A)	**3,19,98,438**	**68.20**	**3,19,98,438**	**64.86**
B	**Non - Promoters' holding**				
1	Institutional Investors	88,057	0.19	25,04,057#	5.08
2	*Non-Institutional Investors*	1,47,12,213	31.36	1,47,12,213	29.82
	Private Corporate Bodies	11,85,076	2.53	11,85,076	2.40
	Directors and relatives*** (other than Promoters)	1,26,132	0.27	1,26,132	0.26
	Indian public (Individual and Hindu Undivided Family)	1,18,76,818	25.31	1,18,76,818	24.07
	Others (including Non-resident Indians (NRIs) and Foreign Company)	15,24,187	3.25	15,24,187	3.09
	Sub-total (B)	**1,48,00,270**	**31.55**	**1,72,16,270**	**34.90**
C	**Non-Promoter- Non-Public holding**				
	Employee Benefit Trust	1,18,312	0.25	1,18,312	0.24
	Grand Total	**4,69,17,020**	**100.00**	**4,93,33,020**	**100.00**

^ Based on beneficiary position data of our Company as on March 18, 2022.
*** This includes shareholding of the members of the Promoter Group.*
**** This includes shareholding of "immediate relatives" as defined under the SEBI Insider Trading Regulations.*
#The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category as of March 18, 2022 adjusted for allocation made in the Issue, and reflects the shareholding of all other categories of shareholders as of March 18, 2022
@Assuming allotment of Equity Shares to each of the proposed Allotees, referred to in Proposed Allottees pursuant to the Issue.

Other Confirmation

The Promoters, the Directors and the Key Managerial Personnel of our Company do not intend to participate in the Issue. No change in control of the Company is expected as a consequence to the Issue. Also, see "*Risk Factor - Our Promoters will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest*" on page 45.

Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the annual general meeting of our Shareholders held on September 18, 2021, for approving the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

Except as disclosed above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board of Directors and thereafter the same shall be approved by our Shareholders, (if required) at their discretion subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on August 17, 2021, in terms of Regulation 43A of the SEBI LODR Regulations. ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of internal factors, including but not limited to relevant year's net operating profit, distributable surplus available, working capital requirements and capital expenditure, operating cash flow of the Company, expected cash requirements towards acquisitions and business expansion, financial commitments related to the outstanding borrowings and interest payments, minimum cash required for contingencies or unforeseen events and past dividend trend of the Company and other factors that may be considered relevant from time to time and the external factors including economic conditions, prevalent market practices, applicable laws and regulations including prevailing taxation laws, changes in the Government policies, industry specific rulings & regulatory provision and inflation rate.

The following table list out the details of the dividend declared by our Company on the Equity Shares of face value of ₹1 each for the Fiscals 2021, 2020 and 2019 and during the nine months period ended December 31, 2021, as applicable:

	Fiscal Year	Rate of dividend (%)	Dividend per Equity Share (in ₹)	Total amount of dividend (in ₹ lakhs)	Dividend Distribution Tax (in ₹ lakhs)
Nine months period ended December 31, 2021	Interim dividend*	100%	1.00	469.17	Not Applicable#
2021	Final dividend	40%	0.40	187.67[(1)]	Not Applicable#
	Interim dividend*	60%	0.60	281.50	Not Applicable#
2020	Final dividend	-	-	-	-
	Interim dividend*	70%	0.70	328.42	67.51
2019	Final dividend	30%	0.30	140.75[(2)]	28.93
	Interim dividend*	40%	0.40	187.67	38.58

 # Since the dividend distribution tax was abolished, the dividend distribution tax is not applicable for these periods.

*Note: [(1)] Final dividend for Fiscal 2021 was recommended by Board on May 22, 2021 and approved by the shareholders in the AGM dated Sept 18, 2021 and paid on Sept 23, 2021. [(2)] Final dividend for Fiscal 2019 was recommended by Board on May 29, 2019 and approved by the shareholders in their AGM dated Sept 21, 2019 and paid on Sept 23, 2019. *The interim dividend which was declared in Fiscals 2021, 2020 and 2019 and in period ended Dec 31, 2021 have been paid in the same relevant period.*

The following table list out the details of the dividend declared and paid by our Company on 8% redeemable preference shares of ₹ 100 each in the Fiscals 2021, 2020 and 2019 and in nine months period ended December 31, 2021, as applicable:

₹ in lakhs

Period	Final dividend per Preference Share	Dividend Distribution Tax
Nine months period ended December 31, 2021*	-	-
Fiscal 2021	78.00	Not Applicable#
Fiscal 2020	80.65	16.58
Fiscal 2019	82.00	16.86

* *Our Company vide Board Resolution dated February 4, 2022 have redeemed 9,75,000 of 8% redeemable preference shares of ₹ 100 each alongwith accumulated dividend of ₹ 66,24,658.*

\# *Since the dividend distribution tax was abolished, the dividend distribution tax is not applicable for this period.*

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders. The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, see *"Description of the Equity Shares"* on page 168. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, See, "*Risk Factors – Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows*" on page 45.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscal 2021; (ii) Fiscal 2020; and (iii) Fiscal 2019, as per the requirements under Ind-AS 24, see *"Financial Statements"* on page 181.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward-Looking Statements" and "Risk Factors" on pages 16 and 37, respectively.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and the Unaudited Interim Financial Statements included in this Placement Document. The financial information for the six months periods ended September 30, 2021 and 2020 and for the nine months periods ended December 31, 2021 and 2020 are not comparable with our results for the full fiscal years and our financial information for the six months periods ended September 30, 2021 and for nine months period ended December 31, 2021 are not necessarily indicative of what our financial information for Fiscal 2022 will be. For further information, see "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 181 and 67, respectively.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report "India Sorbitol Market Research Report Forecast to 2027" by Market Research Future dated January 11, 2022 and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are one of India's leading manufacturers of grain and mineral based specialty products with years of demonstrated experience. Our business portfolio broadly spans across three main segments, *viz.* grain processing, bio-fuel / distillery and mineral processing operations that allows us to produce specialty products such as starch and starch derivatives including sorbitol, calcium carbonate, ethanol (bio-fuel), country liquor, agro based animal feed and installation, commissioning, operating and maintaining on-site precipitated calcium carbonate ("**PCC**") plants located at multiple client locations within India. We are also in the business of supply of plant and machinery for erection and commissioning of wet ground calcium carbonate ("**WGCC**") plants to various paper mills on turnkey basis outside India. We are one of the largest manufacturers of sorbitol (d-glucitol) with an installed capacity of producing 72000 MTPA sorbitol (d-glucitol), in India *(Source – Market Research Future Report).* We have been amongst the large manufacturers of calcium carbonate in India. We are also the market leader having a substantial market share in the calcium carbonate and sorbitol business segment operations in India *(Source – Market Research Future Report).* Our products are sold in domestic markets to leading OMCs for EBPP, FMCG, paints, plastics and PVC, pharmaceuticals, paper, construction and adhesives, among other companies and are also exported to 34 countries globally to international clients, which provides us the flexibility to manage demand variations and enables us to mitigate price volatility risks in procuring our key raw materials.

Our diversified product portfolio and the availability of different raw materials has helped us, to become one of India's leading manufacturers and suppliers of specialty products. Our Company is engaged in the manufacturing of (i) grain processing products such as sorbitol (70%) solution, maize starch powder, liquid glucose, agro-based animal feed, dextrose monohydrate, maltodextrin powder, glucose powder, rice gluten and rice syrup; (ii) ethanol (bio-fuel) and distillery products wherein our Company produces ethanol from damaged food grain, for the purpose of blending with petroleum by OMCs, country liquor, DDGS and grain-based ENA; and (iii) mineral processing products with 19 grades of calcium carbonate comprising of precipitated calcium carbonate, activated calcium carbonate and ground natural calcium carbonate / wet ground calcium carbonate. In addition to the above, our Company also install, commission, operate and maintain on-site PCC manufacturing plant under its the mineral processing segment. As part of this service, our Company provides the expertise, technical know-how and equipment to install, commission, operate and maintain the facilities for the production of precipitated calcium carbonate through setting up the PCC plant on-site of the paper mill of our customers, engaged in paper manufacturing, located within India. Our Company has not only set-up these on-site PCC plants in India, but also have been instrumental in gaining presence outside India, by way of setting up of the WGCC plants for various paper mills located in Bangladesh on built own transfer basis.

We maintain leadership position across all our product segments. We are one of the leading manufacturers and exporter of sorbitol (70%) solution, rice syrup and calcium carbonate in India. *(Source – Market Research Future Report)*

We are headquartered in New Delhi, with manufacturing facilities located in Muzaffarnagar (Uttar Pradesh), one manufacturing facility in Bharuch (Gujarat), Paonta Sahib (Himachal Pradesh), Sirohi (Rajasthan) Borgaon (Madhya Pradesh), Goalpara (Assam). Further, the on-site PPC plants being operated by the Company are located at Patiala (Punjab), Hooghly (West Bengal), Muzaffarnagar (Uttar Pradesh) and Amlai (Madhya Pradesh). All our manufacturing facilities are strategically located in close proximity to the major customer of the products manufactured by the Company in India.

Our revenues have grown apace and between Fiscal 2019 and Fiscal 2021, our revenues grew from ₹ 67,388.61 lakhs to ₹ 76,603.44 lakhs, respectively, at a CAGR of 4.32%. Further, during the same period our gross profit has grown from ₹ 2,142.52 Lakhs to ₹ 6,245.55 lakhs at a CAGR of 42.34%. This strong performance has enabled our Company to generate free cash flows that we have used to deleverage our business.

Factors Affecting Our Financial Condition and Results of Operations

Set out below are some of the more significant factors that have affected our results of operations in the past, as well as factors that are currently expected to affect our results of operations in the foreseeable future. Other factors beyond those identified above may materially affect our results of operations and financial condition. For further details, see the sections entitled "*Risk Factors*" and "*Our Business*" on pages 37 and 107 in this Placement Document.

Seasonal fluctuations could cause volatility in the supply and pricing of our raw materials which may have an adverse effect on our business, financial condition, and results of operations.

The primary raw materials for our principle products are rice (including broken rice) and maize. We procure the raw materials directly through aggregators. In the event we are unable to procure sufficient quantities of raw material on a timely basis, our operating results in one or more periods might be affected and which in turn may impact our cash flows. The weather can affect the presence of disease and pest infestations in the short term on a regional basis, and accordingly may negatively affect the crop. The agricultural sector is also affected by adverse weather conditions in India such as droughts and typhoons or other natural calamities such as fires, floods and earthquakes. The effects of monsoonal weather in India, including flooding, droughts and subsequent damage to crops, can be more severe than in other countries, significantly affecting production of crops in India.

Our mineral processing segment is a raw material intensive industry and while we have not had any instances of disruption of raw material supply, we could be susceptible to unpredictability in the supply of raw materials in the future. Disruption in the supply of raw material may lead to hampering of the production process flow. Uncertainty over the availability of primary raw material i.e., limestone, inputs for captive power plant such as coal and other sources such as water, power, skilled manpower, etc. could cause a disruption to our production schedules.

If we fail to (i) receive the quality of raw materials that we require; (ii) negotiate appropriate financial terms; (iii) obtain adequate supply of raw materials in a timely manner, or if our suppliers were to experience business disruptions or become insolvent, we cannot assure you that we will be able to find alternate sources for the procurement of raw materials in a timely manner. Moreover, in the event that either our demand increases or our suppliers experience a scarcity of resources, our suppliers may be unable to meet our demand for raw materials. Any such reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources in a timely manner for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner. Further, if we cannot reasonably offset increases in the prices of raw materials with the increase in the prices of our products, we will experience lower margins which will adversely affect our profitability. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition.

The shortage or non-availability of power and fuel facilities may adversely affect our manufacturing process and have an adverse impact on our business, results of operations and financial condition.

Our manufacturing process requires substantial amount of power and fuel facilities that is sourced from our CCPP and any shortage is taken from the grid. The inputs for our CCPP, i.e. coal, paddy/husk, wood and/or bamboo are sourced from one of the PSU, local suppliers, aggregators or through agents. Power and fuel cost accounts for a significant percentage of our cost of operations. For the nine months period ended December 31, 2021 and for the Fiscals 2021, 2020 and 2019, our power and fuel expenses were 12.06%, 10.85%, 10.68% and 13.10% respectively of our total revenue from operations. The quantum and nature of power and fuel requirements of our industry and Company is such that it cannot be supplemented or augmented by alternative or independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high. To battle electricity failures, we also have CCPP as well as back-up generators to meet exigencies at our main facilities, however, we cannot assure you that our facilities will be operational during power failures. Any disruption or non-availability of power or fuel or any failure on our part to arrange alternate sources of electricity and fuel supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on our business, results of operations and financial conditions of our Company.

A significant portion of our revenue from the sale of ethanol is dependent on the volume of sales to OMCs pursuant to the EBPP instituted by the GoI. Any adverse change in the policies of the GoI in this regard, would have an adverse effect on our revenue, results of operations and financial condition.

Our Company sells a significant portion of the total production of ethanol to OMCs under the EBPP of the GoI under a tender driven process. While our Company has entered into an agreement with OMCs for a period of 10 years from the date of commencement of commercial production from our upcoming ethanol plant, however, for our existing facility at Borgaon (Madhya Pradesh), we enter into an agreement for a period of 12 months that typically commences in November or December each year.

We cannot assure if we will be able to successfully bid in order to continue participating in the EBPP, especially owing to the increasing competition among ethanol providers. Further, we cannot assure you that we will be able to maintain historic levels of business with the OMCs. Failure to provide the requisite quantum of ethanol under existing arrangements or to meet other terms and conditions may result in *inter alia* the OMCs paying reduced prices for the quantity delivered, invoking of bank guarantee furnished by the Company or the Company being ineligible to participate in the process for a particular period. Any reduction in the volume of sale of ethanol under the EBPP may have an adverse effect on our revenue, financial condition and results of operations. The EBPP is regulated by the GoI and the demand for ethanol is dependent on the requirements of the EBPP. While the GoI's policy requires that the ethanol blend in petrol should be increased to 20% by 2025, any change or delays in implementation of such policy may adversely affect the demand for ethanol under the EBPP.

Our production and pricing of ethanol for the EBPP are subject to the policies, notifications and incentives provided by the GoI, from time to time. Over the years, our contribution in terms of volume towards the EBPP has increased owing to the GoI's decision to scale up blending targets for OMCs. We also benefit from the incentives provided by the GoI through various schemes under the EBPP. Any change in governmental policies could adversely affect the business, revenue and results of operations of our Company.

Any social unrest or any natural disaster in and around our manufacturing facilities or any disruption in production at, or shutdown of, our manufacturing facilities or breakdown of machinery could have material adverse effect on our business and financial condition.

Our manufacturing operations and consequently our business is dependent upon our ability to manage the manufacturing facilities, which is subject to operating risks, including those beyond our control. In the event of any disruptions at our manufacturing facilities or breakdown of machinery, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions, our ability to manufacture our products may be adversely affected.

We depend on expensive machinery for manufacture of our products and any breakdown of such machinery at our manufacturing facilities could result in us being unable to meet with our commitments or require us to incur significant capital expenditure. Further, there are registered trade unions at our manufacturing facilities at Muzaffarnagar (Uttar Pradesh) and Bharuch (Gujarat) consisting of 73 employees, with the existing contracts valid till August 31, 2024 for the facility at Muzaffarnagar (Uttar Pradesh) and March 31, 2023 for the facility at Bharuch (Gujarat). We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour working at our manufacturing facilities. Any disruption to the steady and regular supply of labour workforce for our operations, including due to strikes, work stoppages or increased wage demands by our labour workforce or any other kind of disputes with our labour workforce or our inability to control the composition and cost of our labour workforce could adversely affect our business, cash flows and results of operations.

Expansion of our manufacturing capacities would require us to incur significant capital expenditure and we may need to seek additional financing in the future to support our growth strategies.

The grain/mineral processing and ethanol industry requires a substantial amount of capital, and we will continue to incur significant expenditure in the future for maintaining and growing our existing infrastructure, purchasing equipment and developing and implementing new technologies in our new and existing manufacturing facilities. For instance, we are in the process of setting up a 500 KLPD grain-based ethanol manufacturing facility at our existing site at Borgaon (Madhya Pradesh). The management of the Company has estimated that the investment required for adding the capacity is ₹ 30,000 lakhs. While we have principally funded our capital expenditure through internal accruals, cash flow from operations and debt, we cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, and other financial institutions.

Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, our credit rating, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Further, if we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

Significant Accounting Policies

Description of the Company and Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

(i) **Corporate Information**

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

(ii) **Statement of compliance**

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

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

1.2 **Use of estimates and judgements**

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

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

1.3 **Current versus non-current classification**

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

1.4 **Foreign currencies**

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

Transactions and balances

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

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

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

1.5 **Critical estimates and judgments**

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

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

The areas involving critical estimates or judgment are:

- Estimation of Defined benefit obligation
- Estimation of current tax expenses
- Useful life of Property, plant and equipment
- Valuation of Inventory
- Provisions and Accruals
- Contingencies

1.6 **Fair value measurement**

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

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

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

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

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

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

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

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

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

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

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

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

1.7 **Revenue from contracts with customers**

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

(i) **Sale of goods**

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

(ii) **Interest income**

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

(iii) **Dividend**

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

(i) **Other Income**

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

(v) **Export Incentives**

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

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

1.8 Taxes

Tax expenses comprise of current and deferred tax:

Current income tax

a. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

a. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

c. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

e. The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period.

f. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

1.9 Earnings per share

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

1.10 Property, Plant and Equipment Recognition and measurement

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

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

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

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

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

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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

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

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

1.11 Intangible Assets

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

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

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

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Leases

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

Company as a lessee

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

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

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

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

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

Right-of-use assets

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

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

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

1.14 **Inventories**

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

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

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

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

1.15 **Impairment of non-financial assets**

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

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

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

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

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

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

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

Contingent Liabilities

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

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

Contingent Assets

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

1.17 **Employee benefits**

a. **Short Term Employee Benefits**:

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

b. **Post-Employment Benefits**:

i) **Defined Contribution Plans:**

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

ii) **Defined Benefit Plans:**

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

1.18 **Financial Instruments**

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

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

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

- Business Model Test: The objective of the company’s business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at fair value through OCI:

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

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

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

De-recognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or

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

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

Impairment of financial assets

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

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

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

Financial Liabilities:

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

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

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

De-recognition

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

Off-setting of financial instruments

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

1.19 **Cash and cash equivalents**

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

Presentation of Financial Information

In this Placement Document, we have included the following financial statements prepared under Ind AS (i) the Audited Financial Statements as of and for the years ended March 31, 2021, 2020 and 2019 comprising the statement of assets and liabilities as of March 31, 2021, 2020 and 2019 and the statement of profit and loss (including other comprehensive income), statement of cash flow and the statement of changes in equity for the years ended March 31, 2021, 2020 and 2019 read along with the notes thereto (the "**Audited Financial Statements**"). Pursuant to the meeting of our Board of Directors on November 9, 2021 and February 4, 2022, we have adopted and filed with the Stock Exchanges, the Ind AS unaudited interim financial results for the quarter and six months ended September 30, 2021, comprising of the statement of profit and loss (including other comprehensive income) for the quarter and six months ended September 30, 2021 (including the comparative financial information) with respect to the quarter and six months ended September 30, 2020 and the Ind AS unaudited limited reviewed interim financial results for the quarter and nine months period ended December 31, 2021, comprising of the statement of profit and loss (including other comprehensive income) for the quarter and nine months ended December 31, 2021 (including the comparative financial information with respect to the quarter and nine months ended December 31, 2020 and other financial information with respect to historical fiscal year/ periods as required under applicable law) read along with the notes and the limited review report issued thereto (the "**Unaudited Interim Financial Statements**"). The Audited Financial Statements and Unaudited Interim Financial Statements are collectively referred to as the "*Financial Statements*".

In this section, we have included a comparison of our (i) unaudited interim financial results for the six months ended September 30, 2021 with that for the six months ended September 30, 2020; (ii) unaudited limited reviewed interim financial results for the nine months ended December 31, 2021 with that for the nine months ended December 31, 2020; (iv) audited financial statements for Fiscal 2021 with that for Fiscal 2020; and (iii) audited financial statements for Fiscal 2020 with that for Fiscal 2019. Our management's discussion and analysis for Fiscal 2020 is based on the comparative financial information included for Fiscal 2020 in our Fiscal 2021 Audited Financial Statements and our management's discussion and analysis for Fiscal 2019 is based on the comparative financial information included for Fiscal 2019 in our Fiscal 2020 Audited Financial Statements.

Our Audited Financial Statements and the effectiveness of internal control over financial reporting as of March 31, 2021, 2020 and 2019 were audited by Rajeev Singal & Co., Chartered Accountants, our Statutory Auditors while our Unaudited Interim Financial Statements have been reviewed by our Statutory Auditors.

NON-GAAP MEASURES

Earnings before Interest, Taxes, Depreciation and Amortization Expenses ("EBITDA")/ EBITDA Margin EBITDA presented in this Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. Although EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

The following tables set forth certain information with respect to our Earnings before Interest, Taxes, Depreciation and Amortization Expenses (EBITDA) for the periods indicated. EBITDA is calculated as profit for the year / period plus total tax expenses, depreciation and amortization expenses, finance costs, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

(₹ lakhs)

Particulars	Nine months ended December 31, 2021	Nine months ended December 31, 2020
Profit for the Period	**7,380.28**	**4,091.19**
Adjustments:		
Add: Tax Expenses	2,506.72	1,872.59
Add: Finance Costs	358.22	482.83
Add: Depreciation and Amortization	2,391.40	2,393.45
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**12,636.62**	**8840.06**
Revenue from operations (B)	**80,849.97**	**53,868.90**
EBITDA Margin (EBITDA as a percentage of Revenue from operations) (A/B)	**15.63%**	**16.41%**

(₹ lakhs)

Particulars	Six months ended September 30, 2021	Six months ended September 30, 2020
Profit for the Period	**5,466.95**	**2,230.71**
Adjustments:		
Add: Tax Expenses	1,884.59	992.04
Add: Finance Costs	197.89	398.36
Add: Depreciation and Amortization	1,556.52	1,570.61
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**9,105.95**	**5,191.72**
Revenue from operations (B)	**51,583.87**	**32,956.01**
EBITDA Margin (EBITDA as a percentage of Revenue from operations) (A/B)	**17.65%**	**15.75%**

(₹ lakhs)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit for the Year	**6,245.55**	**2,058.40**	**2,142.52**
Adjustments:			
Add: Tax Expenses	3,104.28	683.82	559.21
Add: Finance Costs	654.67	1,138.08	1,425.88
Add: Depreciation and Amortization	3,255.37	3,101.96	4,433.67
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**13,259.87**	**6,982.26**	**8,561.28**
Revenue from operations (B)	**76,603.44**	**62,079.77**	**67,388.61**
EBITDA Margin (EBITDA as a percentage of Revenue from operations) (A/B)	**17.31%**	**11.25%**	**12.70%**

Results of Operations

The following table sets forth our income statement data for operations for the periods indicated:

Nine months ended December 31, 2021 compared to nine months ended December 31, 2020

Particulars	Nine months ended December 31, 2021		Nine months ended December 31, 2020	
	(₹ lakhs)	Percentage of total income (%)	(₹ lakhs)	Percentage of total income (%)
Income				
Revenue from operations	80,849.97	99.88	53,868.90	99.90
Other income	94.06	0.12	56.60	0.10
Total income	**80,944.03**	**100**	**53,925.50**	**100**
Expenses				
Cost of materials consumed	41,060.69	50.73	25,715.74	47.69
Purchase of stock in trade	571.72	0.71	482.38	0.89
Changes in inventories of finished goods, work-in-progress and stock in trade	143.35	0.18	176.28	0.33
Employee benefits expense	2,375.40	2.93	1,654.38	3.07

Particulars	Nine months ended December 31, 2021		Nine months ended December 31, 2020	
	(₹ lakhs)	Percentage of total income (%)	(₹ lakhs)	Percentage of total income (%)
Finance costs	358.22	0.44	482.83	0.90
Depreciation and amortization expense	2,391.40	2.95	2,393.45	4.44
Other expenses	24,156.26	29.84	17,056.66	31.63
Total expenses	**71,057.02**	**87.79**	**47,961.72**	**88.94**
Profit before tax	**9,887.01**	**12.21**	**5,963.78**	**11.06**
Tax expense:				
(1) Current tax	2,595.59	3.21	1,041.99	1.93
(2) Earlier year's taxes	-	-	833.88	1.55
(3) Deferred tax	(88.86)	(0.11)	(3.28)	(0.01)
Profit for the period	**7,380.28**	**9.12**	**4,091.19**	**7.59**
Other comprehensive income				
a) Items that will not be reclassified to profit or loss	-	-	-	-
i) (Gain)/Loss of defined benefit obligation	17.10	0.02	-	-
ii) Income tax relating to items (i)	(4.49)	(0.01)	-	-
Other comprehensive income (net of tax)	**12.61**	**0.02**	**-**	**-**
Total comprehensive income for the year	**7,367.67**	**9.10**	**4,091.19**	**7.59**

Six months ended September 30, 2021 compared to six months ended September 30, 2020

Particulars	Six months ended September 30, 2021		Six months ended September 30, 2020	
	(₹ lakhs)	Percentage of total income (%)	(₹ lakhs)	Percentage of total income (%)
Income				
Revenue from operations	51,583.87	99.84%	32,956.01	99.87%
Other income	84.27	0.16%	43.15	0.13%
Total income	**51,668.14**	**100%**	**32,999.16**	**100%**
Expenses				
Cost of materials consumed	25,341.41	49.05	15742.25	47.71
Purchase of stock in trade	298.82	0.57	218.42	0.66
Changes in inventories of finished goods, work-in-progress and stock in trade	584.57	1.13%	798.29	2.42%
Employee benefits expense	1,592.97	3.08%	1,005.66	3.05%
Finance costs	197.89	0.38%	398.36	1.21%
Depreciation and amortization expense	1,556.52	3.01%	1,570.61	4.76%
Other expenses	14,744.41	28.54%	10,042.83	30.43%
Total expenses	**44,316.60**	**85.77%**	**29,776.42**	**90.23%**
Profit before tax	**7,351.54**		**3,222.74**	
Tax expense:				
(1) Current tax	1,936.67	3.75%	563.08	1.71%
(2) Earlier year's taxes			427.41	1.30%
(3) Deferred tax	(52.08)	(0.10)%	1.54	0.005%
Profit for the period	**5,466.95**	**10.58%**	**2,230.71**	**6.76%**
Other comprehensive income				
a) Items that will not be reclassified to profit or loss				
i)(Gain)/Loss of defined benefit obligation	11.60	0.02%	-	-
ii) Income tax relating to items (i)	(3.06)	(0.01)%	-	-
Other comprehensive income (net of tax)	**8.54**	**0.02%**	**-**	**-**
Total comprehensive income for the year	**5,458.41**	**10.56%**	**2,230.71**	**6.76%**

The following table sets forth our income statement data for our operations for the Fiscal 2021, 2020 and 2019:

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	(₹ lakhs)	Percentage of total revenue (%)	(₹ lakhs)	Percentage of total revenue (%)	(₹ lakhs)	Percentage of total revenue (%)
Income						
Revenue from operations	76,603.44	99.76%	62,079.77	99.85%	67,388.61	99.71%
Other income	187.42	0.24%	94.72	0.15%	196.30	0.29%
Total income	**76,790.86**	**100.00%**	**62,174.49**	**100.00%**	**67,584.91**	**100.00%**
Expenses						
Cost of materials consumed	36,055.47	46.95%	35,496.96	57.09%	34,822.21	51.52%
Purchase of stock in trade	471.74	0.61%	704.73	1.13%	1,320.16	1.95%

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	(₹ lakhs)	Percentage of total revenue (%)	(₹ lakhs)	Percentage of total revenue (%)	(₹ lakhs)	Percentage of total revenue (%)
Changes in inventories of finished goods, work-in-progress and stock in trade	664.69	0.87%	(848.39)	(1.36)%	(77.97)	(0.12)%
Employee benefits expense	2,860.58	3.73%	2,168.43	3.49%	2,232.78	3.30%
Finance costs	654.67	0.85%	1,138.08	1.83%	1,425.88	2.11%
Depreciation and amortization expense	3,255.37	4.24%	3,101.96	4.99%	4,433.67	6.56%
Other expenses	23,478.51	30.57%	17,670.49	28.42%	20,726.43	30.67%
Total expenses	**67,441.03**	**87.82%**	**59,432.27**	**95.59%**	**64,883.18**	**96.00%**
Profit before tax	**9,349.83**	**12.18%**	**2,742.22**	**4.41%**	**2,701.73**	**4.00%**
Tax expense:						
(1) Current tax	1,813.17	2.36%	495.94	0.80%	592.68	0.88%
(2) MAT Credit (Utilised)	1,285.05	1.67%	47.95	0.08%	44.82	0.07%
(3) Deferred tax expense	6.06	0.01%	139.93	0.23%	(78.30)	(0.12)%
Profit for the year	**6,245.55**	**8.13%**	**2,058.40**	**3.31%**	**2,142.52**	**3.17%**
Other comprehensive income						
a) Items that will not be reclassified to profit or loss						
i) (Gain)/Loss of defined benefit obligation	(77.07)	(0.10)%	23.21	0.04%	3.87	0.01%
ii) Income tax relating to items (i) & (ii) above	14.95	0.02%	(4.20)	(0.01)%	(0.85)	(0.00)%
Other comprehensive income (net of tax)	**(62.12)**	**(0.08)%**	**19.01**	**(0.03)%**	**3.02**	**0.00%**
Total comprehensive income for the year	**6,307.67**	**8.21%**	**2,039.39**	**3.28%**	**2,139.50**	**3.17%**

Fiscal 2021 compared to Fiscal 2020

Total Income

Total income increased by 23.51% from ₹ 62,174.49 lakhs in Fiscal 2020 to ₹ 76,790.86 lakhs in Fiscal 2021. The increase in total income was primarily due to increased revenue contribution of ₹ 12,765 lakhs from our distillery unit.

Revenue from Operations

Revenue from operations increased by 23.40% from ₹ 62,079.77 lakhs in Fiscal 2020 to ₹ 76,603.44 lakhs in Fiscal 2021. This increase in our revenue from operations was primarily driven by increased revenue contribution from our distillery unit.

Other Income

Other income increased by 97.87% from ₹ 94.72 lakhs in Fiscal 2020 to ₹ 187.42 lakhs in Fiscal 2021 primarily due to income of ₹ 78.29 lakhs earned on sale of land and from investment in mutual funds of ₹ 13.04 lakhs.

Total Expenses

Total expenses increased by 13.48% from ₹ 59,432.27 lakhs in Fiscal 2020 to ₹ 67,441.03 lakhs in Fiscal 2021. The increase/decrease in our total expenses was primarily due to reasons mentioned below:

Cost of materials consumed

Costs of materials consumed increased slightly by 1.57% from ₹ 35,496.96 lakhs in Fiscal 2020 to ₹ 36,055.47 lakhs in Fiscal 2021 primarily on account of high volume of production.

Purchase of stock in trade

Purchase of stock in trade decreased by 33.06% from ₹ 704.73 lakhs in Fiscal 2020 to ₹ 471.74 lakhs in Fiscal 2021 primarily on account of more focus on manufacturing instead of trading.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods and work-in-progress changed by (178.35) % from ₹ (848.39) lakhs in Fiscal 2020 to ₹ 664.69 lakhs in Fiscal 2021 primarily on account of decrease in stock of finished goods by ₹ 659.63 lakhs in 2021.

Employee Benefit Expenses

Employee benefit expenses increased by 31.92% from ₹ 2,168.43 lakhs in Fiscal 2020 to ₹ 2,860.58 lakhs in Fiscal 2021. This was primarily due to ₹ 420 lakhs commission paid to directors.

Finance Costs

Finance costs decreased by 42.48% from ₹ 1,138.08 lakhs in Fiscal 2020 to ₹ 654.67 lakhs in Fiscal 2021, which was primarily on account of repayment all term loans (ECB and Term loan) and reduced working capital borrowing.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased slightly by 4.95% from ₹ 3,101.96 lakhs in Fiscal 2020 to ₹ 3,255.37 lakhs in Fiscal 2021 on account of addition to plant & machinery of ₹ 933 lakhs.

Other Expenses

Other expenses increased by 32.87% from ₹ 17,670.49 lakhs in Fiscal 2020 to ₹ 23,478.51 lakhs in Fiscal 2021. This was mainly due to significant increase in sales and production for which the contributing factors were increase in cost of power and fuel expenses, packaging materials and repair and maintenance of plant and machinery.

Profit before Tax

For the reasons discussed above, profit before tax increased by 240.96% from ₹ 2,742.22 lakhs in Fiscal to ₹ 9,349.83 lakhs in Fiscal 2021.

Provision for Taxation

Our tax expenses in Fiscal 2020 were ₹ 683.82 lakhs, comprising of current tax of ₹ 495.94 lakhs, MAT credit utilised of ₹ 47.95 lakhs and deferred tax charge of ₹ 139.93 lakhs. Our tax expenses in Fiscal 2021 were ₹ 3,104.28 lakhs, comprising of current tax of ₹ 1,813.17 lakhs, MAT credit utilised of ₹ 1,285.05 lakhs and deferred tax charge of ₹ 6.06 lakhs.

Our effective tax rate in Fiscal 2020 and Fiscal 2021 was 24.94% and 33.20%, respectively.

Profit for the year

For the reasons discussed above, profit for the year increased by 203.42% from ₹ 2,058.40 lakhs in Fiscal 2020 to ₹ 6,245.55 lakhs in Fiscal 2021.

Other Comprehensive Income

Other comprehensive income was ₹ 62.12 lakhs in Fiscal 2021 as compared to ₹ (19.01) lakhs in Fiscal 2020, which is due to provisioning of Gratuity as per actuarial report.

Total Comprehensive Income for the Year

For the reasons discussed above, total comprehensive income for the year increased by 209.29% from ₹ 2,039.39 lakhs in Fiscal 2020 to ₹ 6,307.67 lakhs in Fiscal 2021.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Our EBITDA increased by 89.91% from ₹ 6,982.26 lakhs in Fiscal 2020 to ₹ 13,259.87 lakhs in Fiscal 2021. EBITDA margin was 17.31% in Fiscal 2021 as compared to 11.25% in Fiscal 2020.

Fiscal 2020 Compared to Fiscal 2019

Total Income

Total income decreased by 8.01% from ₹ 67,584.91 lakhs in Fiscal 2019 to ₹ 62,174.49 lakhs in Fiscal 2020. The decrease in total income was primarily due to National Lockdown on account of Covid-19 as well as closure of Bharuch plant for 2 months due to breakage of waste water disposal pipeline in Bharuch Industrial Area, Gujarat.

Revenue from Operations

Revenue from operations decreased by 7.88% from ₹ 67,388.61 lakhs in Fiscal 2019 to ₹ 62,079.77 lakhs in Fiscal 2020. This decrease in our revenue from operations was primarily due to closure of Bharuch plant for two months due to breakage of waste water disposal pipeline in Bharuch Industrial Area, Gujarat.

Other Income

Other income decreased by 51.75% from ₹ 196.30 lakhs in Fiscal 2019 to ₹ 94.72 lakhs in Fiscal 2020 primarily due to fall in income earned from investments by ₹ 49.59 lakhs.

Total Expenses

Total expenses decreased by 8.40% from ₹ 64,883.18 lakhs in Fiscal 2019 to ₹ 59,432.27 lakhs in Fiscal 2020. The increase/decrease in our total expenses was primarily due to reasons mentioned below:

Cost of materials consumed

Costs of materials consumed increased slightly by 1.94% from ₹ 34,822.21 lakhs in Fiscal 2019 to ₹ 35,496.96 lakhs in Fiscal 2020 primarily on account of higher prices of raw material i.e. maize/corn.

Purchase of stock in trade

Purchase of stock in trade decreased by 46.62% from ₹ 1,320.16 lakhs in Fiscal 2019 to ₹ 704.73 lakhs in Fiscal 2020 primarily on account of focusing more on manufacturing instead of trading.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods and work-in-progress changed by 988.10% from ₹ (77.97) lakhs in Fiscal 2019 to ₹ (848.39) lakhs in Fiscal 2020 primarily on account of increase in stock of finished goods by ₹ 745.26 lakhs.

Employee Benefit Expenses

Employee benefit expenses decreased slightly by 2.88% from ₹ 2,232.78 lakhs in Fiscal 2019 to ₹ 2,168.43 lakhs in Fiscal 2020. The decrease is primarily on account of non-operation of distillery unit for major part of the year due to significant decline in the orders received by our Company during the said period.

Finance Costs

Finance costs decreased by 20.18% from ₹ 1,425.88 lakhs in Fiscal 2019 to ₹ 1,138.08 lakhs in Fiscal 2020, primarily on account of reduction in Term loan due to repayment.

Depreciation and Amortization Expenses

Depreciation and amortization expenses decreased by 30.04% from ₹ 4,433.67 lakhs in Fiscal 2019 to ₹ 3,101.96 lakhs in Fiscal 2020 on account of change in method of depreciation from written down value to unit of production in distillery unit.

Other Expenses

Other expenses decreased by 14.74% from ₹ 20,726.43 lakhs in Fiscal 2019 to ₹ 17,670.49 lakhs in Fiscal 2020. This decrease was primarily on account significant decrease in the cost of power and fuel expenses, packaging materials and repair and maintenance of plant and machinery.

Profit before Tax

For the reasons discussed above, profit before tax increased slightly by 1.50% from ₹ 2,701.73 lakhs in Fiscal 2019 to ₹ 2,742.22 lakhs in Fiscal 2020.

Provision for Taxation

Our tax expenses in Fiscal 2019 were ₹ 559.20 lakhs, comprising of current tax of ₹ 592.68 lakhs, MAT credit utilised of ₹ 44.82 lakhs and deferred tax benefit of ₹ (78.30) lakhs. Our tax expenses in Fiscal 2020 were ₹ 683.82 lakhs, comprising of current tax of ₹ 495.94 lakhs, MAT credit utilised of ₹ 47.95 lakhs and deferred tax charge of ₹ 139.93 lakhs.

Our effective tax rate in Fiscal 2019 and Fiscal 2020 was 20.70% and 24.94%, respectively.

Profit for the year

For the reasons discussed above, profit for the year slightly decreased by 3.93% from ₹ 2,142.52 lakhs in Fiscal 2019 to ₹ 2,058.40 lakhs in Fiscal 2020.

Other Comprehensive Income

Other comprehensive income was ₹ (19.01) lakhs in Fiscal 2020 as compared to ₹ (3.02) lakhs in Fiscal 2019, which was due to provisioning of Gratuity as per actuarial report.

Total Comprehensive Income for the Year

Total comprehensive income decreased by 4.68% from ₹ 2,139.50 lakhs in Fiscal 2019 to ₹ 2,039.39 lakhs in Fiscal 2020.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Our EBITDA decreased by 18.44% from ₹ 8,561.28 lakhs in Fiscal 2019 to ₹ 6,982.26 lakhs in Fiscal 2020. EBITDA margin was 11.25% in Fiscal 2020 as compared to 12.70% in Fiscal 2019.

December 2021 compared to December 2020

Total Income

Total income increased by 50.10% from ₹ 53,925.50 lakhs in December 2020 to ₹ 80,944.03 lakhs in December 2021. The increase in total income was primarily due to increase in revenue contribution by ₹ 21,221 lakhs and ₹ 5,834 lakhs by grain processing and ethanol (bio-fuel)/distillery unit respectively.

Revenue from Operations

Revenue from operations increased by 50.09% from ₹ 53,868.90 lakhs in December 2020 to ₹ 80,849.97 lakhs in December 2021. This increase in our revenue from operations was primarily driven by increase in revenue by ₹ 21,221 lakhs and ₹ 5,834 lakhs by grain processing and ethanol (bio-fuel)/distillery unit respectively.

Other Income

Other income increased by 66.18% from ₹ 56.60 lakhs in December 2020 to ₹ 94.06 lakhs in December 2021 primarily due to short term capital gain from sale of mutual fund units.

Total Expenses

Total expenses increased by 48.15% from ₹ 47,961.72 lakhs in December 2020 to ₹ 71,057.02 lakhs in December 2021. The increase/decrease in our total expenses was primarily due to reasons mentioned below:

Cost of materials consumed

Costs of materials consumed increased by 59.67 % from ₹ 25,715.74 lakhs in December 2020 to ₹ 41,060.69 lakhs in December 2021 primarily on account of increase in prices of raw material as well as increase in consumption.

Purchase of stock in trade

Purchase of stock in trade decreased by 18.52% from ₹ 482.38 lakhs in December 2020 to ₹ 571.72 lakhs in December 2021 primarily to meet the demand of our customers.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods and work-in-progress changed by 18.68 % from ₹ 176.28 lakhs in December 2020 to ₹ 143.35 lakhs in December 2021 primarily on account of decrease in stock of finished goods by ₹ 445 lakhs.

Employee Benefit Expenses

Employee benefit expenses increased by 43.58% from ₹ 1,654.38 lakhs in December 2020 to ₹ 2,375.40 lakhs in December 2021. This is primarily due to provisioning of commission payable to directors, increase in director remuneration and other yearly increment.

Finance Costs

Finance costs decreased by 25.81 % from ₹ 482.83 lakhs in December 2020 to ₹ 358.22 lakhs in December 2021, which was primarily on account of repayment of vehicle and term loans and lower utilization of working capital.

Depreciation and Amortization Expenses

Depreciation and amortization expenses decreased slightly by 0.09% from ₹ 2,393.45 lakhs in December 2020 to ₹ 2,391.40 lakhs in December 2021.

Other Expenses

Other expenses increased by 41.62 % from ₹ 17,056.66 lakhs in December 2020 to ₹ 24,156.26 lakhs in December 2021. This was mainly due to increase in production, increase in the expenses for power and fuel, selling expenses, stores, spares and packaging expenses and chemical and consumables.

Profit before Tax

For the reasons discussed above, profit before tax increased by 65.78% from ₹ 5,963.78 lakhs in December 2020 to ₹ 9,887.01lakhs in December 2021.

Provision for Taxation

Our tax expenses in December 2020 were ₹ 1,872.60 lakhs, comprising of current tax of ₹ 1,041.99 lakhs, MAT credit utilised of ₹ 833.88 lakhs and deferred tax charge of ₹ (3.28) lakhs. Our tax expenses in December 2021 were ₹ 2,506.72 lakhs, comprising of current tax of ₹ 2,595.59 lakhs and deferred tax charge of ₹ (88.86) lakhs.

Our effective tax rate in December 2020 and December 2021 was 31.40% and 25.35%, respectively.

Profit for the year

For the reasons discussed above, profit for the year increased by 80.39% from ₹ 4,091.19 lakhs in December 2020 to ₹ 7,380.28 lakhs in December 2021.

Other Comprehensive Income

Other comprehensive income was ₹ 12.61 lakhs in December 2021 as compared to Nil in December 2020.

Total Comprehensive Income for the Year

For the reasons discussed above, total comprehensive income for the year increased by 80.09% from ₹ 4,091.19 lakhs in December 2020 to ₹ 7,367.67 lakhs in December 2021.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Our EBITDA increased by 42.95% from ₹ 8,840.06 lakhs in December 2020 to ₹ 12,636.62 lakhs in December 2021. EBITDA margin was 15.63% in December 2021 as compared to 16.41% in December 2020.

September 2021 compared to September 2020

Total Income

Total income increased by 56.57% from ₹ 32,999.16 lakhs in September 2020 to ₹ 51,668.14 lakhs in September 2021. The increase in total income was primarily due to increase in revenue contribution by ₹ 13,633 lakhs and ₹ 4,653 lakhs by grain processing and ethanol (bio-fuel)/distillery unit respectively.

Revenue from Operations

Revenue from operations increased by 56.52% from ₹ 32,956.01 lakhs in September 2020 to ₹ 51,583.87 lakhs in September 2021. This increase in our revenue from operations was primarily driven by increase in revenue contribution by ₹ 13,633 lakhs and ₹ 4,653 lakhs by Grain processing and Ethanol (Bio-fuel)/Distillery unit respectively

Other Income

Other income increased by 95.29% from ₹ 43.15 lakhs in September 2020 to ₹ 84.27 lakhs in September 2021 primarily due to Short term capital Gain from sale of Mutual fund units.

Total Expenses

Total expenses increased by 48.83% from ₹ 29,776.42 lakhs in September 2020 to ₹ 44,316.60 lakhs in September 2021. The increase/decrease in our total expenses was primarily due to reasons mentioned below:

Cost of materials consumed

Costs of materials consumed increased by 60.98% from ₹ 15,742.25 lakhs in September 2020 to ₹ 25,341.41 lakhs in September 2021 primarily on account of higher volume of Production.

Purchase of stock in trade

Purchase of stock in trade increased by 36.81% from ₹ 218.42 lakhs in September 2020 to ₹ 298.82 lakhs in September 2021 primarily due to meet the demand of our customer.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods and work-in-progress changed by 26.77% from ₹ 798.29 lakhs in September 2020 to ₹ 584.57 lakhs in September 2021 primarily on account of decreased in stock of finished goods by ₹ 837 lakhs.

Employee Benefit Expenses

Employee benefit expenses increased by 58.40% from ₹ 1,005.66 lakhs in September 2020 to ₹ 1,592.97 lakhs in September 2021. This was primarily due to provisioning of commission payable to Directors, increased in Director remuneration and other yearly increment.

Finance Costs

Finance costs decreased by 50.32% from ₹ 398.36 lakhs in September 2020 to ₹ 197.89 lakhs in September 2021, which was primarily on account of repayment of Vehicle and Term loans and lower utilization of working capital.

Depreciation and Amortization Expenses

Depreciation and amortization expenses decreased slightly by 0.90% from ₹ 1,570.61 lakhs in September 2020 to ₹ 1,556.52 lakhs in September 2021.

Other Expenses

Other expenses increased by 46.82% from ₹ 10,042.83 lakhs in September 2020 to ₹ 14,744.41 lakhs in September 2021. This was mainly due to increase in Production and increase volume of Sale.

Profit before Tax

For the reasons discussed above, profit before tax increased by 128.11% from ₹ 3,222.74 lakhs in September 2020 to ₹ 7,351.54 lakhs in Fiscal 2021.

Provision for Taxation

Our tax expenses in September 2020 were ₹ 992.04 lakhs, comprising of current tax of ₹ 563.08 lakhs, MAT credit utilised of ₹ 427.41 lakhs and deferred tax charge of ₹ 1.54 lakhs. Our tax expenses in September 2021 were ₹ 1,884.59 lakhs, comprising of current tax of ₹ 1,936.67 lakhs, MAT credit utilised is ₹ Nil and deferred tax charge of ₹ 52.08 lakhs.

Our effective tax rate in September 2020 and September 2021 was 30.78% and 25.64%, respectively.

Profit for the year

For the reasons discussed above, profit for the year increased by 145.08% from ₹ 2,230.71 lakhs in September 2020 to ₹ 5,466.95 lakhs in September 2021.

Other Comprehensive Income

Other comprehensive income was ₹ 8.54 lakhs in September 2021 as compared to ₹ Nil in September 2020.

Total Comprehensive Income for the Year

For the reasons discussed above, total comprehensive income for the year increased by 144.69% from ₹ 2,230.71 lakhs in September 2020 to ₹ 5,458.41 lakhs in September 2021.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Our EBITDA increased by 75.39% from ₹ 5,191.71 lakhs in September 2020 to ₹ 9,105.95 lakhs in September 2021. EBITDA margin was 17.65% in September 2021 as compared to 15.75% in September 2020.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to fund our working capital requirements and capital expenditure. We have funded these primarily through cash generated from operations, issuance of capital and borrowings from banks and financial institutions.

We expect to meet our working capital and planned capital expenditure requirements for the next 24 months primarily from the cash flows from business operations, borrowings from banks and financial institutions and the proceeds of this Fresh Issue.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

(₹ in lakhs)

Particulars	Six months period ended September 30, 2021	For the year ended March 31		
		2021	2020	2019
Net Cash from Operating Activities	3,545.55	10,583.97	4,412.47	8,708.93
Net Cash Used in Investing Activities	(2,470.64)	(1,178.01)	(1,551.79)	(1,672.16)
Net Cash Used in Financing Activities	(408.41)	(7,860.57)	(5,133.85)	(4,810.80)
Net Increase / (Decrease) in Cash and Cash Equivalents	666.51	1,545.39	(2,273.17)	2,225.96
Cash and Cash Equivalents at the beginning of the period/year	1,787.89	242.50	2,515.67	289.71
Cash and Cash Equivalents at the end of the period/ year	2,454.40	1,787.89	242.50	2,515.67

Operating Activities

Six months ended September 30, 2021

In Fiscal 2021, net cash generated from operating activities was ₹ 3,545.55 lakhs and the operating profit before working capital changes was ₹ 9,032.80 lakhs. The change in working capital amounted to ₹ (4,097.25) lakhs, primarily due to an increase in trade receivables of ₹ 1,476.82 lakhs and decrease in other assets of ₹ 709.25 lakhs, amongst others. This was partially offset by an increase in trade and other payables of ₹ 1,048.24 lakhs and decrease in other current liabilities of ₹ 1,567.71 lakhs, amongst others. Direct taxes paid (net) was ₹ 1,390.00 lakhs in six months ended September 30, 2021.

Fiscal 2021

In Fiscal 2021, net cash generated from operating activities was ₹ 10,583.97 lakhs and the operating profit before working capital changes was ₹ 13,197.27 lakhs. The change in working capital amounted to ₹ (978.29) lakhs, primarily due to an increase in trade receivables of ₹ 1,699.57 lakhs and increase in other assets of ₹ 690.12 lakhs, amongst others. This was partially offset by an increase in trade and other payables of ₹ 840.82 lakhs and an increase in other current liabilities of ₹ 633.94 lakhs, amongst others. Direct taxes paid (net) was ₹ 1,635.00 lakhs in Fiscal 2021.

Fiscal 2020

In Fiscal 2020, net cash generated from operating activities was ₹ 4,412.47 lakhs and the operating profit before working capital changes was ₹ 6,887.53 lakhs. The change in working capital amounted to ₹ (1,858.36) lakhs, primarily due to an increase in inventories of ₹ 3,317.07 lakhs, amongst others. This was partially offset by a decrease in trade receivables of ₹ 1,767.03 lakhs, amongst others. Direct taxes paid (net) was ₹ 616.70 lakhs in Fiscal 2020.

Fiscal 2019

In Fiscal 2019, net cash generated from operating activities was ₹ 8,708.93 lakhs and the operating profit before working capital changes was ₹ 8,439.91 lakhs. The change in working capital amounted to ₹ 1,002.01 lakhs, primarily due to decrease in inventories of ₹ 2,106.45 lakhs, a decrease in trade receivables of ₹ 1,571.67 lakhs, amongst others. This was partially offset by a decrease in trade and other payables of ₹ 2,301.24 lakhs, amongst others. Direct taxes paid (net) was ₹ 733.00 lakhs in Fiscal 2019.

Investing Activities

Six months ended September 30, 2021

Net cash used in investing activities was ₹ 2,470.64 lakhs in Fiscal 2021, primarily on account of purchase of property, plant and equipment of ₹ 2,544.55 lakhs. This was partially offset by proceeds from sale of property, plant and equipment of ₹ 4.30 lakhs, Net Sale proceeds from non-current investments and current investments of ₹ 62.19 lakhs, amongst others.

Fiscal 2021

Net cash used in investing activities was ₹ 1,178.01 lakhs in Fiscal 2021, primarily on account of purchase of property, plant and equipment of ₹ 1,465.30 lakhs. This was partially offset by proceeds from sale of property, plant and equipment of ₹ 208.40 lakhs, interest income of ₹ 65.61 lakhs, amongst others.

Fiscal 2020

Net cash used in investing activities was ₹ 1,551.79 lakhs in Fiscal 2020, primarily on account of purchase of property, plant and equipment of ₹ 1,743.62 lakhs, amongst others. This was partially offset by interest income of ₹ 93.55 lakhs and proceeds from sale of property, plant & equipment of ₹ 93.52 lakhs, amongst others.

Fiscal 2019

Net cash used in investing activities was ₹ 1,672.16 lakhs in Fiscal 2019, primarily on account of purchase of property, plant and equipment of ₹ 2,374.57 lakhs, amongst others. This was partially offset by proceeds from sale/maturity of current and non-current investments of ₹ 581.27 lakhs, amongst others.

Financing Activities

Six months ended September 30, 2021

Net cash used in financing activities was ₹ 408.41 lakhs during Fiscal 2021, and primarily consisted of repayment of long-term borrowings of ₹ 39 lakhs, finance costs of ₹ 197.89 lakhs and dividend paid of ₹ 171.52 lakhs.

Fiscal 2021

Net cash used in financing activities was ₹ 7,860.57 lakhs during Fiscal 2021, and primarily consisted of repayment of short-term borrowings of ₹ 5,960.93 lakhs, repayment of long-term borrowings of ₹ 963.47 lakhs, finance costs of ₹ 654.67 lakhs and dividend paid of ₹ 281.50 lakhs.

Fiscal 2020

Net cash used in financing activities was ₹ 5,133.85 lakhs during Fiscal 2020, and primarily consisted of repayment of long-term borrowings of ₹ 1,931.82 lakhs, repayment of short-term borrowings of ₹1,498.34 lakhs, finance costs of ₹ 1,138.08 lakhs, dividend paid of ₹ 469.17 lakhs and dividend distribution tax paid of ₹ 96.44 lakhs.

Fiscal 2019

Net cash used in financing activities was ₹ 4,810.80 lakhs during Fiscal 2019, and primarily consisted of repayment of long-term borrowings of ₹ 2,939.57 lakhs, finance costs of ₹ 1,425.88 lakhs and dividend paid of ₹ 328.42 lakhs, amongst others.

Capital and other commitments

As at September 30, 2021, the estimated amount of contract remaining to be executed on capital account not provided for was ₹ 9,311.86 lakhs. The details in relation to commitments in relation to leases is as follows:

(₹ in lakhs)

Particulars	As at September 30, 2021
Within one year	9,311.86
After one year but not more	-
More than five years	-
Total	**9,311.86**

Capital Expenditure

(₹ in lakhs)

Particulars	Six months period ended September 30, 2021	For the year ended March 31		
		2021	2020	2019
Tangible Assets	23,959.47	24,083.87	25,978.79	27,291.57
Intangible Assets	8.43	8.81	11.88	14.79
Work in Progress	1,415.16	303.11	321.56	456.54
Total Capital Expenditure	**25,383.06**	**24,395.79**	**26,312.23**	**27,762.90**

Contingent Liabilities

Contingent liabilities and claims against us, to the extent not provided for, as at September 30, 2021 are described below:

(₹ in lakhs)

Nature of contingent liability	Amount (₹ in lakhs)
Corporate guarantee (in the form of counter guarantee) extended to GIDC on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the Company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units	7.39
Bank guarantees (including financial and performance guarantees) issued in favour of statutory authorities, PSUs, government bodies and corporates	689.72

Financial indebtedness

The following table sets forth our Company's secured and unsecured debt position as at September 30, 2021.

All figures in ₹ lakhs

Particulars	Payment due by period				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Long term borrowings*					
Secured	-	-	-	-	-
Unsecured	1,014.00	-	1,014.00	-	-
Total Long-Term borrowings	**1,014.00**	**-**	**1,014.00**	**-**	**-**
Short Term Borrowings					
Secured	-	-	-	-	-
Unsecured	-	-	-	-	-
Total Short-Term Borrowings	**-**	**-**	**-**	**-**	**-**

** Including current maturities of long-term borrowings*

Interest coverage ratio

Interest coverage ratio, is calculated on the basis on earning before finance cost (excluding Interest on preference share) and tax divided by finance cost (excluding Interest on preference share), for the relevant fiscal year/ period.

(₹ in lakhs)

Year	Nine months ended December 31, 2021	Nine months ended December 31, 2020	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit before tax	9,887.01	5,963.78	9,349.83	2,742.22	2,701.73
Finance Cost (excluding interest on preference shares)	299.72	482.83	576.67	1,040.85	1,280.52
EBIT	10,186.73	6,446.61	9,926.50	3,783.07	3,982.25
Interest Coverage Ratio	33.99	13.35	17.21	3.63	3.11

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Primarily these transactions include purchase and sale of goods, remuneration paid, salaries, sitting fee, rent paid, etc. For further details relating to our related party transactions, see "*Financial Statements*" on page 181.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk (fluctuation in foreign currency exchange rates, interest rate and fiscal risk), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. We assess the unpredictability of the financial environment and seeks to mitigate potential adverse effects on our financial performance.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) *Foreign currency risk*

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the approved foreign currency risk management policy. The Company enters into forward foreign exchange contracts to mitigate the foreign currency risk.

(ii) *Interest rate risk*

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Any rise in market rate of interest effective effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analyzed for mitigation measure.

(ii) *Fiscal risk*

The company does not foresee any material fiscal risk pertaining to its overseas transactions with related parties in respect of which its application for advance pricing agreement is pending before fiscal authorities for years even though authorities make any upward revision of prices. Though overseas transactions with related parties for many years are conducted as per application made for advance pricing agreement, impact of any upward revision of prices of any of the items of out- put is unlikely to give rise to any additional financial liability considering huge carry forward loss and unabsorbed depreciation as per company's income tax return.

(B) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables. The Company computes an allowance for impairment of trade receivables for unrelated parties based on a simplified approach that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted with scalar factors to reflect differences between current and historical economic conditions and the management's view of economic conditions over the expected lives of the receivables. Financial instruments that are subject to such risk, principally consist of investments, trade receivables and other loans and advances. None of the financial instruments of the Company results in material concentration of credit risks.

(C) Liquidity risk

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

Unusual or Infrequent Events or Transactions

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Segment Reporting

The company has three manufacturing segments viz. Mineral Processing, Grain Processing and Ethanol (Bio-fuel)/ Distillery. The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products. For further information, see *"Financial Statements"* on page 181.

Known Trends or Uncertainties

Other than as described in this section and in "*Risk Factors*" on page 37 to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described in this section, "*Risk Factors*" and "*Our Business*" on pages 37 and 107, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of Business

Our business operations are not seasonal in nature.

Competitive Conditions

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 107, 94 and 37, respectively, for further details on competitive conditions that we face in our business.

Changes in Accounting Policies

Except as disclosed in this Placement Document, there have been no changes in our accounting policies in the last three Fiscals, the six months period ended on September 30, 2021 and for nine months period ended on December 31, 2021. For further information, see "*Financial Statements*" on page 181.

Status of any publicly announced new products or business segment, if applicable

Except as disclosed in "*Our Business*" on page 107, we have not announced and do not expect to announce in the near future any new products or business segments.

Reservations, Qualifications, Adverse Remarks and Matters of Emphasis

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Statutory Auditors in their audit reports on the Audited Financial Statements for the last five Fiscals and in the Unaudited Interim Financial Statements preceding the date of this Placement Document.

For further information, see "*Financial Statements*" on page 181.

Significant Developments after December 31, 2021 that may affect our future results of operations

Other than as disclosed below and stated in this Placement Document, including under "*Our Business*", "*Risk Factors*" and in this section, to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Placement Document which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months:

- Amalgamation of our Company with our Holding Company and East Delhi Importers & Exporters Private Limited for which an order dated March 9, 2022 has been passed by the NCLT, Allahabad.

- Redeemed 9,75,000 of 8% redeemable preference shares of ₹ 100 each along with accumulated dividend of ₹ 66,24,658 on February 4, 2022.

- Availed a term loan of ₹ 5,000 lakhs from The Hongkong and Shanghai Banking Corporation Limited, for setting up of the new 500 KLPD ethanol processing plant at Borgaon (Madhya Pradesh).

- Working capital facilities from the State Bank of India and The Hongkong and Shanghai Banking Corporation Limited are drawn as per the day-to-day business needs.

- Capital expenditures towards the expansion of the existing facilities and setting-up of new facility.

- Deposit of tax amount along with interest under protest by our Company, pursuant to the summons issued by the office of Additional Assistant Director of Directorate General of goods and services tax intelligence, Regional Unit Circle, CGO Complex, Indore, Madhya Pradesh under section 70 of the CGST Act, 2017 read with section 174 of the CGST Act, 2017.

INDUSTRY OVERVIEW

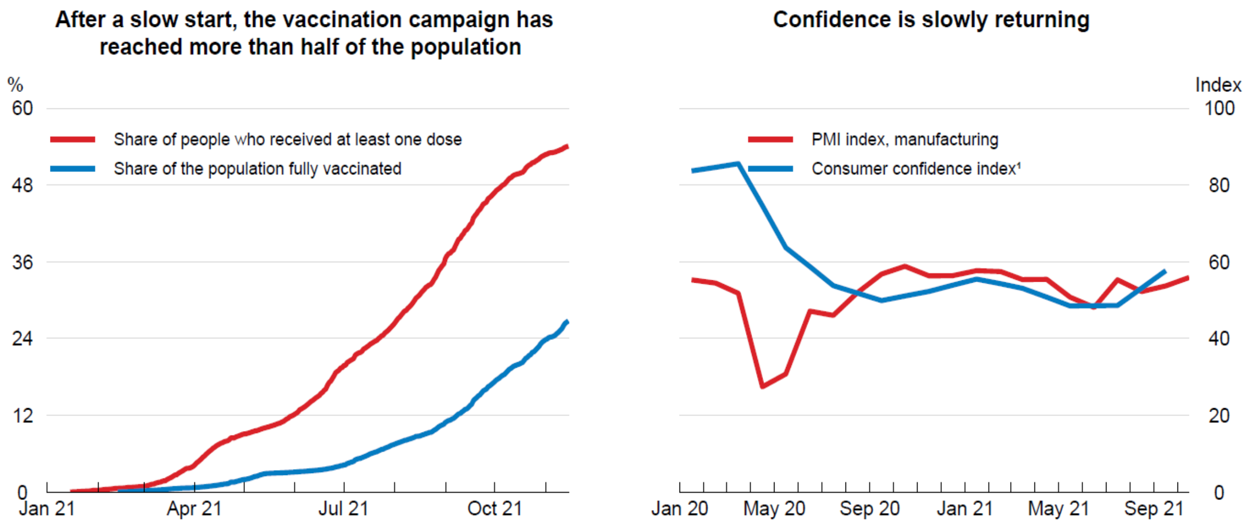
*The information contained in this section is derived from various industry and publicly available resources including, inter alia, OECD Economic Outlook, websites of the ministries of the GoI, the RBI, the Roadmap for Ethanol Blending in India 2020-2025 created by the Niti Aayog and Ministry of Petroleum and Natural Gas ("**Niti Aayog Report**"), India Sorbitol Market Research Report Forecast to 2027 by Market Research Future ("**Market Research Future Report**") etc. Neither the Company, its Directors, the BRLMs nor any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.*

OVERVIEW OF THE ECONOMY

After the second infection wave that peaked in May, the recovery is gaining momentum and GDP is projected to grow at 9.4% in fiscal year (FY) 2021-22 before reverting to 8.1% in FY 2022-23 and 5½ per cent in FY 2023-24. Inflation has remained close to the upper band of the Reserve Bank of India (RBI), but should ebb as supply chain disruptions are overcome. Financial markets remain strong and capital inflows support the build-up in reserves. The appearance of a new virus variant, especially if combined with a relaxation of attitudes, is the major downside risk, together with a less supportive global economic and financial environment. *(Source: OECD Economic Outlook, Volume 2021 Issue 2)*

The macroeconomic policy mix is well-balanced. The RBI stands ready to act forcefully if increases in global commodity prices feed into wages and then to core prices. The government is also committed to invest more in social and physical infrastructure, although well-targeted, direct fiscal support to vulnerable households and firms should also be increased. Reducing unnecessary regulation in product and labour markets, accelerating the sale of public companies in non-strategic sectors, following the successful sale of Air India, and restructuring state-owned banks would boost investment and job creation. *(Source: OECD Economic Outlook, Volume 2021 Issue 2)*

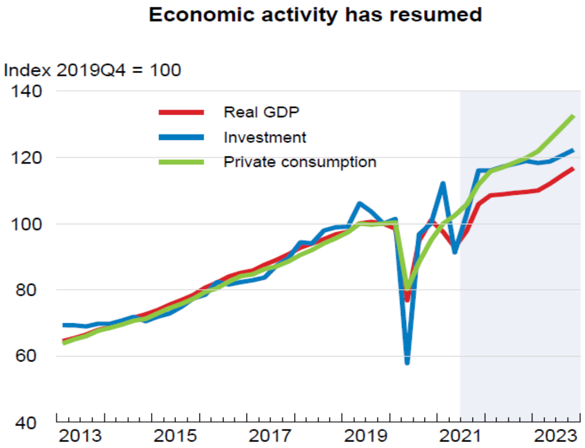
Exhibit 1. India Vaccination Status and Consumer Confidence

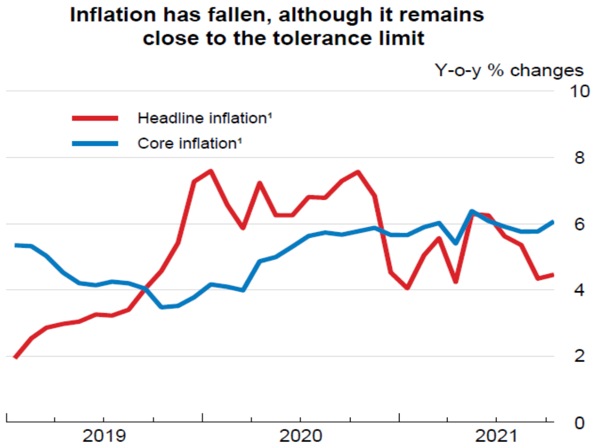


1. Based on every two-month current situation index (CSI). The missing monthly data are proxied by the average of neighbouring monthly data.
Source: OECD Economic Outlook, Volume 2021 Issue 2

The normalisation momentum came to a halt in winter and spring 2021 as the Delta variant caused a sharp increase in cases and fatalities. Intensive care capacity came under acute pressure and confinement measures were re-introduced, albeit limited to the most affected areas. The vaccine rollout started in January, covering 30 million healthcare and front-line workers, and was progressively extended to wider swathes of the adult population. By end-September, more than half of the eligible population had been given at least one jab and at mid-November, more than one Indian out of four was fully vaccinated. *(Source: OECD Economic Outlook, Volume 2021 Issue 2)*

Exhibit 2. Economic Activity in India and Inflationary status





1. Headline inflation refers to the change in price of all goods in the basket, while core inflation excludes food and fuel items. Seasonally adjusted and based on monthly consumer price index and core CPI (index 2012 = 100) provided by the Central Statistics Office.
Source: OECD Economic Outlook 110 database; and CEIC.

The economic shock has been weaker than during the 2020 wave. Since the summer of 2021, growth has rebounded, pulled by exports, consumer demand and, more importantly, a very strong base effect. Most key high-frequency indicators, including sales of two-wheelers and tractors, are rising gradually and mobility indices sharply improved during the Diwali festive season and remain well-oriented. Consumer price inflation stood at 4.5% in October, a significant decline from the October 2020 reading of 7.6%. The recent moderation can be explained by base effects, an excellent monsoon season, a resumption of agriculture supply chains that lowered food prices (which account for 39% of the CPI basket) and administrative steps (such as lower import duties on edible oils). Both merchandise exports and imports have expanded forcefully, boosted by oil trade. Easier conditions in capital markets have benefited large corporates and young start-ups, with a record 51 initial public offers (IPOs) on the two main stock exchanges between January and November 2021. Foreign exchange reserves have increased due to strong foreign direct and portfolio investment flows. In 2021, the rupee has experienced a smaller depreciation against the US dollar than most emerging Asian peers. *(Source: OECD Economic Outlook, Volume 2021 Issue 2).*

Prospects of an economic rebound in India are firming up as GDP is set to expand by 9.4% in FY 2021-22 and 8.1% in FY 2022-23, before moderating to 5½ per cent in FY 2023-24. Activity is supported by the increasing pace of vaccination, which is boosting consumers' sentiment, and the inflation slowdown, which protects purchasing power. In the medium term, however, uncertainty over employment and earnings prospects will slow down the revival of households' consumption. Growth, moreover, will be uneven: rural areas are struggling to absorb the huge flows of migrant returnees, while on the supply side the buoyancy of manufacturing boosted by the Production-Linked Incentive scheme contrasts with the slow return to normalcy of contact-intensive services. The current account will return to deficit, after the exceptional 2020surplus. The economic outlook in FY 2023-24 is projected to deteriorate due to the lingering negative legacy of COVID-19 on key growth-drivers such as business investment in new machinery.

Headline inflation is projected to remain below the upper tolerance limit of the flexible inflation targeting approach, which it exceeded in FY 2021 due to rising commodity prices and supply disruptions, such as coal and chip shortages. The main risk is related to such disruptions: if they become entrenched, this could weigh on growth and un-anchor inflation expectations. An acceleration in consumer price inflation would weaken real income growth, affecting poor households in particular. Rising oil import prices could also worsen both the fiscal and current account balances.

INDIAN SORBITOL MARKET

Overview

Sorbitol is mainly obtained from corn, algae, fruits and berries. It is made by catalytic hydrogenation of sucrose. Sorbitol is mainly used as a sweetener, moisturizer, fragrance and diuretic in various applications such as foods and beverages, pharmaceuticals, cosmetics and personal care. Sorbitol is a low-calorie sugar substitute used in many products such as candies, chewing gum, ice cream, baked goods, cosmetics, toothpaste, personal care products and pharmaceuticals. *(Source: Market Research Future Report)*

Increasing consumer awareness of the benefits derived from natural ingredients is expected to drive demand. Organic personal care and cosmetic products are expected to grow in popularity due to health and safety reasons. Increasing demand for low-calorie artificial sweeteners, especially among diabetic patients, is expected to fuel sorbitol market growth. The market is expected to grow significantly during the forecast period due to increased use of food and beverages in diabetes and diet. Increasing demand for products as sugar substitutes for consumer goods should also stimulate demand for products in the coming years. Because sorbitol is slower to metabolize than other sugar alcohols, it is increasingly being used in oral care products to prevent tooth problems such as tooth decay and tooth decay. These benefits are expected to drive industry growth over the forecast period. In addition, lower production and labor costs tend to move manufacturing capacity to the Asia-Pacific region, especially India lowering the cost of sorbitol and increasing demand from non-food applications. *(Source: Market Research Future Report)*

The India sorbitol market is a very dynamic market and is expected to witness steady growth over the forecast period. The growth of the sorbitol market is driven by various factors such as increasing demand for low sugar and low-calories products and Growing Use of sorbitol in confectionary and chocolates products. However, the growth of the market can be hindered due to lack of quality standards. *(Source: Market Research Future Report).*

By type, the India sorbitol market is segmented into liquid sorbitol and powder/crystal sorbitol. Sorbitol is hygroscopic and has applications humectant, plasticizer, and softener in various formulations. It is present in minute quantity in natural products such as plums, peaches, apples, tobacco, algae.

Exhibit 3. India Sorbitol Market, By Type, 2019–2030 (USD Million)

Type	2019	2020	2021	2022	2023	2024	2025	2026	2030	CAGR % (2021-2030)
Liquid Sorbitol	80.1	78.3	81.3	84.7	88.3	92.6	97.4	103.4	141.5	6.3%
Powder/Crystal Sorbitol	50.5	48.8	50.0	51.4	53.0	54.8	57.0	59.8	77.9	5.1%
Total	130.7	127.1	131.4	136.1	141.3	147.4	154.3	163.2	219.4	5.9%

Source: Market Research Future Report

Exhibit 4. India Sorbitol Market, By Type, 2019–2030 (Kilo Tons)

Type	2019	2020	2021	2022	2023	2024	2025	2026	2030	CAGR % (2021-2030)
Liquid Sorbitol	111.2	106.5	108.5	110.7	113.4	116.5	120.2	124.6	153.1	3.9%
Powder/Crystal Sorbitol	54.3	51.8	52.5	53.4	54.5	55.7	57.3	59.1	71.4	3.5%
Total	165.6	158.4	161.0	164.2	167.9	172.3	177.5	183.7	224.5	3.8%

Source: Market Research Future Report

Liquid Sorbitol: The liquid sorbitol segment is expected to hold the largest market share during the forecast period. The segment growth can be attributed to factors such as technological advancements in production, easy usability, and reduced manufacturing cost. It also used an alternative to sugar in food & beverage and pharmaceutical end-use industries. Growing number of health-conscious customers and resulting increased demand for low-calorie food products is expected to contribute to segment growth during the forecast period. Liquid sorbitol doesn't react to environment humidity fluctuations which makes it a good humectant (water stabilizer). Liquid sorbitol is non-volatile and is thus used individually or with glycerol in dyeing and printing and textile dressing. *(Source: Market Research Future Report)*

Powder/Crystal Sorbitol: The powder/crystal sorbitol segment is expected to observe significant growth during the forecast period. The segment growth can be because it is widely used as additive in food for production of frozen raw fish, dried squid thread, roasted fish fillet, and several other aquatics products. Increasing demand for these application products is expected to augment the segment growth during the forecast period. Crystal sorbitol has capabilities of resisting bacteriological degradation and moisture retention. Thus, it used as humectant in cosmetic products, such as face creams and moisturizers. Increasing demand for cosmetic products is expected to contribute to segment growth during the forecast period. *(Source: Market Research Future Report)*

By application, the India sorbitol market is segmented into food & beverage, personal care, pharmaceutical & nutraceuticals, and others. Increasing demand for sorbitol as a sweetener is expected to majorly drive the market growth during the forecast period. The food and beverage segment led the market and accounted for more than 52.8% share of the India revenue in 2020. *(Source: Market Research Future Report)*

Exhibit 5. India Sorbitol Market, By Application, 2019–2030 (USD Million)

Application	2019	2020	2021	2022	2023	2024	2025	2026	2030	CAGR % (2021-2030)
Food & Beverages	68.7	67.2	69.8	72.7	76.0	79.6	83.8	89.1	122.1	6.4%
Pharmaceuticals & Nutraceuticals	13.3	12.7	12.9	13.2	13.5	13.9	14.3	14.9	18.9	4.3%
Personal Care	26.2	25.6	26.5	27.5	28.7	30.0	31.5	33.4	45.3	6.2%
Others	22.5	21.7	22.1	22.6	23.2	23.9	24.7	25.8	33.0	4.6%
Total	130.7	127.1	131.4	136.1	141.3	147.4	154.3	163.2	219.4	5.9%

Source: Market Research Future Report

Exhibit 6. India Sorbitol Market, By Application, 2019–2030 (Kilo Tons)

Application	2019	2020	2021	2022	2023	2024	2025	2026	2030	CAGR % (2021-2030)
Food & Beverages	86.2	83.0	84.9	87.0	89.5	92.3	95.6	99.5	124.1	4.3%
Pharmaceuticals & Nutraceuticals	17.1	16.1	16.2	16.2	16.3	16.5	16.8	17.1	19.7	2.2%
Personal Care	33.2	31.8	32.5	33.2	34.0	35.0	36.2	37.5	46.4	4.1%
Others	29.0	27.4	27.5	27.7	28.0	28.4	28.9	29.5	34.3	2.5%
Total	165.6	158.4	161.0	164.2	167.9	172.3	177.5	183.7	224.5	3.8%

Source: Market Research Future Report

The food & beverage segment is expected to observe fastest growth during the forecast period. The segment growth can be because sorbitol is widely used as sweetening agent replacing the need for refined sugar. It also acts an ant-crystallization agent and provides enhanced texturing to the desserts and bakery products. This factor is expected to drive the segment growth during the forecast period. Increasing consumer awareness regarding health consciousness and increasing demand for low-calorie food & beverages is expected to enhance the market growth.

Sorbitol imparts body and texture as well as some sweetness to frozen desserts Sorbitol is used in frozen desserts for diabetics where its slow rate of absorption, followed by conversion to fructose in the liver results in a prolonged, slow supply of fructose, considered to be of advantage to the diabetic. For frozen dairy desserts and mixes, FDA regulation permit sorbitol to be used as a nutritive sweetener at level not to exceed good manufacturing practice, defined as 17%. In the manufacture of sugar less chewing gum, both mannitol and crystalline sorbitol provide the water-soluble solids. In some instances, a 70% aqueous solution of sorbitol is used in this application to provide the proper plasticity. Sorbitol resists fermentation to acids by microorganism in the mouth and therefore is believed not to contribute to the incidence of dental caries. In artificially sweetened canned fruit, addition of subtle syrup provide body. Sorbitol has property of reducing the undesirable aftertaste of saccharin. It sequesters metol ions in canned soft drinks and a sequesters iron and copper ions in wines.

Thereby preventing cloudiness from compounds of these metals. In candy manufacture sorbitol is used in conjunction with sugar to increase shelf life. It is used in making fudge, candy cream centers, soft and grained, marsham allows and in other types of candy where softness depend upon the type of crystalline structure. The function of sorbitol in this application is in retarding the solidification of sugar often associated with stateless in such candy. In butter creams, an additional benefit is involved in flavor improvement by its sequestering action on trace metals. Sorbitol may be used in diabetic chocolates. Sorbitol is used as a humectant and softener in shredded coconut having a decided advantage over the invert sugar often used, since darkening of the product does not occur. A small quantity of sorbitol as the 70% aqueous solution added to peanut butter has been shown to reduce dryness and crumbliness and improve spread ability. *(Source: Market Research Future Report)*

Sorbitol is used as a body agent in pharmaceutical syrups. Its use in syrups reduces the chances of bottle cap being stick due sugar crystallization. Sorbitol is used as a parental nutrition in case of burns, severe injury, and surgery. It is also used non-fat soluble ointments, gelatine capsules, and emulsion ointments. As a adjuvant, sorbitol provides enhanced spreading capacity in creams, ointments, and pastes. It is increasingly used in the preparation of dental formulations for treatment of buckle cavity. Increasing demand for these products is expected to augment the market growth during the forecast period. *(Source: Market Research Future Report)*

Sorbitol is used as a sweetener, emulsifier, and humectant in personal care products. It has low glycemic index which is safe for teeth and is thus used in the manufacturing of toothpastes. It is also used in cosmetic products such as o/w creams and other products. It is also used in lather type and bosh brushless shaving creams as plasticizers and humectant. *(Source: Market Research Future Report)*

Other's segment includes textile, polymer, adhesives, printing ink. As a humectant, sorbitol is increasingly being used alone or with glycerol in the gelatin capsule industry, printing ink formulations, cosmetic emulsions, and tobacco processing. Sorbitol releases copper and iron ions in strong alkaline textile scouring or bleaching solution. It acts a scavenger for unreacted formaldehyde for wash and wear properties in cotton fabrics and plasticizer in soil clear and resistant clear finishes. Along with metal salts sorbitol is used as a stabilizer against light and heat in PVC resins. Dispersion of sorbitol and starch in water are used to prepare heat sealable films. The moisture content of cigarettes is very important, and change in moisture content, due to change in humidity, is minimized if sorbitol is used as conditioner. Also, sorbitol is non-volatile and hence there is no danger of losing the conditioner during drying and other pressing operations. Sorbitol is compatible with various ingredients used in tobacco mixture. Because of its sweetness and cooling taste, sorbitol contributes to the flavor of chewing tobacco besides conditioning the product. Sorbitol is the ideal answer since it neither loses nor absorbs any appreciable quantity of water, unlike conventional humectants like glycerin or ethylene glycol. Sorbitol increases the viscosity of the glue composition so that more water is needed, resulting in greater economy. Sorbitol functions as a moisture conditioning agent and its non-volatility ensures non-cracking labels and envelops with minimum of curling. *(Source: Market Research Future Report)*

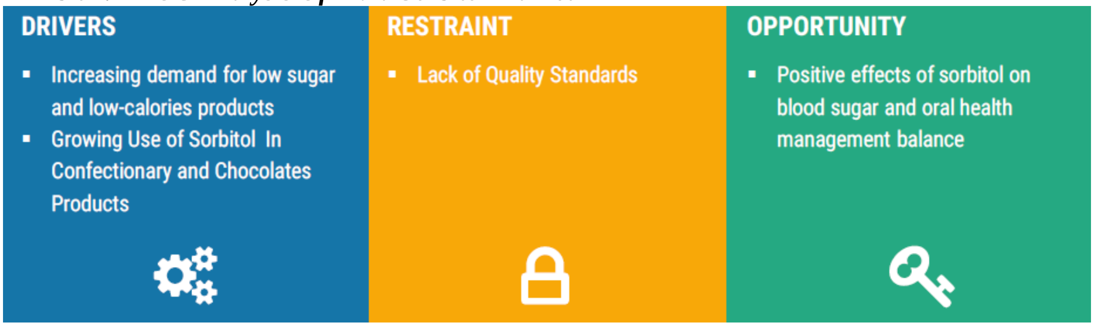
Supply Chain Analysis

Raw Material Suppliers: Raw material suppliers for sorbitol are farmer. Farmers provides the raw material includes maze, corn and others to the manufacturer. Sorbitol, a polyol (sugar alcohol), is a bulk sweetener. Sorbitol is produced either from starch hydrolysates, from dextrose syrup, or from dextrose monohydrate. It is a water-soluble polyhydric alcohol, having sweet taste and high stability besides properties of humectancy and plasticizing. Manufacturer purchase the raw material from farmer in bulk quantity after passing all the quality inspection. Raw material supplier plays very important role in value chain analysis.

Manufacturer: Manufacturer includes the process product formulation. Manufacturer purchase the raw material from supplier and done the technological process for forming the final product. Manufacturers of sorbitol developed their products with a combination of various raw materials provided by suppliers. Raw materials and goods are manufactured into the final product. Value is added to the product at this stage as it moves through the production line. Some of the manufacturers of are Archer Daniels Midland Company, Cargill Incorporated and others.

Distribution Channel: Once the products have been manufactured, they are ready to be distributed to distribution centers, wholesalers, retailers or customers and others. Strong presence of distribution centers in the India sorbitol market plays important role to market growth. Distribution channel also consist of is usually supplied by specialized importers (wholesalers) and the manufacturers. The foodservice segment often requires specific packaging of sorbitol, that depends on the type of sorbitol to be distributed, which is different from the requirements for bulk or retail packaging.

Exhibit 7. DROC Analysis Of India Sorbitol Market



(Source: Market Research Future Report)

Drivers

1. Increasing demand for low sugar and low-calories products

Increasing demand for low—sugar and low-calories products with the surge in awareness associated with health advantages of sorbitol and increase in demand in numerous industries are expected to drive the demand for Indian sorbitol market growth. The surge in awareness associating the health benefits of sorbitol, and the surge in demand for sugar substitutes such as sorbitol in numerous industries will drive the growth of the sorbitol market. Consumers in India are accustomed to sedentary lifestyles and are aware of the problems they pose. Therefore, in recent years, the demand for low-calorie foods and sweeteners has increased. People need to reduce their calorie intake, so they prefer low-calorie foods that play an important role in maintaining a healthy diet that supports their lifestyle. Most health-conscious consumers prefer sorbitol as an alternative to sugar because it has fewer calories than regular sugar. The rising diabetic and dietetic population is primarily boosting the market growth of sorbitol. It allows the diabetic population to enjoy the sweetness of sugar and control their weight and other dietary illnesses. The fluctuations in prices and supply of sugar and growing demand of sorbitol in the food & beverages industry coupled with growing demand for low-calorie artificial sweetener, acts as an opportunity for the Sorbitol market. Taking sorbitol is an easy way to reduce calorie intake and stay healthy. Therefore, the surge in demand for low-calorie food among customers is anticipated to drive market development in the years to come. *(Source: Market Research Future Report)*

2. Growing use of sorbitol in confectionary and chocolates products

Sorbitol is a sugar alcohol that is manufactured from the glucose produced from corn starch. It is often used as a sugar substitute in candies, baked goods, syrups and beverages. Sorbitol is roughly 60 per cent as sweet as sucrose and it has approximately 2.6 calories per gram. Frequently, it comes in a powder form which is being used as a sweetener or humectant in the production of confectionery, baked goods and also chocolates, because of its moisture retaining ability. It also makes a good choice for products that tend to become dry or harden. It also helps in maintaining freshness during the storage. It can withstand high temperatures which also combine well with other food ingredients like gelling agents, fats and sugars. *(Source: Market Research Future Report)*

The growing use of the product in confectionary and chocolates products on account of its textural, non-carcinogenic, and moisture-stabilizing properties is predictable to positively affect the demand of the Indian sorbitol market. Sorbitol is chemically relatively inert and is a stable chemical, which is expected to result in high demand for the product as it is easy to incorporate in other food products without hampering the recipe. Due to the unique and useful texture-enhancing properties of sorbitol, it has varied applications, including the manufacturing of customized confectionery and chocolate. Sorbitol is significantly used in the production of confectionary, baked goods, chocolate as it functions as a humectant, moisture stabilizer and texturizer. Sorbitol mainly utilizes sugar alcohol, provides one-third fewer calories than sugar and 60% more sweetness intensity as compared to sucrose. It safety profile is generally recognized by the World Health Organization, and other designated authorities in India. Therefore, the growing use of sorbitol in confectionery and chocolate products are expected to drive the growth of the India sorbitol market. *(Source: Market Research Future Report)*

Opportunities

The food choices made every day affect short- and long-being physically active may reduce the risk for heart disease, high blood pressure, term health and are directly related to weight outcomes. Diseases impact the individual's quality of life and are associated with increasing health care costs that place a burden on the government and businesses. *(Source: Market Research Future Report)*

People cannot consume a healthy diet unless healthy foods are available, affordable, and convenient. Research shows that residents of the area who have greater access to supermarkets and convenience stores appear to have healthy diets and lower obesity levels. The positive effects of sorbitol on blood sugar and oral health management balance. The government is designing incentive schemes to draw underserved communities to supermarkets and grocery stores. (e.g., tax credits, grant and loan programs, small business/economic development programs, and other economic incentives). The factors such as fluctuations in supply and price of sugar and increasing demand from food and beverage industry is generating new opportunities for sorbitol market in India. Thus, such activities expected to create a significant growth opportunity for the sorbitol market. *(Source: Market Research Future Report)*

Restraints

The factors such as adherence to international quality rules, and standards are expected to restrict the market growth in near future. Additionally, the World Health Organization (WHO)/Food and Agriculture Organization (FAO) specialists committee on Food Additives has not offered the maximum limit of sorbitol as a dietary intake-the Food and Drug Administration (FDA) notes that its use in food should not be more than of good manufacturing practices. The excess of sorbitol is mainly known to form gastrointestinal discomfort, it is potential laxative effects can restrict the growth of sorbitol sales in India. *(Source: Market Research Future Report)*

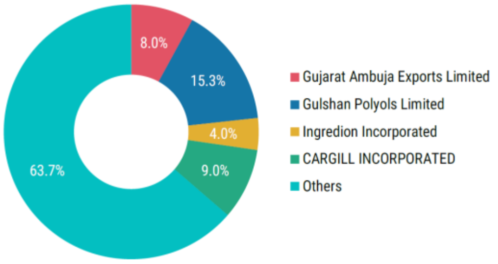
Competitive Overview

The India Sorbitol market is characterized by the presence of many regional and global players. The market is highly competitive with all the players competing to gain market share. High competition, rapid advances in technology, frequent changes in government policies, and environmental regulations are key factors that restrain market growth. The sorbitol manufacturers compete based on cost, product quality, and reliability. It is crucial for the manufacturers to provide cost-efficient and high-quality product offering in order to survive and succeed in an intensely competitive market environment.

The growth of the market players depends on the economic conditions, government support, and industry development. Thus, they have been focusing on improving their products and expanding their regional presence. Archer Daniels Midland Company, Cargill Incorporated, Roquette Freres, Gulshan Polyols Ltd and Ingredion Incorporated., being the leading players of the market share in 2020. These companies are focusing on customizing their products to match the specific requirements of the industrial and food processing players.

Among all the players, the leading ones as mentioned above are dominating the market due to their enhanced product portfolios, vast industry experience, and geographic reach. These players may strengthen their presence in the India sorbitol industry through product development and increasing their investments in research and development during the forecast period. Players with access to better technologies can develop unique and innovative products and services, which could render their competitor's products, obsolete. The competitive environment in the market is likely to intensify further due to an increase in the number of partnerships and collaborations.

Exhibit 8. India Sorbitol Major Players Market Share Analysis, 2020 (%



Source: Market Research Future Report

ETHANOL MARKET

NEED FOR ETHANOL IN INDIA

The energy demand in our country is rising due to an expanding economy, growing population, increasing urbanization, evolving lifestyles and rising spending power. About 98% of the fuel requirement in the road transportation sector is currently met by fossil fuels and the remaining 2% by biofuels. Today, India imports 85% of its oil requirement. The Indian economy is expected to grow steadily despite temporary setbacks due to the COVID pandemic. This would result in a further increase of vehicular population which in turn will increase the demand for transportation fuels. Domestic biofuels provide a strategic opportunity to the country, as they reduce the nation's dependence on imported fossil fuels. In addition, when utilized with appropriate care, biofuels can be environmentally friendly, sustainable energy sources. They can also help generate employment, promote Make in India, Swachh Bharat, doubling of farmers' incomes and promote Waste to Wealth generation. (*Source: Niti Aayog Report)*

India's net import of petroleum was 185 Mt at a cost of US $ 551 billion in 2020-21. Most of the petroleum products are used in transportation. Hence, a successful E20 program can save the country US $4 billion per annum, i.e. Rs. 30,000 cr. Besides, ethanol is a less polluting fuel, and offers equivalent efficiency at lower cost than petrol. Availability of large arable land, rising production of foodgrains and sugarcane leading to surpluses, availability of technology to produce ethanol from plant based sources, and feasibility of making vehicles compliant to ethanol blended petrol make E20 not only a national imperative, but also an important strategic requirement. Different agencies of the government have made rapid moves to put in place a favourable regulatory and retail ecosystem for safe, and effective use of ethanol blended petrol. With the recently approved interest subvention incentives for grain based distilleries, the target of 20% blending of petrol in the country by 2025 thus appears feasible and within reach. (*Source: Niti Aayog Report)*

Oil Marketing Companies have prepared their plans for phased rollout, and vehicle manufacturers have assured of making a similar plan once the intention of the government with timelines is publicly declared. What is left is smoothing of some regulatory stipulations to provide single window service for setting of new ethanol distilleries and to ease interstate movement of denatured ethanol. A consumer awareness campaign of the benefits of ethanol blending for the nation will help generate active participation of the vehicle owners, and smoothen the rollout. (*Source: Niti Aayog Report).*

Globally, the three major factors drive the production of ethanol and its usage in the transportation sector, namely:

1. Demand Enrichment: Governments' mandate for blending a minimum percentage (%) of ethanol with gasoline fuel & production of ethanol compatible vehicles.
2. Supply Enrichment: Schemes for ethanol production from different feedstocks and encouragement to augment bio-refineries and their capacities.
3. Incentives: Promoting the use of higher ethanol blends through price incentives (tax relief at the retail level) and tax incentives for vehicles compatible with E20 and E85. (*Source: Niti Aayog Report)*

Ethanol Blending Programme in India

With a view to give a boost to the agriculture sector and to reduce environmental pollution, the government of India had launched pilot projects in 2001 wherein, 5% ethanol blended petrol was supplied to retail outlets. Apart from field trials, R&D studies were also simultaneously conducted. The success of these field trials and studies paved the way for EBP in India. The Government of India vide its resolution dated September 3, 2002 decided to launch Ethanol Blended Petrol (EBP) Programme in January, 2003 for sale of 5% ethanol blended Petrol in nine States and four UTs. Based on these promising experiences, the MoP&NG vide its notification dated September 20, 2006 extended the 5% Ethanol Blended Petrol to twenty States and four UTs of the country with effect from November 1, 2006. Public Sector Oil Marketing Companies (OMCs) were asked to sell 5% ethanol blended petrol subject to commercial viability as per Bureau of Indian Standards (BIS) specifications in the notified states and UTs. (*Source: Niti Aayog Report)*

Exhibit 9. Roadmap of Ethanol Blending in India

DEC 2014

Govt. Re-introduced administered price mechanism for ethanol to be procured under the EBP Programme.

Opened alternate route for ethanol production (2nd Generation including Petrochemical). Government has since directed Oil Public Sector Enterprises to set up bio-refineries

JAN 2015

Eased tender conditions – Multiple EOIs being floated, transportation slabs and rates

ESY 2014-15

IDR Act Amendment on 14th May, 2016 to clarify on the roles of Central and State Government for uninterrupted supply of ethanol to be blended with petrol under the EBP Programme.

MAY 2016

Regular Interaction with States and all other stake holders to address issues pertaining to EBP Programme. This is a continuous exercise.

ESY 2016-17

Notified forward looking and updated National Policy on Biofuels – 2018 involving all stakeholders.

JUN 2018

Interest Subvention Scheme for enhancement and augmentation of ethanol production capacity in the Country

JUL 2018

Allowed conversion of B heavy molasses, sugarcane juice and damaged food grains to ethanol. Fixed differentiated ex-mill ethanol price and procurement priority based on raw material utilized for ethanol production. Marked beginning of an era of differentiated ethanol pricing, based on raw material utilized for ethanol production.

ESY 2018-19

Opened a fresh window for inviting applications under interest subvention scheme for ethanol projects based on cane and molasses.

MAR 2019

Extension of EBP Programme to whole of India except Island UTs of Andaman Nicobar and Lakshadweep islands

APR 2019

New sources sugar & sugar syrup introduced for ethanol production and fixed remunerative price.

SEP 2019

Published "Ethanol Procurement Policy on a long-term basis under EBP Programme"

OCT 2019

OMCs have enhanced their ethanol storage capacity from 5.39 crore litres in November, 2017 to 17.8 crore litres in December 2020. With the current capacity, about 430 crore litres of ethanol can be handled annually considering 15 days of coverage period.

JUN 2020

One time registration of ethanol suppliers for long term, including giving them visibility of ethanol demand for 5 years

AUG 2020

OMCs started to provide Off-take guarantee letter and consent to sign tripartite agreement with ethanol suppliers and bankers to support the ethanol capacity expansion projects

SEP 2020

Opened fresh window for inviting applications under interest subvention scheme for ethanol projects based on cane and molasses.

SEP 2020

Further ease of tender conditions by OMCs like one time document submission, quarterly bank guarantees, multiple transportation rate slabs and transportation rates being linked to retail selling price (RSP) of diesel, reduction in security deposit and applicable penalty on non-supplied quantity etc.

OCT 2020

Approval of National Biofuel Coordination Committee (NBCC) to utilize surplus stock of rice lying with Food Corporation of India (FCI) to be released to the distillers for ethanol production.

OCT 2020

Approval of NBCC10 to utilize maize for ethanol production

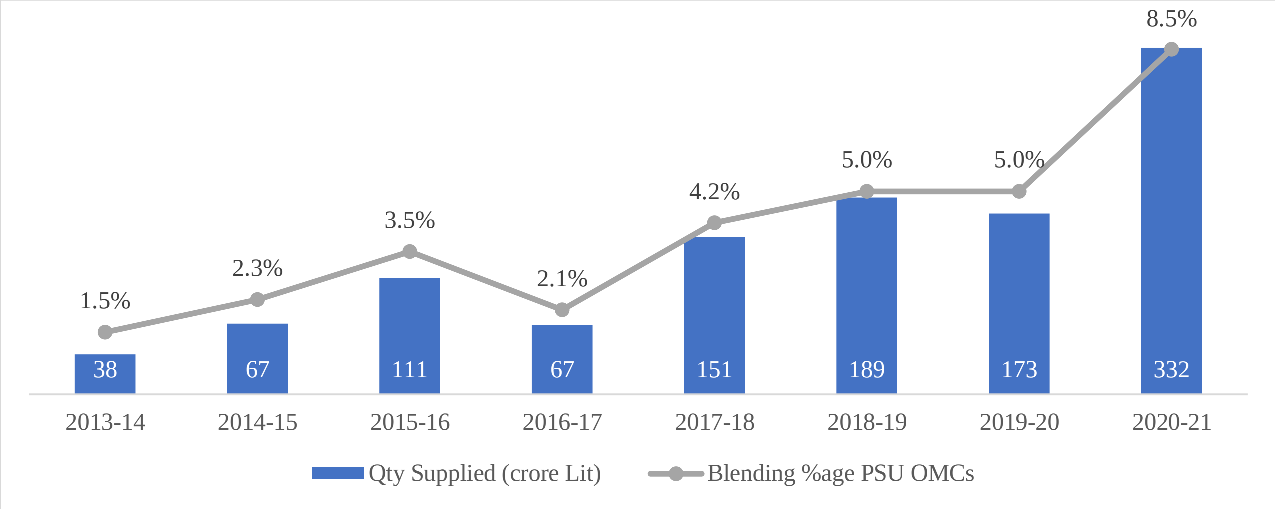
NOV 2020

Interest subvention scheme for enhancement and augmentation of ethanol production capacity extended to grain based distilleries & distilleries producing ethanol from other feed stocks like sorghum, sugar beet etc apart from molasses-based distilleries.

JAN 2021

(*Source: Niti Aayog Report*)

Exhibit 10. Quantity Supplied (Ethanol) and %Blending Trends



(*Source: Niti Aayog Report)*

Pricing Mechanism Of Ethanol From Sugar Sector

1. Sugar/Sugarcane Juice/Sugar Syrup: The pricing model is based on Fair and Remunerative Price (FRP) of Sugar Cane on which cost of conversion, depreciation and cost of capital is added to compute the ex-mill price of ethanol (Rs. 62.65/litre).
2. B Heavy: The pricing model followed for B Heavy is linked to the normative cost of sugar on which cost of capital is added to compute the ex-mill price of ethanol (Rs. 57.61 per litre).
3. C Heavy: The pricing model followed is based on prices of molasses and ex-mill price of sugar. For ESY 2020-21, an estimated all India average recovery rate of 11.2% has been considered per metric ton of sugarcane and C heavy rate of Rs. 45.69 per litre has been computed.

(*Source: Niti Aayog Report)*

Growth In Vehicle Population

The vehicle population in the country is around 22 crore two and three wheelers and around 3.6 crore four-wheelers (SIAM). The 2 wheelers account for 74% and passenger cars around 12% of the total vehicle population on the road. The two-three wheelers consume 2/3rd of the gasoline by volume, while 4 wheelers consume balance 1/3rd by volume. The growth rate of vehicles in this segment is pegged at around 8-10% per annum.

Exhibit 11. Projected addition of gasoline vehicles (in Lakhs)

Units in (lakhs)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Two-wheeler gasoline	174	139	167	181	195	211	227	246	265	287	309
Passenger Vehicle (gasoline)	20	20	22	24	26	28	30	33	35	38	41
*The estimate is based on the following assumptions: V-shape recovery in sales in FY22, followed by growth at CAGR of 8% in all segments. Share of petrol vehicles will be 83% of the total passenger vehicle sale											

(*Source: Niti Aayog Report)*

Based on expected vehicle population, the demand projections of gasoline in India are given below:

Exhibit 12. Gasoline demand projections

Projections as per the 'Report of the Working Group on Enhancing Refining Capacity by FY 2040										
Product / Year	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Motor Gasoline (MMTPA)*	27.7	31	32	33	35	36	37	39	40	41
Motor Gasoline (Cr. Ltr.)	3908	4374	4515	4656	4939	5080	5221	5503	5644	5785

* Interim figures from PPAC considering growth @ 3-4% YoY (Source: MoP&NG)

* Projection interval is for 5 years and the data has been linearly extrapolated.

The effect of COVID pandemic and introduction of EVs are considered.

(*Source: Niti Aayog Report)*

The projected requirement of ethanol based on petrol (gasoline) consumption and estimated average ethanol blending targets for the period ESY 2020-21 to ESY 2025-26 are calculated below:

Exhibit 13. Ethanol demand projections

Ethanol Supply Year	Projected Petrol Sale (MMT)	Projected Petrol Sale (Cr. litres)	Blending (in %)	Requirement of ethanol for blending in Petrol (Cr. litres)**
A	**B**	**B1=B X 141.1**	**C**	**D=B1*C %**
2019-20	24.1 (Actual)	3413 (Actual)	5	173
2020-21	27.7	3908	8.5	332
2021-22	31	4374	10	437
2022-23	32	4515	12	542
2023-24	33	4656	15	698
2024-25*	35	4939	20	988
2025-26*	36	5080	20	1016

* The petrol projections may undergo revision due various factors like penetration of EVs, etc.

** The figures are optimistic, as the E20 fuel will be consumed by new vehicles from April 2023 only. The demand for ethanol will, however, increase due to penetration of E100 two wheelers, which are now being manufactured in the country.

(*Source: Niti Aayog Report)*

In the year 2017-18, installed capacity of molasses-based distilleries was around 278 crore litres. With a view to enhance ethanol production capacity in the country, the government in July, 2018 & March, 2019 notified two interest subvention schemes for molasses-based distilleries. Under the aforesaid scheme of DFPD, interest subvention at the rate of 6% per annum or 50% of rate of interest charged, whichever is lower on the loan sanctioned was borne by the central government for a period of 5 years. DFPD approved 368 projects for setting up of new distilleries / expansion of existing distilleries. (*Source: Niti Aayog Report)*

Loans amounting to about Rs.3600 crore have been sanctioned by banks to 70 sugar mills so far; 31 projects have been completed creating a capacity of 102 crore litres as a result. The capacity of molasses-based distilleries has reached to 426 crore litres. 39 more projects with capacity of 93 crore litres are likely to be completed by March, 2022 which will bring cumulative capacities to about 519 crore litres. (*Source: Niti Aayog Report)*

With a view to achieve blending targets, DFPD is making concerted efforts to enhance the ethanol distillation capacity in the country. For this, the government had invited applications from the entrepreneurs under the ethanol interest subvention schemes in September, 2020 during a window of 30 days. Thus far, 238 projects for a capacity enhancement of 583 Cr litres with a loan amount of about Rs.16,000/- crore have been approved by DFPD. It is expected that at least 400 Cr litres capacity would be added from these projects by 2024. (*Source: Niti Aayog Report)*

Thus, it is expected that capacity of molasses-based distilleries would increase from current levels of 426 crore litres to 730 and 760 crore litres by 2024-25 and 2025-26 respectively. 75 crore litres capacity is being added by existing grain-based distilleries; further OMCs are planning to set up about 10-15 new grain-based distilleries thereby adding capacity by 100-150 crore litres. Hence, capacity of grain-based distilleries is expected to reach 350, 450, 700 and 740 crore litres during 2022-23, 2023-24, 2024-25 and 2025-26 respectively from current levels of 258 crore litres. (*Source: Niti Aayog Report)*

To produce 684 crore litres of ethanol by the sugar industry by 2025-26, sugarcane equivalent to 60 LMT of surplus sugar would be diverted to ethanol. In the current sugar season 2020-21 more than 20 LMT of sugar is estimated to be diverted. To produce 666 crore litres of ethanol/ alcohol from food grains by 2025-26, about 165 LMT of food grains would be utilized. At present damaged food grain availability is around 40 lakh ton in the country. In 2020-21 approximately20 lakh ton maize is surplus; FCI Rice is also sufficient in stock (266 LMT) and it will continue to remain robust as procurement of paddy/rice at MSP continues at expected levels. The country is producing sufficient food grains and sugar to meet the requirement for ethanol. (*Source: Niti Aayog Report)*

Molasses-based distilleries have also been offered interest subvention to convert them to dual feed, to convert both food-grains & molasses into ethanol. Thus, it is expected that there would be sufficient ethanol distillation capacity to achieve blending targets. DFPD is effectively monitoring the situation and encouraging states and investors to set up new industries and make sufficient availability of ethanol for blending.

Under PM-JIVAN scheme, 12 commercial plants and 10 demonstration plants of Second Generation (2G) Bio-Refineries (using ligno-cellulosic biomass as feedstock) are planned to be set up in areas having sufficient availability of biomass so that ethanol is available for blending throughout the country. Already Rs. 1969.50 Crores have been earmarked for this scheme. These plants can use feedstocks such as rice straw, wheat straw, corn cobs, corn stover, bagasse, bamboo and woody biomass, etc.

Challenges to Producers of Ethanol

The following are the challenges that the producers need to overcome in order to facilitate higher production of ethanol:

1. Availability of sufficient feedstock on a sustainable basis viz., sugarcane, food grains: Current regulations in the country allow production of ethanol from sugarcane, sugar, molasses, maize and damaged foodgrains unfit for human consumption. Further, surplus rice with FCI is also allowed. States like Chattisgarh have raised the issue of permitting rice procured by the state government to be allowed for production of ethanol. The list of feedstocks allowed for production of ethanol needs to be expanded.
2. Augmentation of ethanol production facilities as planned.
3. Inter-state movement of ethanol–There are some states which produce ethanol more than the requirement for blending within the State. This has to be transported to other states where the availability of ethanol is less. While amendment has been made to the IDR Act which legislates exclusive control of denatured ethanol by the central government for smooth movement of ethanol across the country, the same has not been implemented by states thereby restricting this movement of ethanol
4. Weather related issues – floods / drought thereby affecting the crop.
5. Prices of feed-stock and ethanol.

Exhibit 14. Ethanol Capacity augmentation (20% blending by 2025-26)

Ethanol Supply			
Ethanol Supply (in Cr. Lt.)	**Fuel ethanol**	**Other uses**	**Total**
(A) From sugar sector	550	134	684
(B) From grain/ maize etc.	466	200	666
Total Supply	**1016**	**334**	**1350**
Capacity Augmentation			
Ethanol Capacity (in Cr. Lt.)	**Molasses based**	**Grain based**	**Total**
Existing ethanol/alcohol capacity	426 (231 distilleries)	258 (113 distilleries)	684
Capacity addition from sanctioned projects	93 (will be added by March,2022)	0	93
New capacity to be added	241	482	723
Total Capacity required by Nov 2026 to reach 1350 Cr litres supply	760	740	1500

- Additional capacity (90 % of 1500 = 1350) has been taken to account operational efficiency, raw material availability in various parts of the country due to natural calamity etc., increase in demand in ethanol due to economic factors and anticipated demand of ethanol in flex-fuel vehicles.
- Molasses based distilleries can produce 20% additional ethanol if sugar rich feed stocks like B- heavy molasses are used as the same capacity can cater the higher demand of ethanol.

(*Source: Niti Aayog Report)*

OUR BUSINESS

Before making an investment in the Equity Shares, this section should be read in conjunction with the sections entitled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 37, 94, 67 and 181, respectively. This Placement Document contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including considerations described below and in the section titled "Forward-Looking Statements" on page 16.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Gulshan Polyols Limited. Our Subsidiary was incorporated on September 8, 2021 and has not yet commenced any operations.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2021, Fiscal 2020 and Fiscal 2019 has been extracted from our Audited Financial Statements beginning on page F-9. The financial information included in this section for the nine months period ended December 31, 2021 and December 31, 2020 has been extracted from our Unaudited Interim Financial Statements beginning on page F-1.

The industry-related information contained in this section is derived from the Market Research Future Report. We commissioned the Market Research Future Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither our Company, nor any other person connected with the Issue, including the BRLM, has independently verified the information in the Market Research Future Report or other publicly available information cited in this section.

Overview

We are one of India's leading manufacturers of grain and mineral based specialty products with years of demonstrated experience. Our business portfolio broadly spans across three main segments, *viz.* grain processing, bio-fuel / distillery and mineral processing operations that allows us to produce specialty products such as starch and starch derivatives including sorbitol, calcium carbonate, ethanol (bio-fuel), country liquor, agro based animal feed and installation, commissioning, operating and maintaining on-site precipitated calcium carbonate ("**PCC**") plants located at multiple client locations within India. We are also in the business of supply of plant and machinery for erection and commissioning of wet ground calcium carbonate ("**WGCC**") plants to various paper mills on turnkey basis outside India. We are one of the largest manufacturers of sorbitol (d-glucitol) with an installed capacity of producing 72000 MTPA sorbitol (d-glucitol), in India *(Source – Market Research Future Report).* We have been amongst the large manufacturers of calcium carbonate in India. We are also the market leader having a substantial market share in the calcium carbonate and sorbitol business segment operations in India *(Source – Market Research Future Report).* Our products are sold in domestic markets to leading OMCs for EBPP, FMCG, paints, plastics and PVC, pharmaceuticals, paper, construction and adhesives, among other companies and are also exported to 34 countries globally to international clients, which provides us the flexibility to manage demand variations and enables us to mitigate price volatility risks in procuring our key raw materials.

Our Company was originally incorporated as *"Gulshan Polyols Limited"* under the provisions of the Companies Act, 1956 on October 20, 2000 as a public company. Our Company was incorporated with an object to take the over the sorbitol business unit of Gulshan Sugars and Chemicals Limited ("**GSCL**"), on a going concern basis, pursuant to the approval of the scheme of arrangement/demerger of GSCL with our Company and Gulshan Chemfill Limited ("**GCL**"), as approved by the Hon'ble High Court at Allahabad *vide* its order dated February 28, 2001 along with the order dated March 27, 2001 and the rectification order dated April 12, 2001. In 2008, our Company took over the calcium carbonate business unit of GSCL post the amalgamation of our Company with GSCL, pursuant to the scheme of arrangement approved by the Hon'ble High Court at Allahabad *vide* its order dated September 26, 2008.

Our operations are overseen by a professional management team with most of our business is being led by Chandra Kumar Jain, Chairman and Managing Director, Arushi Jain, Joint Managing Director, Aditi Pasari, Joint Managing Director and Ashwani K. Vats, Whole Time Director and Chief Executive Officer, who have been instrumental in the growth of our business. Our Chairman and Managing Director, Chandra Kumar Jain, was earlier the managing director of GSCL and was in-charge of the grain processing and mineral processing operations of GSCL since the incorporation of GSCL in May 23, 1980. After the amalgamation of our Company with GSCL, our Chairman and Managing Director, Chandra Kumar Jain brought his invaluable experience in the grain and mineral processing segment to our Company. Our growth across the product segment has been achieved by adherence to the vision of our promoters and senior management team clubbed with their invaluable experience in the manufacturing of speciality products. Subsequently and as a result of the amalgamation of our Company with GSCL, we gained expertise in manufacturing our various speciality products through our in-house expertise.

The principle segments of our business are:

<table>
<tr><th>Segment</th><th colspan="2">Products</th><th>End use industries</th></tr>
<tr><td rowspan="9">Grain processing</td><td rowspan="9">Maize / Rice</td><td>Maize starch powder</td><td rowspan="9">Pharmaceuticals, oral care, paints, paper and packaging, food and confectionary, animal feed, oil, textiles and adhesives</td></tr>
<tr><td>Animal feed</td></tr>
<tr><td>Sorbitol 70% solution</td></tr>
<tr><td>Liquid glucose</td></tr>
<tr><td>Dextrose monohydrate</td></tr>
<tr><td>Maltodextrin powder</td></tr>
<tr><td>Glucose powder</td></tr>
<tr><td>Rice gluten</td></tr>
<tr><td>Rice syrup</td></tr>
<tr><td>Ethanol (bio-fuel) and Distillery</td><td colspan="2">Ethanol (bio-fuel)
Country liquor
Grain-based ENA
DDGS</td><td>OMCs for EBPP, liquor, petroleum, animal feed</td></tr>
<tr><td>Mineral processing</td><td colspan="2">Precipitated calcium carbonate
Activated calcium carbonate
Ground natural calcium carbonate / Wet ground calcium carbonate
On-site PCC plant</td><td>Paints, plastics and PVC formulations, pharmaceuticals, paper, oral care, FMCG</td></tr>
</table>

Grain Processing**:** We are the market leader having substantial market share in the sorbitol business segment and manufacturing in India *(Source – Market Research Future Report).* We are also the largest exporter of sorbitol in India, with a presence in 34 countries, across various continents including South America, North America, Europe, Middle East, Africa, and Asia. Our output of sorbitol (70%) solution stood at around 56,378 MTPA during the Fiscal 2021. Our manufacturing facility at Bharuch (Gujarat) has an installed capacity of 72,000 MTPA for producing sorbitol (70%) solution in India. We have two dedicated facilities at Bharuch (Gujarat) and Muzaffarnagar (Uttar Pradesh) which produce starch sugars with a combined capacity to grind 174,000 MT grain. Our manufacturing facilities at Bharuch (Gujarat) and Muzaffarnagar (Uttar Pradesh) maintain highest quality standards through our inhouse quality control and quality assurance laboratory and both our facilities at Bharuch (Gujarat) and Muzaffarnagar (Uttar Pradesh) is equipped with 7.5 and 6.75 MW CCPP respectively.

Grain based Ethanol (bio-fuel) and Distillery production: Our Company has recently diversified the grain processing segment by entering the foray of producing ethanol from damaged food grain. Pursuant to the NPB Policy 2018, the GoI, under the EBPP, had set an indicative target of 20% blending of ethanol with petrol by the year 2025-2026. Our Company had an existing set up of producing 60 KLPD ethanol at Borgaon (Madhya Pradesh) since May 2020. Our Company is constantly suppling ethanol to OMC's. In order to participate in GoI initiative of blending 20% of ethanol with petrol by the year 2025-2026, our Company is already in the process of setting up a new facility for producing 500 KLPD of ethanol and for this purpose, our Company has also acquired land on long-term lease basis which is adjacent to our existing facility in Borgaon (Madhya Pradesh). We have already received the environmental clearance from MoEF & CC on September 27, 2021 including for the CCPP. The construction activity on the said facility has already commenced and we have placed the order for plant and machinery required for the manufacturing of ethanol (bio-fuel). Our manufacturing facility at Borgaon (Madhya Pradesh) is equipped with in-house laboratory and state-of-the-art facilities backed by 2.2 MW CCPP for the ethanol and liquor production.

Our Company had participated in a tender issued by the OMCs inviting various molasses and grain-based distilleries for supplying ethanol (bio-fuel) post which our Company has been allocated for supplying of entire applied quantity of ethanol (bio-fuel) to OMCs for the period commencing from December 1, 2021 till November 30, 2022 at their various locations across the country, from our distillery facility at Borgaon (Madhya Pradesh). Further, our Company, pursuant to an EOI floated by one of the major OMC on behalf of other PSU OMCs, has received a LOI from the OMCs whereby we have been shortlisted for signing of the long term off-take agreement with upcoming dedicated ethanol deficit states of India for supply of indigenous denatured anhydrous ethanol to such OMCs to meet the ethanol requirement.

As part of our future growth, our Company has also made its footprint in the north-eastern region of India. Our Company has received letter of allotment and the certificate of handing over and taking over physical possession from AIDCL for allotment of 25 acres of land at Industrial Growth Centre, Matia, Mornai, District Goalpara – 783101, Assam on lease for setting up of a 250 KLPD grain based ethanol (distillery) unit. Our Company has received the environmental clearance for setting up of the 250 KLPD grain based ethanol (distillery) unit along with CCPP from MOEF&CC. Our Company has also executed the lease agreement as per the terms enlisted in the allotment letter on January 11, 2022. Our Company, pursuant to an EOI floated by one of the major OMC on behalf of other PSU OMCs, has received a LOI from OMCs whereby we have been shortlisted for signing of the long term off-take agreement with upcoming dedicated ethanol deficit states of India for supply of indigenous denatured anhydrous ethanol to such OMCs to meet the ethanol requirement.

Mineral Processing**:** Apart from being the market leader in India for the sorbitol segment, we are also the market leader and hold a substantial market share in the calcium carbonate business segment in India. Our Company manufactures 19 grades of calcium carbonate. Our product range consist of (a) precipitated calcium carbonate, (b) activated calcium carbonate; and (c) ground natural calcium carbonate / wet ground calcium carbonate. We export to neighbouring countries like Nepal, Bangladesh, Nigeria, and U.A.E. Our installed manufacturing facilities have an integrated combined capacity of producing more than 170,400 MTPA of calcium carbonate products. Our dedicated manufacturing facilities at Muzaffarnagar (Uttar Pradesh), Dhaula Kuan (Himachal Pradesh) and Abu Road (Rajasthan) are equipped with in-house microbiology laboratory and state-of-the-art research facilities. We use limestone as the base sedimentary rock which is primarily composed of the calcium carbonate mineral i.e. calcite, which is treated chemically and physically to produce different grades of calcium carbonate.

On-site plants: Our Company, being one of the largest calcium carbonate manufacturers, is the first entity in India to come up with the first-of-its-kind '*On-site plant*' for producing and supplying PCC. Our Company provides the raw materials and expertise to set up and maintain an on-site PCC plant. Our facilities utilise power, water, steam and the CO2 from the boiler stake to make PCC in slurry form, which is then used in paper application. We use unique environment friendly technology not only to reduce the energy consumption but also reduce the drying time while utilizing the CO2 emitted from the boilers. Our Company was awarded with the National Award, 2010 by the Limca Book of Records for introducing this unique and first-of-its-kind concept in India. Our Company had also supplied plant and machinery for erection and commissioning of WGCC plants to various paper mills on turnkey basis outside India.

As of the date of this Placement Document, we operate eight facilities located at Uttar Pradesh, Gujarat, Madhya Pradesh, Rajasthan, Himachal Pradesh, Punjab and West Bengal with operations ranging from manufacturing and operations of on-site PCC plants. The facilities being operated by our Company are fully integrated and equipped to manage products from the stage of procurement of raw material, processing to dispatch, lending us competitive advantages such as cost effectiveness and maintenance of quality standards.

Our manufacturing facilities include, automated systems and quality control and quality assurance laboratories, among others. Our manufacturing facilities are certified under ISO 9001:2015 (Muzaffarnagar and Bharuch facility), ISO 22000:2018 (Muzaffarnagar facility), BRC Certificate for BRC Global Standard for Food Safety, (Muzaffarnagar facility), KOSHER (Muzaffarnagar and Bharuch facility), HACCP (Bharuch facility), FSSAI (Muzaffarnagar and Bharuch facility) and HALAL (Muzaffarnagar and Bharuch facility) certified, reflecting our commitment towards quality, safety and sustainable environment.

We have demonstrated strong financial performance across our business segments in the past three Fiscals as depicted in the table below:

Fiscal	Segment	Segmental Revenue from Operations (₹ lakhs) (A)	Segment Results (₹ lakhs) (B)	Segment Margin (A÷B)
FY21	Grain	54,080.63	6,631.03	12.26%
	Distillery	13,269.60	1,579.25	11.90%
	Mineral	9,237.46	1,729.13	18.72%
FY20	Grain	48,430.59	1,091.82	2.25%
	Distillery	504.49	(473.20)	(93.80%)
	Mineral	13,144.68	3,291.26	25.04%
FY19	Grain	52,149.04	4,113.93	7.89%
	Distillery	3,191.38	(1,750.48)	-
	Mineral	12,048.18	1,706.14	14.16%

Our Strengths

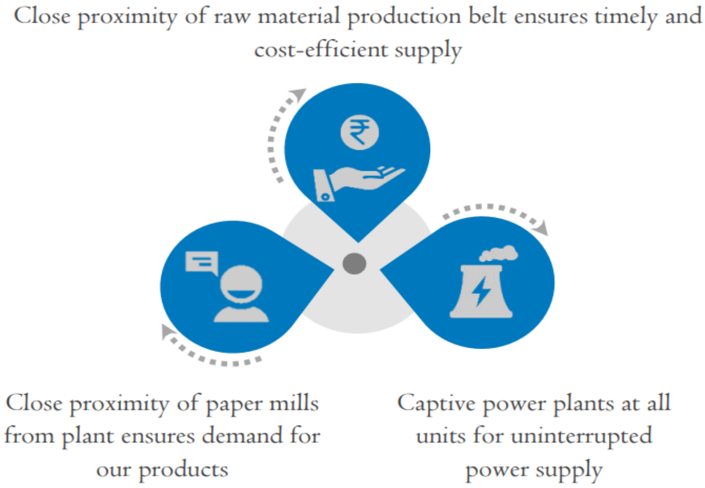
We believe the following competitive strengths differentiate us from other industry participants, have contributed immensely to our success and will continue to enable us to increase our market share and capture future growth opportunities:

Diverse product portfolio with leadership position across segments

Our diversified product portfolio and the availability of different raw materials has helped us, to become one of India's leading manufacturers and suppliers of specialty products. Our Company is engaged in the manufacturing of (i) grain processing products such as sorbitol (70%) solution, maize starch powder, liquid glucose, agro-based animal feed, dextrose monohydrate, maltodextrin powder, glucose powder, rice gluten and rice syrup; (ii) ethanol (bio-fuel) and distillery products wherein our Company produces ethanol from damaged food grain, for the purpose of blending with petroleum by OMCs, country liquor, DDGS and grain-based ENA; and (iii) mineral processing products with 19 grades of calcium carbonate comprising of precipitated calcium carbonate, activated calcium carbonate and ground natural calcium carbonate / wet ground calcium carbonate. In addition to the above, our Company also install, commission, operate and maintain on-site PCC manufacturing plant under its the mineral processing segment. As part of this service, our Company provides the expertise, technical know-how and equipment to install, commission, operate and maintain the facilities for the production of precipitated calcium carbonate through setting up the PCC plant on-site of the paper mill of our customers, engaged in paper manufacturing, located within India. Our Company has not only set-up these on-site PCC plants in India, but also have been instrumental in gaining presence outside India, by way of setting up of the WGCC plants for various paper mills located in Bangladesh on built own transfer basis.

We maintain leadership position across all our product segments. We are one of the leading manufacturers and exporter of sorbitol (70%) solution, rice syrup and calcium carbonate in India. *(Source – Market Research Future Report)*

Our Company also holds a competitive edge with respect to the raw materials supply and distribution of products to our clients as depicted below:



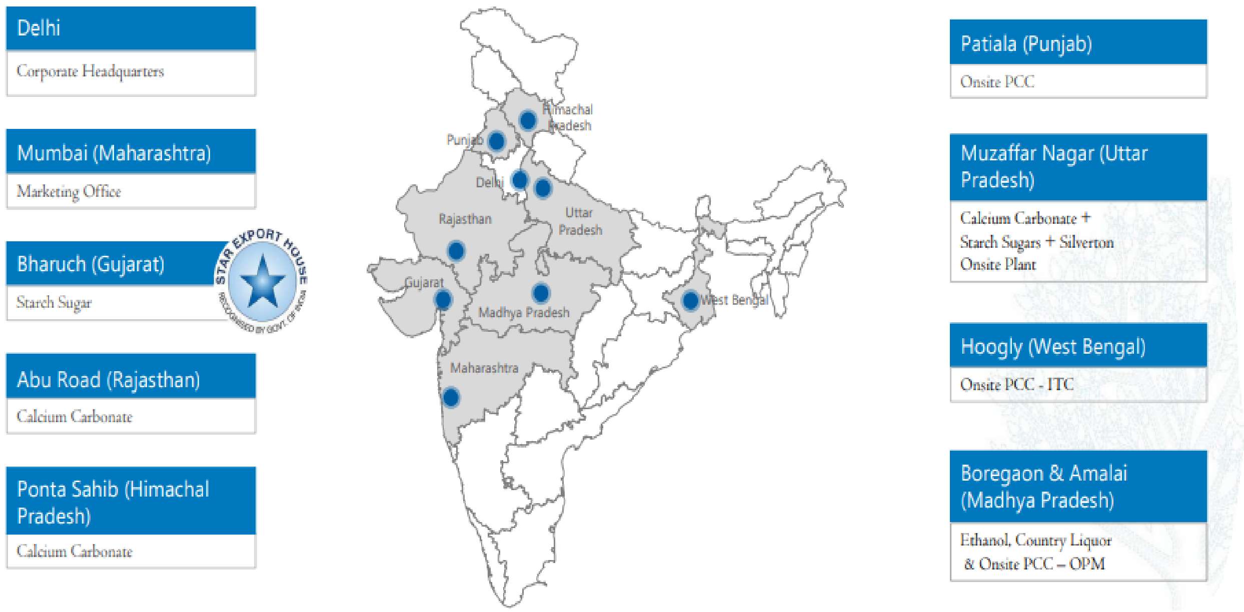
Our diversified and comprehensive product portfolio including raw materials and our niche clientele spread across several regions and categories, diminishes the risks associated with the dependence on any particular product and raw material, clientele or geography. Our Company's ability to manage a wide product portfolio and maintaining leadership in certain products is based on our capability to understand the evolving client requirements, design, development and manufacturing capabilities.

The table below captures the revenues from our key products

Revenue for Key Products

Products	FY21 (₹ lakhs)
Sorbitol	21,287.26
Fructose	13,289.36
Starch	8,895.79
Calcium Carbonate	8,118.52
Ethanol	8,915.87
Liquor/ Country Liquor and Hand Sanitizer	2,718.57
By Products	11,820.21
Total	**75,045.58**

We manufacture our products at our five manufacturing facilities located in Bharuch (Gujarat), Muzaffarnagar (Uttar Pradesh), Paonta Sahib (Himachal Pradesh), Borgaon (Madhya Pradesh) and Abu Road (Rajasthan). Our Company also has four operating on-site PCC plants at Patiala (Punjab), Hooghly (West Bengal), Muzaffarnagar (Uttar Pradesh) and Amlai (Madhya Pradesh). Our key raw materials include maize, rice, damaged or surplus food grain and limestone. Our state-of-the-art manufacturing facilities and on-site PCC plants are strategically located at the northern, western and eastern regions of India to efficiently cater to the domestic as well as international markets. We believe that our location provides us flexibility to direct our sales into markets. Being located in different parts across India, we are well connected to the national highways which allows unrestricted inter-state movement for carrying out country wide distribution. Further, the close proximity of our manufacturing facilities to states with the higher production volume ensures that we are situated in close proximity to the majority of our end market users or our raw material source. Our geographical footprint is depicted below:



The product-wise installed capacity of our manufacturing facilities as of December 31, 2021 is as follow:

Plants	Products	UOM	Installed Capacity	Capacity Utilisation (%)
Muzaffarnagar, Uttar Pradesh	Starch	MT	73,800	74.47
Muzaffarnagar, Uttar Pradesh	Sugar	MT	36,000	85.72
Muzaffarnagar, Uttar Pradesh	Calcium Carbonate	MT	50,400	14.57
Bharuch, Gujarat	Sorbitol	MT	72,000	65.48
Borgaon, Madhya Pradesh	Ethanol/RS/ENA/ Country Liquor	LTR	1,80,00,000	110.63
Paonta Sahib, Himachal Pradesh	Calcium Carbonate	MT	60,000	42.45
Abu Road, Rajasthan	Calcium Carbonate	MT	60,000	12.18

Our manufacturing facilities include, automated systems and quality control and quality assurance laboratories, among others. Our manufacturing facilities are certified under ISO 9001:2015 (Muzaffarnagar and Bharuch facility), ISO 22000:2018 (Muzaffarnagar facility), BRC Certificate for BRC Global Standard for Food Safety (Muzaffarnagar facility), KOSHER (Muzaffarnagar and Bharuch facility), HACCP (Bharuch facility), FSSAI (Muzaffarnagar and Bharuch facility) and HALAL (Muzaffarnagar and Bharuch facility) certified, reflecting our commitment towards quality, safety and sustainable environment.

Well-entrenched customer relationships

Our relationships with our client are core to our business operations and expansion. We provide a wide range of products to our renowned clients across various sectors in the industry, in each of our business segments. We align our offerings with the business needs of our clients and also assist in customized requirement of our clients aimed at building long term sustainable relationships. Our clients include reputed OMCs, pharmaceutical companies, FMCG companies, paper industries, paint and adhesives industries, food manufacturers, amongst others. We have been consistently supplying our products to these established industry clients, which reflects our strong and proven history of high customer retention.

Our strategically located manufacturing facilities, consistent performance, and adherence to quality standards has helped us maintain client engagements and attract new clients. Our existing relationships with large global and domestic industry clients also enables us to cross-sell additional products, enter new geographies and cultivate new client relationships. We continually strive to strengthen our customer relationships through superior service quality and by ensuring that our products keep pace with the requirements of the rapidly changing industry.

We have been associated with our key customers for more than a decade. Our Company holds a strong global presence with exports catering to more than 34 countries across various continents including South America, North America, Europe, Middle East, Africa, and Asia. In Fiscal 2021, we exported 7.40% of our total sales, thereby minimising our dependency on only Indian markets.

Niche products and expertise

We have significant experience in handling diverse verticals comprising of grain processing which includes the agro-based animal feed, ethanol (biofuel) and distillery, mineral processing, and setting up of on-site PCC plants. Our Company has taken up many initiatives towards setting up of unique and environment friendly state of the art technology. Our Company manufactures varieties of starch and starch derivatives using best industry standards to assure the quality final product.

We have over two decades of experience in the manufacturing of calcium carbonate and starch and starch derivatives. We have substantial expertise in the manufacturing of specialty products by way of experience gained upon demerger of our Company with GSCL which was also operating in the grain and mineral processing segment.

We have developed a fully equipped quality control cells at all the manufacturing facilities manned by the experienced and qualified staff. The quality assurance and quality check are equipped with wet labs, instrumentation labs and microbiology labs to carry intermediate, in process and final product analysis. We have the required capabilities and infrastructure to ensure full operation of the quality function from raw material analysis to in process analysis and analysis of final products and adequate storage facility for creating a safe working environment at our manufacturing facilities.

Our in-house initiatives are being undertaken based on the continuous need of our Company to improve upon the existing processes and systems for making use of different quality products and widen the scope of sourcing raw material for ensuring continuous operation of our manufacturing facilities. We are constantly working towards incurring capex towards all manufacturing facilities on a regular basis, facilitating towards the development and modernization of our plants.

Continuous efforts are being carried out to improve the capacity utilization. Further, we have qualified, skilled and experienced manpower at both the executive and non-executive levels within the Company. The unique backgrounds of each of our employees allow us to enhance the services behind the products which we offer to our esteemed clientele.

Experienced management and senior leadership team

We believe that the established background, knowledge and expertise of our Chairman and Managing Director coupled with our qualified and experienced senior management team, technically skilled employee base have contributed to the growth of our operations and the development of in-house processes and competencies.

Chandra Kumar Jain, our Chairman and Managing Director, has been associated with us since the inception of our Company and has been instrumental in the growth of our Company. He has fifty-four years of experience in the chemical and sugar industry. Our senior management team consists of technically qualified and highly experienced professionals in the industry we operate in. Our business domains are managed by joint managing directors and chief executive officer who have extensive experience in the industry in which we operate. Our senior management team is responsible for the overall strategic planning and business development of our Company and has been instrumental in the consistent growth in our revenues and operations.

Strong financial position and creditworthiness

We have a strong track record of delivering consistent growth along with high capital efficiency. Our revenues have grown apace and between Fiscal 2019 and Fiscal 2021, our revenues grew from ₹ 67,388.61 lakhs to ₹ 76,603.44 lakhs, respectively, at a CAGR of 4.32%. Further, during the same period our gross profit has grown from ₹ 2,142.52 lakhs to ₹ 6,245.55 lakhs at a CAGR of 42.34%. This strong performance has enabled our Company to generate free cash flows that we have used to deleverage our business.

Certain of our other key performance indicators are as below:

(Figures in ₹ lakhs, except ratios)

Particulars	Six months period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
EBITDA*	9,105.95	13,259.86	6,982.25	8,561.29
Profit for the period/year	5,466.95	6,245.55	2,058.40	2,142.52
Total Assets	56,114.55	49,648.59	45,698.26	48,222.28
Total Equity	41,842.14	36,555.24	30,529.07	29,055.28
Total Borrowings	-	-	9,099.15	13,467.70
EBITDA Margins (calculated as EBITDA / Revenue)	17.65%	17.31%	11.25%	12.70%
PAT Margins (calculated as PAT / Revenues)	10.60%	8.15%	3.32%	3.18%
ROE (calculated as PAT/Equity attributable to Equity Holders of the Parent)	13.07%	17.09%	6.74%	7.37%
ROCE (calculated as EBIT/Capital Employed (Average of Opening & Closing of the FY))	17.62%^	26.60%	11.89%	12.46%
Debt / Equity (calculated as Gross Debt# / (Equity Capital + Reserves))	NA	NA	0.30	0.46

**EBITDA: Profit before tax + depreciation and amortization + Finance cost*
 # Gross Debt: Non-current borrowings and current borrowings (includes current maturities of longs term debt)
^ *[Not annualised]*

(Figures in ₹ lakhs, except ratios)

Particulars	Nine months period ended December 31, 2021
EBITDA*	12,636.62
Profit for the period/year	7,380.28
EBITDA Margins (calculated as EBITDA / Revenue)	15.63%
PAT Margins (calculated as PAT / Revenues)	9.13%

**EBITDA: Profit before tax + depreciation and amortization + Finance cost*

Our Strategy

Our key strategies are as follow:

Expansion, innovation and development of our key product segments

We aim to continue to expand our existing product capacity in-line with growing market and diversify our product portfolio where there are opportunities to leverage our existing brand. In addition, we will continue to expand our product range as we believe that there is significant demand for our products in the market.

Ethanol: Our Company is always working towards expanding the already diversified product portfolio, with an aim to become the leading producer of grain-based ethanol to be used for blending with petrol by various OMCs in India. The projected requirement of ethanol based on petrol (gasoline) consumption and estimated average ethanol blending targets for the period ESY 2020-21 to ESY 2025-26 are calculated below:

Ethanol Supply Year	Projected Petrol Sale (MMT)	Projected Petrol Sale (Cr. litres)	Blending (in %)	Requirement of ethanol for blending in Petrol (Cr. litres)**
A	B	B1=B X 141.1	C	D=B1*C %
2019-20	24.1 (Actual)	3413 (Actual)	5	173
2020-21	27.7	3908	8.5	332
2021-22	31	4374	10	437
2022-23	32	4515	12	542
2023-24	33	4656	15	698
2024-25*	35	4939	20	988
2025-26*	36	5080	20	1016

* The petrol projections may undergo revision due various factors like penetration of EVs, etc.

** The figures are optimistic, as the E20 fuel will be consumed by new vehicles from April 2023 only. The demand for ethanol will, however, increase due to penetration of E100 two wheelers, which are now being manufactured in the country.

(*Source: Niti Aayog Report)*

As per the Niti Aayog Report, in order to produce 666 crore litres of ethanol/ alcohol from food grains by 2025-2026, about 165 LMT of food grains would be utilized. At present damaged food grain availability is around 40 lakh ton in the country. In 2020-21 approximately 20 lakh ton maize is surplus; FCI Rice is also sufficient in stock (266 LMT) and it will continue to remain robust as procurement of paddy/rice at MSP continues at expected levels. The country is producing sufficient food grains and sugar to meet the requirement for ethanol. (*Source: Niti Aayog Report).* Due to the widening supply – demand gap of ethanol blending in India, we intend to increase our capacity to approximately 18 crore litre per annum, which is 2.7% of the entire projected demand in terms of the Niti Aayog Report in our manufacturing facility at Borgaon (Madhya Pradesh).

Our Company had participated in a tender issued by the OMCs inviting various molasses and grain-based distilleries for supplying ethanol (bio-fuel) post which our Company has been allocated with supply of entire applied quantity of ethanol (bio-fuel) to OMCs for the period commencing from December 1, 2021 till November 30, 2022 at their various locations across the country, from our distillery facility at Borgaon (Madhya Pradesh). Further, our Company, pursuant to an EOI floated by one of the major OMC on behalf of other PSU OMCs, has received a LOI from such OMCs whereby we have been shortlisted for signing of the long term off-take agreement with upcoming dedicated ethanol deficit states of India for supply of indigenous denatured anhydrous ethanol to such OMCs to meet the ethanol requirement for 20% blending by the year 2025 by using corn/maize and rice combination as feedstock for the production process. In order to participate in the GoI initiative of blending 20% of ethanol with petrol by the year 2025-2026, our Company is already in the process of setting up a new facility for producing 500 KLPD of ethanol and for this purpose, our Company has also acquired land on long-term lease basis which is adjacent to our existing facility in Borgaon (Madhya Pradesh). We have already received the environmental clearance from MoEF & CC on September 27, 2021 including for the CCPP. The construction activity on the said facility has already commenced and we have placed the order for plant and machinery required for the manufacturing of ethanol (bio-fuel).

As part of our future growth, our Company has also made its footprint in the north-eastern region of India. Our Company has received letter of allotment and the certificate of handing over and taking over physical possession from AIDC for allotment of 25 acres of land at Industrial Growth Centre, Matia, Mornai, District Goalpara – 783101, Assam on lease for setting up of a 250 KLPD grain-based ethanol (distillery) unit. Our Company has received the environmental clearance for setting up of the 250 KLPD grain based ethanol (distillery) unit along with CCPP from MOEF&CC. Our Company has also executed the lease agreement as per the terms enlisted in the allotment letter on January 11, 2022 and has filed the application for obtaining environment clearance from MoEF & CC. We have received the consent to establish under Section 25 of Water (Prevention & Control of Pollution) Act, 1974 and Section 21 of Air (Prevention & Control of Pollution) Act, 1981 for this distillery facility. Our Company, pursuant to an EOI floated by one of the major OMC on behalf of other PSU OMCs, has received a LOI from such OMCs whereby we have been shortlisted for signing of the long term off-take agreement with upcoming dedicated ethanol deficit states of India for supply of indigenous denatured anhydrous ethanol to such OMCs to meet the ethanol requirement for 20% blending by the year 2025 by using corn/maize and rice combination as feedstock for the production process.

*<u>Grain processing</u>***:** Our current capacity putting together sorbitol, starch and sugar is about 1,81,800 metric ton per annum. We intend to increase the production capacity to 2,50,000 metric ton per annum in the next twelve months, constituting to

about thirty seven percent capacity enhancements in all these segments.

Mineral processing: We have unutilized capacity in this segment and we wish to seek our growth moving forward. As part of our growth strategy, we intend to stay focus on setting up of innovative on-site PCC plants for our established clientele, by way of installing, commissioning, operating and maintaining at least one on-site PCC plant every year, from which we expect our revenues to substantially increase in our mineral processing segment.

Strengthen customer base: Our business is predominantly conducted on a B2B basis. Our focus is on maintaining constant contact with our clientele to ensure customization of products according to their needs and specification, timely delivery and quality. Sales initiatives is undertaken by our business development team and the sales team. Our business development team seeks out new geographies and identify new customers. Our sales team are segregated by geography and is responsible for the sale of our products at the ground level. We intend to strengthen our sales network in order to expand our geographical reach. Our Company will continue to work on strengthening its sales across all segments of business of our Company. Our Company at present mainly exports sorbitol and calcium carbonate to over 34 countries. We intend to improve our share of revenues from overseas markets by focusing on exports of products and solutions across our key business segments. For the Fiscals 2021, 2020 and 2019, our revenues from outside India as a percentage of our revenues from operations was 7.40%, 14.96% and 12.69%.

Continue to improve margins and profitability

We aim to continue to improve profitability by improving our products, manufacturing processes, raising margins that we make on each product we manufacture and thereby gaining cost efficiencies. We intend to continue to focus on sourcing raw materials keeping in mind the economies of scale and thereby ensuring that we get the best available price from the best supplier of raw materials. We also constantly aim to identify opportunities to implement production improvements and dedicated research and development resources to enhance production efficiencies. We continuously strive to improve scale in our smaller and newer product segments which should help improve the profitability of our Company.

We have undertaken a realignment of business domains based on similar technologies to drive synergies between related businesses across all our verticals. As a part of this initiative, we have focused on strengthening our Board, realignment of our business verticals to drive synergy among similar product and technologies. We have recalibrated certain functions like procurement, marketing and sales to bring in increased control and efficiency.

Major Events

Our milestones are as under:

Year	Particulars
2000	Incorporated under the name “Gulshan Polyols Limited”
2001	Takeover of the sorbitol unit pursuant to the scheme of arrangement / demerger of GSCL
	Listed on the UPSE and DSE
2002	Listed on the BSE
2004	Delisted from the UPSE and DSE
2008	GSCL was amalgamated with our Company pursuant to the scheme of arrangement approved by the Hon’ble High Court at Allahabad
2009	Commissioning of PCC plant at Paonta Sahib, Himachal Pradesh
	Setting-up of first ever on-site PCC plant at Magnum Ventures Limited (formerly known as Magnum Papers Limited), Sahibabad, Uttar Pradesh
2010	Salil Industries Limited was merged with our Company
	Setting up unit of distillery, bottling unit for foreign liquor, country liquor and brewery unit in Borgaon, Madhya Pradesh
2012	Setting-up of calcium carbonate plant at Abu Road, Rajasthan
	Setting-up of on-site PCC plant to produce and supply the PCC in slurry form to DSG Papers Private Limited, Patiala, Punjab
2014	Commissioning of another starch sugar unit at Muzaffarnagar for dextrose monohydrate, maltodextrin, liquid glucose, glucose powder, using rice as raw material
	Commissioning of on-site PCC plant for ITC Limited at Hooghly
2015	Listed on the NSE
	Setting-up of two on-site plants on turnkey basis in Bangladesh
	Setting-up of on-site Satellite PCC plant for Orient Paper Mills, Madhya Pradesh
2016	Commissioning of native starch plant at Muzaffarnagar, Uttar Pradesh using corn as raw material

Year	Particulars
2021	Letter of allotment and the certificate of handing over and taking over physical possession from AIDCL for allotment of 25 acres of land at Industrial Growth Centre, Matia, Mornai, District Goalpara – 783101 in the State of Assam on lease for setting up of a 250 KLPD grain based ethanol (distillery) unit
	Received a LOI from OMCs shortlisting our Company for signing of the long term off-take agreement with upcoming dedicated ethanol deficit states of India for supply of indigenous denatured anhydrous ethanol to meet the ethanol requirement for 20% blending by the year 2025
2022	Lease agreement signed with AIDCL for setting up of new 250 KLPD grain based ethanol (distillery) unit in the State of Assam
	Lease deed signed with MP Industrial Development Corporation Limited on long-term lease basis which is adjacent to our existing facility at Borgaon (Madhya Pradesh) for setting up a new facility at Borgaon (Madhya Pradesh) for producing 500 KLPD of ethanol

Awards

Year	Award
2021	'Exceptional GST filing record' appreciation award by the Ministry of Finance, GoI
2015	'Award for valuable contribution to the Abbott group' at the Abbott Partners' Meet, 2015
2015	'Co-creating value award' facilitated by the ITC Limited, Paperboards and speciality division
2015	'Award of acknowledgement for participation in the IndPlas'2015' presented by the Indian Plastics Federation
2015	'Award of acknowledgment' for participation in the Paperex, India
2014	'Certificate of Recognition for the valuable association as a business partner' presented by Colgate Palmolive (India) Limited
2012	'Award of acknowledgement for participation in the Plast India 2012' presented by the Plastindia Federation
2011	Excellence certificate from CONCOR
2009	National Award, 2010 by the Limca Book of Records for establishing the first-of-its-kind 'On-site PCC manufacturing plant' as well as being environment-friendly technology for reducing energy consumption and drying time while utilizing Co2 emitted from the boilers

BUSINESS OPERATIONS

Our product portfolio caters to core sectors of the economy encompassing OMCs, FMCG, pharmaceuticals, petrochemicals, footwear, rubber & plastics, paints and adhesives, liquor, value added paper, agrochemicals, food and beverage products. Our Company offers its products to leading industrial units of the country including Dabur, Anchor Consumer Products Private Limited, Bindal Duplex Limited, Siddheshwari Industries Private Limited, Tehri Pulp and Paper Limited and Silverton Pulp & Papers Private Limited.

The Company's operations are primarily in the following segments (A) Grain Processing (B) Ethanol (bio-fuel) and Distillery and (C) Mineral Processing;

A. GRAIN PROCESSING

We specialise in the manufacturing of starch sugars and starch derivatives from grain and the produced starch is converted or processed into treating native starch / maize starch chemically, physically or enzymatically. The treatment so involved, produces a variety of products like sorbitol (70%) solution, maize starch powder, dextrose monohydrate, maltodextrine powder, brown rice syrup, rice syrup, solid and liquid glucose, organic sweetener. Details of our product offerings under this segment including the process and end uses are enumerated below:

- **Sorbitol 70% (D-Glucitol) Solution:** Our Company is one of the largest manufacturers of sorbitol 70% (D-Glucitol) with a capacity of 72000 MTPA in India. Our sorbitol 70% (D-Glucitol) solution manufacturing facilities are ISO 22000:2018, ISO 9001:2015, HACCP, Kosher, HALAL and FSSAI certified. Our Company's manufacturing facility producing sorbitol is located at Bharuch (Gujarat), which has a complete integrated set of operations from corn > starch > dextrose > sorbitol (D-Glucitol). Our facility at Bharuch (Gujarat) also has a 7.5 MW CCPP to fulfill the power needs. The manufacturing plant maintains international quality equipment and technology, capable to produce NC, BP crystalline and non-crystalline grades of sorbitol (D-Glucitol). We are also the largest exporter of sorbitol in India, with a presence in various continents including South America, North America, Europe, Middle East, Africa, and Asia *(Source – Market Research Future Report)*.

End uses:

- ⇒ **Oral Care & Cosmetics:** Toothpaste, mouthwash, creams, ointments, lotions, shaving creams and shampoo.
- ⇒ **Pharmaceuticals:** Liquid syrups, suspensions and soft gel capsules.
- ⇒ **Food & Beverage:** Candies, energy drinks / diet chocolates, biscuits cakes and pastries, chewing gums, enzymes, ice creams, fruit jams.
- ⇒ **Industrial Applications:** Vitamin 'C', sorbitol (D-Glucitol) esters, paints, polyether polyols, alkyd resins, melamine and phenolic resins.
- ⇒ **Others:** Tobacco products, papers, explosives, mortars and concrete.

- **Dextrose Monohydrate:** Our Company produces dextrose monohydrate (D-glucose) from non-GMO rice. We manufacture dextrose monohydrate at the Muzaffarnagar (Uttar Pradesh) facility of our Company.

  End uses: The end product is extensively used in the food industry and provides support in replacing sucrose in baking, dairy products, canned products, chewing gum and preserves. Other than this, the product is also used in beverage powders, caramel coloring and other compositions where the product helps support the extended shelf life.

- **Maltodextrin:** Our Company produces maltodextrin from the starch of corn and rice. Our Company has a facility at Muzaffarnagar (Uttar Pradesh) for manufacturing of maltodextrine using non-GMO rice.

  End uses:

  - ⇒ Bulking base for artificial sweeteners.
  - ⇒ Thickener for soups, gravies and salad dressings.
  - ⇒ As a binding agent in pills in the pharmaceutical industry.
  - ⇒ Other foods that may contain maltodextrine for this purpose include canned fruits, desserts, protein shakes, instant pudding and sauces.

- **Brown Rice Syrup - Conventional & Organic:** Our Company produces the brown rice syrup or rice malt syrup which is made from rice of oryza sativa (asian rice) origin. Our brown rice syrup is made with either conventional or organic rice at our Muzaffarnagar (Uttar Pradesh) facility.

  End uses: The end product is used as sweetener in natural food, beverages and syrups (flavored / unflavored) including energy bars, breakfast sweeteners, pancake syrup, bulking agent for maple syrup, pollen free vegetarian honey, bakery foods, cakes, pastries, fillings, toppings, candies, canned fruits, health drinks, juices, soft drinks, dairy products, ice-creams, etc.

- **Rice Syrup Solids - Conventional & Organic:** Our manufacturing facility at Muzaffarnagar (Uttar Pradesh) produces the rice syrup solids which are also known as dried glucose syrup or glucose powder. Our rice syrup solids are made from non-GMO rice.

  End uses: The end product is used as a sweetener and stabilizers for moisture and texture in baked goods, confectionary (hard candy), dairy products, processed meats, seafood. They are also utilized by breweries to lighten beer color, add body, rice flavor and fermentable sugars.

- **Liquid Glucose:** Our Company manufactures liquid glucose by using corn and rice as raw materials at the liquid glucose manufacturing facility at Muzaffarnagar (Uttar Pradesh).

  End uses:

  - ⇒ Sweets, confectionary, biscuits, ice creams, jams, jellies, preserves pastries and country liquors due to its moderate sweetness and nutritive value.
  - ⇒ Cough syrups and other vitamin-based tonics. It is also used as a granulating agent, for tablet coatings.
  - ⇒ Mouth freshners, leather, shoe polish, etc.

- **Fructose Syrup:** Fructose syrup is a natural sweetener made from grain.

  End uses: The product is used as a substitute of sucrose. Commercially it is widely used in food, canned fruit, jam, dairy products, beverage, tobacco, cold drink, fruit juice, preserved fruit, wines, heath food, salad dressings, household seasonings and chemicals.

- **Native Starch / Maize Starch:** Our Company produces different grades of maize starch which is made from non GMO maize / corn at our manufacturing facility at Muzaffarnagar (Uttar Pradesh).

  End uses:

  ⇒ Paper & Packaging Industry - It is used as sizing agent in kraft paper.
  ⇒ Food Industry - It is used as a thickener in sauces and soups.
  ⇒ Textile Industry – It is used for material sizing and finishing and also used to soften fabric and to provide required stiffness to cloth.
  ⇒ Adhesive Industry - It is used in adhesive and gum industries due to its excellent binding properties.
  ⇒ Pharmaceutical Industry - It is used as a coating and binding agent during manufacturing of tablets and capsules.

- **Animal feed:** Our Company produces agro based animal feed which is a by-product of our grain processing segment. As part of rice and maize processing, the manufacturing facilities at Bharuch (Gujarat) and Muzaffarnagar (Uttar Pradesh) are left with the following by-products which goes into animal feed:

  ⇒ Corn / maize gluten feed
  ⇒ Corn germ purchased by companies for extracting edible oil.
  ⇒ Cattle feed / enriched fiber
  ⇒ Rice protein / gluten
  ⇒ Corn steep liquor

B. ETHANOL (BIO-FUEL) AND DISTILLERY

Our Company has recently diversified the grain processing segment by entering the foray of producing ethanol (bio-fuel) from damaged food grain. Our Company converted our already existing grain-based distillery unit in Borgaon (Madhya Pradesh) into an ethanol producing plant in the year 2020. Our production facility in Borgaon (Madhya Pradesh) has been set-up with state of the art and technologically advanced ethanol distillery to cater to the rising and promising demand of ethanol blending with petrol in India. Our Company had an existing set up of producing 60 KLPD ethanol at Borgaon (Madhya Pradesh) since May 2020. Our Company is constantly suppling ethanol to OMC's. In order to participate in the GoI initiative of blending 20% of ethanol with petrol by the year 2025-2026, our Company is already in the process of setting up a new facility for producing 500 KLPD of ethanol and for this purpose, our Company has also acquired land on long-term lease basis which is adjacent to our existing facility in Borgaon (Madhya Pradesh). We have already received the environmental clearance from MoEF & CC on September 27, 2021 including for the CCPP. The construction activity on the said facility has already commenced and we have placed the order for plant and machinery required for the manufacturing of ethanol (bio-fuel).

Our Company produces a variety of products under the ethanol (bio-fuel) and distillery segment. Our product diversification are as below:

- **Ethanol:** Our Company has entered into the foray of manufacturing and expand ethanol production, in order to contribute to the NBP Policy 2018, which is an important industrial chemical. Our Company supplies the ethanol produced at our distillery facilities to the OMCs based in India.

  End uses:

  ⇒ EBPP to OMCs under the NBP Policy 2018.
  ⇒ Used as a solvent, in the synthesis of other organic chemicals.

- **Grain Extra Neutral Alcohol:** Our Company produces grain extra neutral alcohol from damaged food grain. The damaged food grain is the primary raw material for making alcoholic beverages.

  End uses:

  ⇒ Production of alcoholic beverages such as country liquor, whisky, vodka, gin, cane and alcoholic fruit beverages.

- ⇒ Essential ingredient in the manufacture of cosmetics and personal care products such as perfumes, toiletries, hair spray, etc.
- ⇒ Industrial use and is utilised in the production of some lacquers, paints and ink for the printing industry.
- ⇒ Pharmaceutical products such as antiseptics, drugs, syrups, medicated sprays.

- **DDGS:** As part of the production process at the distillery facility, the distillers' grains are the grain by-product of the distillation process. Our manufacturing facility produces dried distillers' grain solids as part of the manufacturing process.

  End uses: It is used for animal feed.

- **Sanitizer:** Our Company in wake of the exponential rise in the demand of sanitisers due to outbreak of the Covid-19 pandemic and the prescribed norms by WHO of using sanitiser to stay safe, utilised the already running distillery facility of the Company to manufacture alcohol rub sanitizers containing at least 70% alcohol (mainly ethyl alcohol).

- **Country Liquor:** Our Company also has a division involving the manufacture and supply of a low range of alcoholic beverages. We are at present selling 4,50,000 cases per year amongst two districts in the State of Madhya Pradesh.

C. MINERAL PROCESSING

Our Company manufactures calcium carbonate which is a widely used compound as an industrial filler. Limestone constitutes as the base sedimentary rock composed primarily of calcite, the calcium carbonate mineral. Calcite is treated chemically and physically to produce different grades of calcium carbonate. Our Company produces various grades of calcium carbonate at our manufacturing facilities located at Muzaffarnagar (Uttar Pradesh), Dhaula Kuan (Himachal Pradesh) and Abu Road (Rajasthan). The combined installed production capacity of all grades of calcium carbonate is 170,400 MTPA.

The product produced at our manufacturing facilities consists of three categories, the details of which including the process and the end uses are enumerated below:

- **Activated Calcium Carbonate:** Our Company offers a wide array of premium quality activated calcium carbonate to our clients.

  End uses:

  - ⇒ Plastics PVC formulations.
  - ⇒ Pharmaceuticals.
  - ⇒ Rubber formulations.
  - ⇒ Cosmetics.
  - ⇒ Paints.
  - ⇒ Printing ink.
  - ⇒ Sealants and mastics.

- **Precipitated Calcium Carbonate:** Our Company manufactures various grades of PCC.

  End uses:

  - ⇒ Paper coating for premium quality paper products.
  - ⇒ Rubber formulations.
  - ⇒ PVC/ Plastic formulations.
  - ⇒ Flattering agent in Paint.
  - ⇒ In thermal and electrical Insulators.
  - ⇒ For making tooth paste.
  - ⇒ Pharmaceuticals.
  - ⇒ Food.

- **Ground Calcium Carbonate / Wet Ground Calcium Carbonate:** Our Company is one of the largest manufacturers offering a wide range of ground calcium carbonates in India. The pertaining raw materials occurs naturally and used in the form of calcite limestone.

End uses:

⇒ Paint.
⇒ Animal and pet feeds.
⇒ Construction.
⇒ Fertilizers.
⇒ Glass and ceramics.
⇒ Paint and surface coating.
⇒ Paper.
⇒ Plastics PVC formulations.
⇒ Rubber formulations.

- **Co-generation Power plants:** Our Company has successfully commissioned CCPP at our three different locations at Muzaffarnagar (Uttar Pradesh), Bharuch (Gujarat) and Borgaon (Madhya Pradesh) to generate economical and ecologically sound power and steam. The current power capacity is cumulatively 16.45 MW, for all the three plants. For the purpose of operation of the CCPP, we have our own water treatment plant as well as a coal handling plant.

- **On-site / Satellite PCC Plant:** Our Company is the first to introduce the concept of on-site PCC plant in India. We have been awarded with the National Award, 2010 by the Limca Book of Records for introducing this unique and first-of-its-kind concept in India. Our Company install, commission, operate and maintain on-site PCC manufacturing plant under its the mineral processing segment.

End uses:

⇒ As filler for writing and printing, photo copier paper.
⇒ As filler for cigarette paper.
⇒ As coating pigments.
⇒ Surface finish.
⇒ Brightness.

Our manufacturing facilities

Our manufacturing facilities are equipped to manage products from the stage of production to despatch, to ensure better quality and lending us competitive advantages such as cost effectiveness and maintenance of quality standards. The facilities of the Company are designed to maintain quality parameters which are achieved after comprehensive support from the professionals. Apart from productivity, quality and innovation, we are also committed to safety, health and environment.

We are headquartered in New Delhi, with manufacturing facilities located in Muzaffarnagar (Uttar Pradesh), one manufacturing facility in Bharuch (Gujarat), Paonta Sahib (Himachal Pradesh), Sirohi (Rajasthan) Borgaon (Madhya Pradesh), Goalpara (Assam). Further, the on-site PPC plants being operated by the Company are located at Patiala (Punjab), Hooghly (West Bengal), Muzaffarnagar (Uttar Pradesh) and Amlai (Madhya Pradesh). All our manufacturing facilities are strategically located in close proximity to the major customer of the products manufactured by the Company in India.

Marketing and Sales

Our business is conducted on a B2B basis and our focus is on maintaining constant contact with customers and to ensure timely delivery and quality products. We have a dedicated sales team having necessary experience in the field. Sales initiatives is undertaken by the business development team and the sales team. The sales team are responsible for ensuring timely supplies, taking new orders, quoting rates and aids in understanding the requirements of the customers. The business development team seek out new geographies and assists in improving the product range based on customer feedback. The sales teams are segregated by geography and is responsible for the sales of our products at the ground level.

Informational Technology

Our IT systems are vital to our business, and we have our own in-house technology team. We intend to continue to invest in our IT systems to enhance process efficiencies and to support our sales, marketing, content research, IP protection and control, financial control and customer interaction. Our information technology systems help serve our customers, ensure efficiency in and improve productivity of our operations. Our Company maintains ERP software, ERP data, ERP cloud through the services of a third party for the day-to-day operations of the Company. We have installed firewall and anti-virus software on our servers as part of our data protection measures.

Our Competition

Our Company is one of the organized players in its product segment. Our Company holds the niche in the manner that we hold the most diversified product portfolio. Competition in our business is based on pricing, relationships with customers, product quality, customisation and innovation. In our product segment, we face price pressures from new entrants who may reduce the price, temporarily, to gain market share in their product segment. Our position in relation to our competitors will depend upon effective marketing initiatives, product mix and our ability to anticipate and respond to various competitive factors facing the industry, including pricing strategies by competitors, our ability to source raw materials cost effectively, make required investments to improve our supply network, eliminate redundancies and increase production at low-cost, high-quality supply sources. For further information, see "*Risk Factors*" on page 37.

Insurance

Our operations are subject to various risks inherent in the specialised product segment in which the Company offers to its customers. We maintain insurance policies for all our manufacturing facilities and power plants, buildings, machinery and inventories, equipment, business, interruption, damage due to fire, earthquakes, floods and other natural disasters and architect surveyors and consulting engineers' fees including insurance for workers compensation, directors and officers liability insurance and public liability.

In addition, we maintain a terrorism policy for few of our manufacturing facilities which covers physical loss or damage caused to real and personal property due to an act of terrorism. Further, where we negotiate contracts, we generally do not accept liability for product damage in the context of our customer contracts. Consequently, we purchase insurance against product damage risk.

We believe that our insurance coverage is in accordance with the industry custom, including with respect to the terms of and the coverage provided by such insurance. For further details, see "*Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business and financial condition*" on page 46 of this Placement Document.

Human Resources

Our relations with our employees are amicable and we have not had a disruption in production or delivery to our customers due to industrial relations issue in any of our facilities in the past. Our employees contribute significantly to our business operations. As of the date of filing of the Placement Document, the Company had a total workforce of over 424 individuals including engineers, management graduates, company secretaries and chartered accountants at India level. We conduct regular training sessions for our employees to develop a variety of skill sets to enhance the workings and progress of our Company. Further, we adopt a robust performance management system to encourage our employees to achieve their respective targets and efficiently dispense their responsibilities.

Our human resource practices are aimed at recruiting talented individuals, ensuring their continuous development and making sure their grievances, if any, are redressed in a timely manner. In this regard, we provide several forums and communication channels for our employees to provide their feedback and effectively share their views.

During the Covid-19 pandemic, the Company had also launched several initiatives during Covid-19 to ensure safety and well-being of its employees.

The Company had 2 trade unions consisting of 73 employees across the trade unions established in the facilities of the Company.

Health, Safety, Environment

Our manufacturing facilities are subject to a number of national and regional laws and regulations. Our and manufacturing plants in India are required to comply with several laws governing every aspect of our operations, including compliance with handling of hazardous chemicals, safety of workmen and protection of the environment.

We keep ourselves prepared for emergencies through regular emergency drills and safety inspections. We also impart safety trainings and briefings to our employees. Our safety procedures and levels are ISO 9001:2015 (Muzaffarnagar and Bharuch facility), ISO 22000:2018 (Muzaffarnagar facility), BRC Certificate for BRC Global Standard for Food Safety (Muzaffarnagar facility), KOSHER (Muzaffarnagar and Bharuch facility), HACCP (Bharuch facility), FSSAI (Muzaffarnagar and Bharuch facility) and HALAL (Muzaffarnagar and Bharuch facility) certified.

We are subject to Indian laws and regulations relating to the protection of the environment, human health and safety and have procedures in place to ensure compliance. Our Company understands the extent of impact its business has on the global community and recognizes its duty to conduct business in a socially responsible manner. We are committed to upholding the highest standards of corporate governance as we believe in transparency and integrity as our core values.

Our Properties

Our Company's registered office is located at 9th K.M., Jansath Road, Muzaffarnagar – 251001, Uttar Pradesh which is owned by us on a freehold basis. Our corporate office is located at G-81, Preet Vihar, New Delhi – 110092 which has been taken on lease. Our Company also owns office premises located at 47/212, Manipal Centre, Dickenson Road, Ulsoor, Bangalore – 560042, Karnataka, 5-9-13 Saifabad – 500004, Hyderabad and 111 and 112, Balaji Darshan Building, Santacruz (West), Mumbai – 400054, Maharashtra. Our Company also owns the plants located at Muzaffarnagar (Uttar Pradesh) and Paonta Sahib (Himachal Pradesh), however, we do not own few of our manufacturing facilities located at Gujarat, Rajasthan, Madhya Pradesh and Assam and the premises have been leased from respective government agencies. For details, see "*Risk Factors – Our corporate office and some of our manufacturing facilities are located on leased premises. If these leases are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition and results of operations.*" on page 45.

Facility / Plant	Location	Status
Muzaffarnagar	9th K.M., Jansath Road, Muzaffarnagar – 251001, Uttar Pradesh	Owned
Bharuch	Plot no. 762, 762/1, 762/2 and 762/3, Jhagadia Industrial Estate, Bharuch – 393110, Gujarat	Leased
Paonta Sahib	Village Rampur Majri, Dhaula Kuan, District Sirmour - 173001, Himachal Pradesh	Owned
Abu Road	E-21/22, RIICO Growth Centre, Phase- II, Abu Road, District Sirohi-307026, Rajasthan	Leased
Borgaon	Plot No. 3, 4, 5, 8, 9, 10, 11 & 26 (Part), MPAKVN, Industrial Area, Borgaon, Tehsil Sausar, District - Chhindwara-480108, Madhya Pradesh Plot No. D-16, D-17, D-18, D-19, D-20, Sector – B, Industrial Growth Center, Borgaon, Village – Borgaon, District – Chhindwara – 480108, Madhya Pradesh	Leased
Assam	Industrial Growth Centre, Matia, Mornai, District Goalpara – 783101, Assam	Leased

Further, our Company has also been operating the following on-site PCC plants for few of our clients on a leased basis:

Punjab	On-site plant at DSG Papers Private Limited, Patiala, Punjab
West Bengal	On-site plant at ITC Limited., Hooghly, West Bengal
Madhya Pradesh	On-site plant at Orient Paper Mills, Amlai, Madhya Pradesh
Uttar Pradesh	9th K.M., Silverton Pulp and Papers Bhopa Road, Muzaffarnagar – 251001, Uttar Pradesh

Our Intellectual Property

We are the registered owner of the trademark '*Gulshan Polyols Limited'* under the Trademark Act, 1999.

Corporate Social Responsibility ("CSR")

In compliance with the requirements of Section 135 of the Companies Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a CSR Committee, which is constituted by three Independent Directors of our Company. Our CSR activities are focused on the (i) enhancing the quality of life of the people in areas surrounding the plant and offices; (ii) create a positive impact by making sustainable developments in the society and promote good environmental practices; (iii) be responsible and responsive corporate citizen through endeavours to create a safe, harmonious and ecologically balanced environment for its members and the community at large; and (iv) maintain commitment to quality, health and safety in every aspect of the business and people. Further, the CSR Committee has been entrusted with the prime responsibility of recommending to the Board and monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. In Fiscal Year 2021, we spent

₹ 218.09 lakhs on initiatives towards Covid-19 relief work, over and above its usual CSR commitments.

Recent Developments – COVID 19 Pandemic

For further information on the impact of COVID-19 on our business and the risks associated with COVID-19 to our business, see "*Risk Factors - A large part of our customers depend on retail consumption for their sale and any impact on their sales as a result of the continued impact of the COVID-19 pandemic could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations***.**" on page 39.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was originally incorporated as *"Gulshan Polyols Limited"* under the provisions of the Companies Act, 1956 on October 20, 2000 as a public company and the certificate of incorporation bearing registration no. 20-25708 of 2000 dated October 20, 2000 and the certificate of commencement of business dated October 24, 2000 was issued by the Registrar of Companies. Pursuant to the approval of the scheme of arrangement/demerger of GSCL with our Company and Gulshan Chemfill Limited by the Hon'ble High Court at Allahabad vide its order dated February 28, 2001 along with order dated March 27, 2001 and the rectification order dated April 12, 2001, our Company filed listing applications with UPSE, DSE and the Stock Exchange, Mumbai and subsequently the Equity Shares of our Company were listed on the UPSE, DSE and the Stock Exchange, Mumbai with effect from May 22, 2001, June 15, 2001 and March 26, 2002, respectively.

Further, pursuant to the order of the CLB dated December 6, 2001, the registered office of our Company was shifted from the State of Uttar Pradesh to State of Gujarat and a certificate of registration bearing no. L24231GJ2000PLC040379 was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli dated January 22, 2002. In 2004, our Company was delisted from UPSE and DSE. Subsequently, the registered office of our Company was again shifted from the State of Gujarat to the State of Uttar Pradesh pursuant to the CLB Order dated March 14, 2008 and a certificate of registration was issued bearing registration no. L24231UP2000PLC034918 dated March 31, 2008 by the Registrar of Companies, Uttar Pradesh and Uttaranchal.

In 2008, our Company was amalgamated with GSCL pursuant to the approval of the scheme of arrangement by the Hon'ble High Court at Allahabad vide its order dated September 26, 2008. In 2010, Salil Industries Limited was merged with our Company pursuant to the approval of the scheme of arrangement by the Hon'ble High Court at Allahabad vide its order dated September 30, 2010. On January 28, 2015, the equity shares of our Company were also listed on NSE.

Our Company is in the process of amalgamation with our Holding Company and East Delhi Importers & Exporters Private Limited for which an order dated March 9, 2022 has been passed by the NCLT, Allahabad. Once the Scheme of Amalgamation becomes effective, our Holding Company and East Delhi Importers & Exporters Private Limited forming part of the Promoter Group will be merged into our Company.

Changes in the Registered Office

As on the date of this Placement Document, the registered Office of our Company is situated at 9th KM, Jansath Road, Muzaffarnagar - 251001, Uttar Pradesh, India. The table below sets forth details of changes in the registered office of our Company since its incorporation:

Date of change	Details of change in the address of the registered office	Reasons for Change
December 6, 2001	Change of registered office from 9th KM, Jansath Road, Muzaffarnagar – 251001 Uttar Pradesh, India to Plot No 762, Jhagaria Industrial Estate District Bharuch-393110, Gujarat, India	Administrative convenience. The Sorbitol plant of our Company was located at Bharuch and our Company was not carrying any major operations at its registered office, therefore in the interest of stakeholders, the registered office of our Company was shifted to the State of Gujarat pursuant to CLB Order dated December 6, 2001.
March 17, 2008	Change of registered office from Plot No 762, Jhagadia Industrial Estate District Bharuch-393110, Gujarat, India to 9th KM, Jansath Road, Muzaffarnagar – 251001, Uttar Pradesh, India	Administrative convenience. For improvement in working condition on account of better internal coordination, other intangible advantageous by way of organizational effectiveness and also mutual benefits by way of proper deployment of organization resources, the company had shifted its registered office to the State of Uttar Pradesh pursuant to the CLB Order received on March 17, 2008.

Our Holding Company

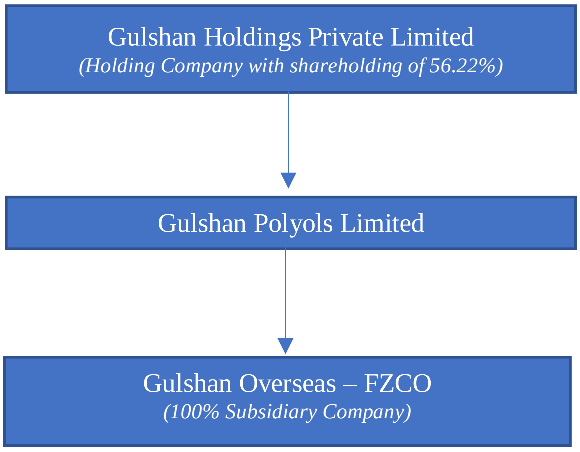
As on the date of this Placement Document, our Company has one holding company namely *"Gulshan Holdings Private Limited"* (CIN: U74899UP1985PTC128005), having its registered office at 9th KM, Jansath Road, Muzaffarnagar - 251001, Uttar Pradesh, India, which holds 56.22% shareholding in our Company.

Our Company is in the process of amalgamation with our Holding Company and East Delhi Importers & Exporters Private Limited for which an order dated March 9, 2022 has been passed by the NCLT, Allahabad. Upon the Scheme of Amalgamation becoming effective, our Holding Company and East Delhi Importers & Exporters Private Limited forming part of the Promoter Group will be merged into our Company.

Our Subsidiary

As on the date of this Placement Document, our Company has incorporated a wholly owned subsidiary namely "Gulshan Overseas – FZCO" validly exists under the laws of United Arab Emirates. Its registered office is situated at Unit No. 101, IFZA Dubai – Building A2, Dubai Silicon Oasis, DDP, Building A2, Dubai, United Arab Emirates and bearing registration number DSO-FZCO-8775 on September 8, 2021. As on date, there has been no capital infusion done by the Company.

The organizational structure of our Company as on the date of this Placement Document is as follows:



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the Articles of Association of our Company and the SEBI LODR Regulations. The Articles of Association of our Company provide that the number of Directors shall not be less than 3 (three) and not more than 14 (fourteen), unless otherwise determined by a special resolution in a general meeting. We currently have 8 (eight) Directors on the Board out of which 4 (four) are executive Director(s), 4 (four) are non-executive, independent Directors.

The following table sets forth details regarding the Board of Directors as on the date of this Placement Document:

Name, Occupation, Nationality, Term and DIN	Age (years)	Designation	Address
Chandra Kumar Jain Occupation: Business Nationality: Indian Term: Re-appointment for a period of three years with effect from April 1, 2020. DIN: 00062221	73	Chairman & Managing Director	N-142, Panchsheel Park, New Delhi-110017
Arushi Jain Occupation: Business Nationality: Indian Term: Re-appointed as a Whole Time Director for a fixed term from January 1, 2021 till March 31, 2024 and subsequently re-designated as Joint Managing Director on November 9, 2021* DIN: 00764520	44	Joint Managing Director	S-237, 2nd Floor, Panchsheel Park, New Delhi -110017
Aditi Pasari Occupation: Business Nationality: Indian Term: Re-appointed as a Whole Time Director for a fixed term from January 1, 2021 till March 31, 2024 and subsequently re-designated as Joint Managing Director on November 9, 2021* DIN: 00120753	42	Joint Managing Director	S-319, Greater Kailash, New Delhi-110048
Ashwani Kumar Vats Occupation: Service Nationality: Indian Term: Re-appointed for a period of four years with effect from April 1, 2020 DIN: 00062413	59	Whole Time Director & Chief Executive Officer	A-10, Surajmal Vihar, New Delhi-110092
Akhilesh Kumar Maheshwari Occupation: Service Nationality: Indian	57	Independent Director	D-149, Second Floor, D Block, Near Durga Temple, Preet Vihar, Delhi - 110092

Name, Occupation, Nationality, Term and DIN	Age (years)	Designation	Address
Term: Re-appointed for period of five year with effect from April 1, 2019 upto March 31, 2024 and shall not be liable to retire by rotation. DIN: 00062645			
Jeewan Jyoti Bhagat Occupation: Business Nationality: Indian Term: Re-appointed for period of five year with effect from April 1, 2019 upto March 31, 2024 and shall not be liable to retire by rotation. DIN: 00007743	74	Independent Director	E-372 3rd Floor, Greater Kailash-2, Greater Kailash, South Delhi, Delhi-110018
Archana Jain Occupation: Professional Nationality: Indian Term: Appointed with effect from May 22, 2021 upto March 31, 2023 and shall not be liable to retire by rotation. DIN: 09171307	47	Independent Director	F-13, Kirti Nagar, Ramesh Nagar, West Delhi-110015
Rakesh Kumar Gupta Occupation: Professional Nationality: Indian Term: Re-appointed for term of five year with effect from April 1, 2019 upto March 31, 2024 and shall not be liable to retire by rotation. DIN: 06909233	59	Independent Director	Sector 2B House No 358 Vasundhara Ghaziabad, Uttar Pradesh-201012, India

**Arushi Jain and Aditi Pasari has been re-designated as the Joint Managing Director of our Company with effect from November 9, 2021 subject to the approval of the shareholders in the ensuing general meeting. The other terms of their appointment remains the same.*

Brief profiles of our Directors

Chandra Kumar Jain

Chandra Kumar Jain, aged 73 years, is the Chairman and Managing Director of our Company. He has been a director on our Board since October 20, 2000, since incorporation being the First Director. He holds the degree of doctor of philosophy from the Meerut University in Chemistry. He is currently on the board of directors of various companies including our Holding Company and Gulshan Sugars and is also a partner in Daaraa Commercials LLP and A Cube Impex.

Arushi Jain

Arushi Jain, aged 44 years, is the Joint Managing Director of our Company. She has been a director on our Board since January 1, 2010. She holds a degree of master of science from City University of New York, United States of America. She is currently on the board of directors of various companies including Gulshan Sugars, our Holding Company, Houzilla Interiors Private Limited, Gulshan Mercantile Urban Co-Operative Bank and Gulshan Care Foundation and is also a partner in Daaraa Commercials LLP, A Cube Impex and Daaraa Commercials.

Aditi Pasari

Aditi Pasari, aged 42 years, is the Joint Managing Director of our Company. She has been a director on our Board since January 1, 2010. She holds a degree of master of business administration from University of Wales, United Kingdom. She is currently on the board of directors of various companies including Gulshan Sugars, Gulshan Lamee Pack Private Limited, ARP Developers Private Limited, Reliance Expovision Private Limited, East Delhi Importers & Exporters Private Limited, PHD Chamber of Commerce and Industry and Gulshan Care Foundation and is also a partner in Daaraa Commercials LLP, A Cube Impex and Daaraa Commercials.

Ashwani Kumar Vats

Ashwani Kumar Vats, aged 59 years, is the Whole Time Director and the Chief Executive of our Company. He has been a director on our Board since October 30, 2008. He holds a degree of bachelor of commerce (Honours) from Meerut University and post graduate diploma in marketing management. He is currently on the board of directors of Gulshan Mercantile Urban Co-Operative Bank.

Akhilesh Kumar Maheshwari

Akhilesh Kumar Maheshwari, aged 57 years, is the Independent Director of our Company. He has been a director on our Board since October 29, 2007. He is currently on the board of directors of various companies including Genus Paper & Boards Limited, Kailash Chemicals Private Limited and Kailash Waste Solutions Private Limited. He holds a degree in bachelor of commerce from Rohilkhand University, Bareilly, Uttar Pradesh. He is also a qualified chartered accountant from ICAI, a qualified company secretary from ICSI and he is also an Insolvency Professional from Insolvency and Bankruptcy Board of India.

Jeewan Jyoti Bhagat

Jeewan Jyoti Bhagat, aged 74 years, is the Independent Director of our Company. He has been a director on our Board since August 2, 2014. He holds a degree in bachelors in science and holds a post-graduation diploma in sugar technology from National Sugar Institute, Kanpur. Presently, he is also on the board of directors of STM Projects Limited and a partner in Divya Energytech LLP.

Archana Jain

Archana Jain, aged 47 years, is the Independent Director of our Company. She has been a director on our Board since May 22, 2021. She is a practising chartered accountant holding the membership from the ICAI and she also holds the degree in bachelor of commerce (honours) from Delhi University.

Rakesh Kumar Gupta

Rakesh Kumar Gupta, aged 59 years, is the Independent Director of our Company. He has been a director on our Board since August 2, 2014. He is a practising chartered accountant holding the membership from the ICAI and he also holds the degree in bachelor of commerce from Meerut University and he is also an Insolvency Professional from Insolvency and Bankruptcy Board of India. He is also a partner in Arthah Resolution Advisors LLP and Rakesh Rajesh & Co.

Relationship between Directors

Except as stated below, none of the Directors are related to each other.

Name	Designation	Relationship
Chandra Kumar Jain	Chairman and Managing Director	Father of Arushi Jain and Aditi Pasari
Arushi Jain	Joint Managing Director	Sister of Aditi Pasari and Daughter of Chandra Kumar Jain
Aditi Pasari	Joint Managing Director	Sister of Arushi Jain and Daughter of Chandra Kumar Jain

Interest of Directors of our Company

Except as stated below and in "*Related Party Transactions*" on page 66, our Directors do not have any other interest in our Company or its business.

Our Directors may be deemed to be interested in our Company to the extent of their shareholding, remuneration, commission, sitting fees, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment.

Certain of our Directors may also be deemed to be interested to the extent of any dividend payable and other distributions in respect of the Equity Shares held by them and any other benefit arising out of such holding. Certain of our Directors may also be interested in the Equity Shares held by or subscribed by and allotted to their relatives or the companies in which they are interested as directors or members or partners or trustees. For details regarding Equity Shares held by our Directors in our Company, see *"Shareholding of the Directors*" on page 133.

Except as provided in *"Related Party Transactions"* beginning on page 66, none of our Directors may also be deemed to be interested to the extent of any benefit arising out of contracts, agreements/ arrangements or transactions entered into or to be entered into by our Company with companies in which they are interested as directors or members except in the ordinary course of business.

Except as provided in *"Related Party Transactions"* beginning on page 66, we have not entered into any contract, agreements, arrangements during the preceding two years from the date of this Placement Document in which our Directors are interested directly or indirectly and no payments have been made to them or are proposed to be made to them in respect of these contracts, agreements or arrangements.

There are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. As on the date of this Placement Document, none of our Directors have availed any loan from our Company. Further, our Company has not availed any loans from the Directors which are currently outstanding.

Borrowing powers of the Board of Directors

Our Company has, pursuant to a special resolution dated September 20, 2014 passed under section 180(1)(c) of Companies Act, 2013, subject to the provisions of our Articles of Association and applicable laws, authorised the Board of Directors borrow from time to time, at its discretion, on such terms and conditions as to repayment, interest or otherwise, any sum or sums of monies which, together with money already borrowed by the company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business upto a limit of ₹ 500,00,00,000 (Rupees Five Hundred Crores only) over and above the aggregate of paid up share capital and free reserves of the Company.

Terms of appointment and remuneration of our Executive Directors

Chandra Kumar Jain

Chandra Kumar Jain was re-appointed as the Chairman and Managing Director of our Company pursuant to special resolution dated September 19, 2020, passed by the shareholders in their AGM, for a period of three years up to March 31, 2023. Set out hereunder are the details of the terms and conditions including remuneration of Chandra Kumar Jain as approved by the board of directors vide board resolution dated July 21, 2021:

Particulars	**Details**
Period	With effect from April 01, 2021 upto March 31, 2023, not liable to retire by rotation
Basic salary	₹ 25,00,000/- per month with effect from April 01, 2021 upto March 31, 2023
Commission on Profits	As may be decided by the Board of Directors upon the recommendation of Nomination, Remuneration and Compensation Committee subject to the overall ceiling stipulated in section 197 and 198 read with Schedule V of the Companies Act, 2013 for each financial year calculated with reference to net profits of the Company.
Perquisites and allowances	• Company's contribution towards Provident Fund, Gratuity and Encashment of accumulated leaves as per rules of the Company. The gratuity shall not exceed an amount equal to half month's salary for each completed year of service. However all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. • Company's Car for use on Company's business purpose with chauffeur and telephone at residence and Mobile phone will be provide but shall not be considered as perquisites. Personal long distances calls and use of car (if any) for private purpose, shall be billed by the company. • Reimbursement of actual medical expenses incurred in India and abroad for self and family. The total cost of travel to and fro and also for the stay in the foreign country of the patient, an attendant and medical supervision, if required, shall be borne by the Company. • Club Memberships: Subscription or reimbursement of membership fees for two clubs in India and/or abroad, including admission and life membership fees. • Leave Travel Allowance (LTA) including Domestic and Foreign travel. • Other benefits as per rules of the Company

Arushi Jain

Arushi Jain was re-appointed as Whole Time Director of our Company for a fixed term from January 1, 2021 till March 31, 2024 and was subsequently re-designated as Joint Managing Director with effect from November 9, 2021 subject to the approval of the shareholders in the ensuing annual general meeting with effect from November 9, 2021 till March 31, 2024. Set out hereunder are the details of the terms and conditions of Arushi Jain pursuant to special resolution dated September 19, 2020, passed by the shareholders in their AGM and the details of the remuneration as approved by the board of directors vide board resolution dated July 21, 2021:

Particulars	Details
Period	With effect from January 1, 2021 till March 31, 2024, liable to retire by rotation
Basic salary	₹ 7,00,000/- per month with effect from April 1, 2021 to March 31, 2024
Commission on Profits	As may be decided by the Board of Directors on the recommendation of Nomination, Remuneration and Compensation Committee for each financial year calculated with reference to net profits of the Company, subject to the overall ceiling stipulated in Section 197 and 198 read with Schedule V of the Companies Act, 2013 payable at such intervals, as may be decided by the Board of Directors
Other perquisites	• Company's contribution towards Provident Fund, Gratuity and Encashment of accumulated Leaves as per rules of the company. The Gratuity shall not exceed an amount equal to half month's salary for each completed year of service. However, all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. • Company's Car for use on Company's business purpose with chauffeur and telephone at residence and Mobile phone will be provide but shall not be considered as perquisites. Personal long distances calls and use of car (if any) for private purpose, shall be billed by the company. • Reimbursement of actual medical expenses incurred in India and abroad for self and family. The total cost of travel to and fro and also for the stay in the foreign country of the patient, an attendant and medical supervision, if required, shall be borne by the Company. • Club Memberships: Subscription or reimbursement of membership fees for two clubs in India and/or abroad, including admission and life membership fees. • Leave Travel Allowance (LTA) including Domestic and Foreign travel. • Other benefits as per rules of the Company

Aditi Pasari

Aditi Pasari was re-appointed as Whole Time Director of our Company for a fixed term from January 1, 2021 till March 31, 2024 and was subsequently re-designated as Joint Managing Director with effect from November 9, 2021 subject to the approval of the shareholders in the ensuing annual general meeting with effect from November 9, 2021 till March 31, 2024. Set out hereunder are the details of the terms and conditions of Aditi Pasari pursuant to special resolution dated September 19, 2020, passed by the shareholders in their AGM and the details of the remuneration as approved by the board of directors vide board resolution dated July 21, 2021:

Particulars	Details
Period	With effect from January 1, 2021 till March 31, 2024, liable to retire by rotation
Basic salary	₹ 7,00,000/- per month with effect from April 1, 2021 to March 31, 2024
Commission on Profits	As may be decided by the Board of Directors on the recommendation of Nomination, Remuneration and Compensation Committee for each financial year calculated with reference to net profits of the Company, subject to the overall ceiling stipulated in Section 197 and 198 read with Schedule V of the Companies Act, 2013 payable at such intervals, as may be decided by the Board of Directors
Other perquisites	• Company's contribution towards Provident Fund, Gratuity and Encashment of accumulated Leaves as per rules of the company. The Gratuity shall not exceed an amount equal to half month's salary for each completed year of service. However, all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. • Company's Car for use on Company's business purpose with chauffeur and telephone at residence and Mobile phone will be provide but shall not be considered as perquisites. Personal long distances calls and use of car (if any) for private purpose, shall be billed by the company. • Reimbursement of actual medical expenses incurred in India and abroad for self and family. The total cost of travel to and fro and also for the stay in the foreign country of the patient, an attendant and medical supervision, if required, shall be borne by the Company. • Club Memberships: Subscription or reimbursement of membership fees for two clubs in India and/or abroad, including admission and life membership fees. • Leave Travel Allowance (LTA) including Domestic and Foreign travel. • Other benefits as per rules of the Company

Ashwani Kumar Vats

Ashwani Kumar Vats was re-appointed as Whole-time Director and Chief Executive Officer of the Company pursuant to the shareholders resolution passed in the AGM held on September 19, 2020. Set out hereunder are the details of the terms and conditions including remuneration of Ashwani Kumar Vats pursuant to special resolution dated September 18, 2021, passed by the shareholders in their AGM:

Particulars	Details
Period	With effect from April 1, 2021 for a period of three years i.e. upto March 31, 2024, liable to retire by rotation
Basic salary	₹ 3,50,000/- per month with effect from April 01, 2021 upto March 31, 2024 (with such annual increments as may be decided upto maximum 8% per annum)
Perquisites and allowances	House Rent Allowance : 45% of basic salary Medical Allowance : 5% of basic salary Ex-Gratia : 8.33% of basic salary
Commission on Profits	As decided by the Board of Directors upon the recommendation of Nomination, Remuneration and Compensation Committee subject to the overall ceiling stipulated in Section 197 and 198 read with Schedule V of the Companies Act, 2013 for each financial year calculated with reference to net profits of the Company
Other perquisites	In addition to the perquisites and allowances as aforesaid, he shall also be entitled to the following benefits which will not be included in computation of the ceiling of remuneration specified above: • Gratuity: Gratuity payable as per the rules of the Company. • Leave: Leaves as per the rules of the Company. • Company Car and telephone: Use of the Company's Car, and telephone at the residence for official purposes as per rules of the Company. • Other benefits as per rules of the Company

Remuneration of the Directors

The following table set forth the remuneration including the sitting fees and commission paid, as applicable by our Company to the Chairman and Managing Director and the existing executive Directors of our Company for the nine months period ended on December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(₹ in lakhs)

Name of Directors	For the nine months period ended on December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Chandra Kumar Jain *(Chairman and Managing Director)*	225.50	314.97	168.99	162.25
Arushi Jain *(Joint Managing Director)*	63.30	173.94	45.99	42.39
Aditi Pasari *(Joint Managing Director)*	63.50	148.42	42.99	39.39
Ashwani Kumar Vats *(Whole Time Director and CEO)*	79.52	77.70	50.96	35.43
Suresh Kumar Tiwari* *(Whole Time Director)*	-	4.11	34.05	24.70

**Cessation with effect from May 26, 2020*

Remuneration of the non-executive Directors

The following table sets forth the remuneration including the sitting fees and commission paid by our Company to the non-executive Directors including Independent Directors, for the nine months period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(₹ in lakhs)

Name of Directors	For the nine months period ended on December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Akhilesh Kumar Maheshwari	0.23	5.42	3.69	3.46
Jeewan Jyoti Bhagat	0.23	5.42	3.46	3.34
Archana Jain*	0.23	-	-	-
Rakesh Kumar Gupta	0.23	5.42	3.57	3.46
Ajay Jain**	-	0.17	3.69	3.46
Kailash Chandra Gupta***	-	5.42	3.57	3.46

**Appointed with effect from May 22, 2021*
***Cessation with effect from August 21, 2020*
****Cessation with effect from April 2, 2021*

Corporate Governance

Our Board is in compliance with the corporate governance requirements under SEBI LODR Regulations, and under the Companies Act.

The Board of Directors has constituted the following committees: (i) Audit Committee; (ii) Nomination, Remuneration and Compensation Committee; (iii) Stakeholders' Relationship Committee; (iv)Corporate Social Responsibility Committee; and (v) Risk Management Committee. The Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee have been constituted and function in accordance with the relevant provisions of the Companies Act and the SEBI LODR Regulations.

The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Name of the Committee	Members of the Committee
Audit Committee	• Rakesh Kumar Gupta *(Chairperson)*; • Akhilesh Kumar Maheshwari; and • Chandra Kumar Jain
Nomination, Remuneration and Compensation Committee	• Jeewan Jyoti Bhagat *(Chairperson)*; • Akhilesh Kumar Maheshwari; and • Rakesh Kumar Gupta
Stakeholders' Relationship Committee	• Akhilesh Kumar Maheshwari *(Chairperson)*; • Aditi Pasari; and • Jeewan Jyoti Bhagat
Corporate Social Responsibility Committee	• Jeewan Jyoti Bhagat *(Chairperson)*; • Aditi Pasari; and • Arushi Jain
Risk Management Committee	• Arushi Jain *(Chairperson);* • Akhilesh Kumar Maheshwari; and • Ashwani Kumar Vats

Key Managerial Personnel

Brief Profiles of our Key Managerial Personnel

In addition to our Chairman and Managing Director and the Executive Directors, whose details have been provided under the paragraph *"Brief Profiles of our Directors"* on page 127, the details of other Key Managerial Personnel of our Company are as follows:

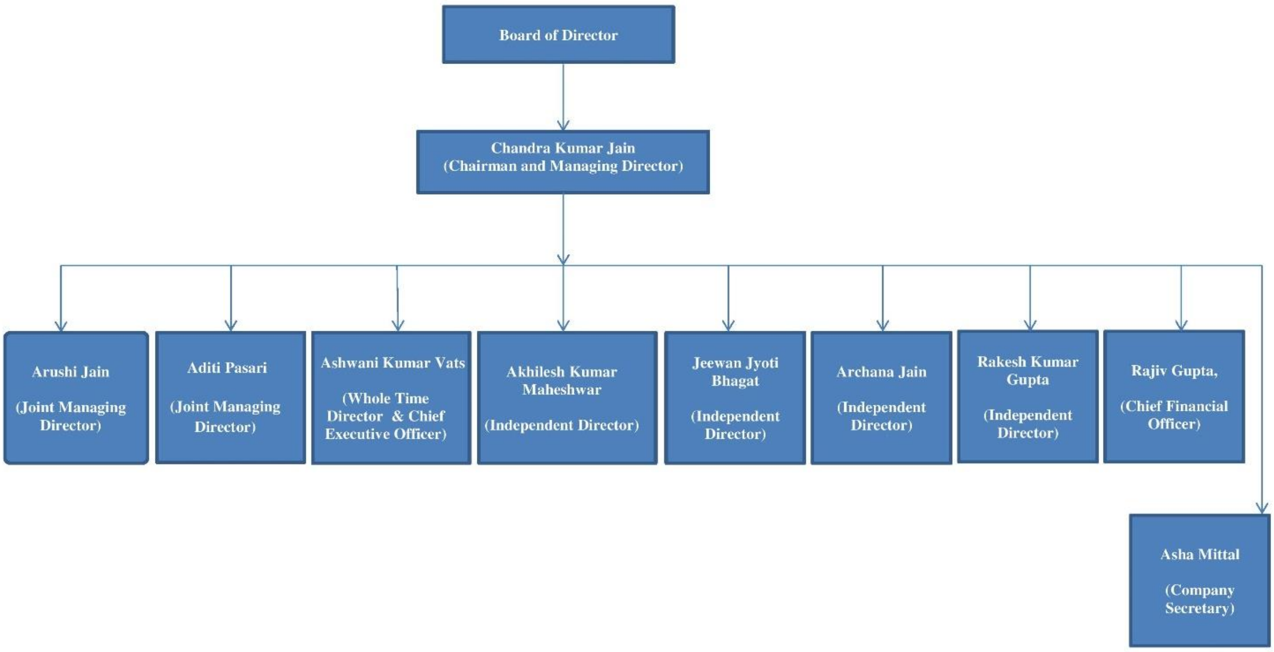
Asha Mittal

Asha Mittal, aged 33 years is the Company Secretary of our Company. She has been designated as the Compliance Officer of our Company for the purposes of SEBI LODR Regulations with effect from February 1, 2021. She is an associate member of the ICSI. She also holds the bachelor's degree in commerce from the University of Delhi and bachelor's degree of Law from Meerut University. She is also a post graduate in commerce from Indira Gandhi National Open University. She has over eight years of core and diversified experience in areas of secretarial, SEBI laws, statutory filings and compliances thereon, managing compliance tools, corporate restructuring, legal and regulatory affairs, across listed companies.

Rajiv Gupta

Rajiv Gupta, aged 59 years is the Chief Financial Officer of our Company with effect from July 10, 2018. He holds the bachelor's degree in commerce from University of Mumbai and is also a fellow member of ICAI. He has 30 years of rich and varied experience in the field of finance, accounts, taxation, corporate laws and governance, spread across office automations, infrastructure, chemicals and pesticides industries.

Management Organisation structure



Interest of our Key Management Personnel

Except as stated below and in "*Related Party Transactions*" on page 66, our Key Management Personnel do not have any other interest in our Company or its business.

For details of interest of Chandra Kumar Jain, Arushi Jain and Aditi Pasari in our Company, see "*Interest of Directors of our Company"* on page 128.

Our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their relatives or the entities in which they are interested as directors or members, in our Company, if any.

There are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Key Management Personnel are interested.

None of the Key Management Personnel has taken any loans from our Company. Further, our Company has not availed any loans from the Key Management Personnel which are currently outstanding.

Shareholding of the Directors

As of the date of this Placement Document, except as stated below, none of the Directors hold any Equity Shares in our Company:

S. no.	Name of the Director	Number of Equity Shares held
1.	Chandra Kumar Jain *(Chairman and Managing Director)*	35,46,990
2.	Arushi Jain *(Joint Managing Director)*	3,80,545
3.	Aditi Pasari *(Joint Managing Director)*	72,599
4.	Ashwani Kumar Vats *(Whole Time Director and Chief Executive Officer)*	55,604
5.	Jeewan Jyoti Bhagat *(Independent Director)*	25,000
6.	Akhilesh Kumar Maheshwari *(Independent Director)*	3,353

Shareholding of the Key Management Personnel

As of the date of this Placement Document, none of the Key Management Personnel hold any Equity Shares in our Company.

Other confirmations

Except as otherwise stated in this Placement Document, none of the Directors, Promoter or any Key Management Personnel have any financial or other material interest in the Issue.

Neither our Company, nor any of our Directors or Promoter have been categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any offence under any order or direction made by SEBI.

Neither our Promoters nor our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoter, Directors and Key Managerial Personnel do not intend to subscribe to the Issue and will not participate in the Issue.

Except as disclosed below, as on the date of this Placement Document, there are no outstanding options granted to our Directors or Key Management Personnel under the GPL ESOS 2018:

S. No.	Name	Number of options granted but not yet vested	Number of options vested but not yet exercised
1.	Ashwani Kumar Vats *(Whole Time Director and Chief Executive Officer)*	10,063	Nil
2.	Asha Mittal *(Company Secretary and Compliance Officer)*	393	Nil
3.	Rajiv Gupta *(Chief Financial Officer)*	1,773	Nil

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

Related Party Transactions

For details of the related party transactions see *"Related Party Transactions"* on page 66.

Employee stock option plan

For the details of options granted under the GPL ESOS 2018, see *"Capital Structure- Employee stock option scheme"* on page 63.

PRINCIPAL SHAREHOLDERS

The shareholding pattern of our Company as of December 31, 2021 is as follows:

(i) Summary statement of the shareholding pattern Specified Securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	7	31998438	0	0	31998438	68.20	31998438	0	31998438	68.20	0	68.20	0	0	0	0	31998438
(B)	Public	26731	14840270	0	0	14840270	31.63	14840270	0	14840270	31.63	0	31.63	0	0	0	0	14030835
(C)	Non Promoter-Non Public	1	78312	0	0	78312	0.17	78312	0	78312	0.17	0	0.17	0	0	0	0	78312
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	1	78312	0	0	78312	0.17	78312	0	78312	0.17	0	0.17	0	0	0	0	78312
	Total	**26739**	**46917020**	**0**	**0**	**46917020**	**100**	**46917020**	**0**	**46917020**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**46107585**

(ii) Statement showing shareholding pattern of the Promoter and Promoter Group

	Category of shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
									Class eg: X	Class eg: Y	Total								
' (1)	**Indian**																		
(a)	Individuals/ Hindu Undivided Family		5	4658371	0	0	4658371	9.93	4658371	0	4658371	9.93	0	9.93	0	0	0	0	4658371
	MRIDULA JAIN		1	460105	0	0	460105	0.98	460105	0	460105	0.98	0	0.98	0	0	0	0	460105
	CHANDRA KUMAR JAIN		1	3546990	0	0	3546990	7.56	3546990	0	3546990	7.56	0	7.56	0	0	0	0	3546990
	ADITI PASARI		1	72599	0	0	72599	0.15	72599	0	72599	0.15	0	0.15	0	0	0	0	72599
	ANUBHA GUPTA		1	198132	0	0	198132	0.42	198132	0	198132	0.42	0	0.42	0	0	0	0	198132
	ARUSHI JAIN		1	380545	0	0	380545	0.81	380545	0	380545	0.81	0	0.81	0	0	0	0	380545

	Category of shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of (A+B+C)							
									Class eg: X	Class eg: Y	Total				No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
(b)	Central Government/ State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Any Other (specify)		2	27340067	0	0	27340067	58.27	27340067	0	27340067	58.27	0	58.27	0	0	0	0	27340067
	i) Bodies Corporate		2	27340067	0	0	27340067	58.27	27340067	0	27340067	58.27	0	58.27	0	0	0	0	27340067
	GULSHAN HOLDINGS PVT LTD		1	26375047	0	0	26375047	56.22	26375047	0	26375047	56.22	0	56.22	0	0	0	0	26375047
	EAST DELHI IMPORTERS & EXPORTERS PRIVATE LIMITED		1	965020	0	0	965020	2.06	965020	0	965020	2.06	0	2.06	0	0	0	0	965020
	Sub-Total (A)(1)		**7**	**31998438**	**0**	**0**	**31998438**	**68.20**	**31998438**	**0**	**31998438**	**68.20**	**0**	**68.20**	**0**	**0**	**0**	**0**	**31998438**
(2)	**Foreign**																		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	i) Bodies Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	TOTAL Shareholding of Promoter and Promoter Group(A) = (1) + (2)		**7**	**31998438**	**0**	**0**	**31998438**	**68.20**	**31998438**	**0**	**31998438**	**68.20**	**0**	**68.20**	**0**	**0**	**0**	**0**	**31998438**

(iii) Statement showing shareholding pattern of the public shareholders

	Category of shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of (A+B+ C)							
									Class eg: X	Class eg: Y	Total				No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
(1)	Institutions																		
(a)	Mutual Funds/ UTI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Category of shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
									Class eg: X	Class eg: Y	Total								
(b)	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investors		8	104019	0	0	104019	0.22	104019	0	104019	0.22	0	0.22	0	0	0	0	104019
(f)	Financial Institutions / Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i)	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)		**8**	**104019**	**0**	**0**	**104019**	**0.22**	**104019**	**0**	**104019**	**0.22**	**0**	**0.22**	**0**	**0**	**0**	**0**	**104019**
(2)	Central Government/ State Government(s)/ President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(3)	**Non-Institutions**																		
(a)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		25773	10488098	0	0	10488098	22.35	10488098	0	10488098	22.35	0	22.35	0	0	0	0	9679993
	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		5	1277212	0	0	1277212	2.72	1277212	0	1277212	2.72	0	2.72	0	0	0	0	1277212
(b)	NBFCs registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)		945	2970941	0	0	2970941	6.33	2970941	0	2970941	6.33	0	6.33	0	0	0	0	2969611
	i) Bodies Corporate		126	1062722	0	0	1062722	2.27	1062722	0	1062722	2.27	0	2.27	0	0	0	0	1061392
	ii) Non Resident Indian (NRI)		381	782337	0	0	782337	1.67	782337	0	782337	1.67	0	1.67	0	0	0	0	782337
	iii) Trust		1	10	0	0	10	0.00	10	0	10	0.00	0	0.00	0	0	0	0	10
	iv)Clearing Member		38	41574	0	0	41574	0.09	41574	0	41574	0.09	0	0.09	0	0	0	0	41574
	v) HUF		398	420253	0	0	420253	0.90	420253	0	420253	0.90	0	0.90	0	0	0	0	420253
	vi) IEPF		1	664045	0	0	664045	1.42	664045	0	664045	1.42	0	1.42	0	0	0	0	664045
	Sub-Total (B)(3)		**26723**	**14736251**	**0**	**0**	**14736251**	**31.41**	**14736251**	**0**	**14736251**	**31.41**	**0**	**31.41**	**0**	**0**	**0**	**0**	**13926816**

	Category of shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
									Class eg: X	Class eg: Y	Total								
	TOTAL Public Shareholding(B) = B(1) + B(2) + B(3)		**26731**	**14840270**	**0**	**0**	**14840270**	**31.63**	**14840270**	**0**	**14840270**	**31.63**	**0**	**31.63**	**0**	**0**	**0**	**0**	**14030835**

(iv) Statement showing shareholding pattern of the non-promoter- non-public shareholders

	Category of shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)	
									Class eg: X	Class eg: Y	Total								
' (1)	**Custodian/DR Holder**																		
(a)	Name of DR Holder (if available)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (C)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
' (2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)		1	78312	0	0	78312	0.17	78312	0	78312	0.17	0	0.17	0	0	0	0	78312
	Sub-Total (C)(2)		**1**	**78312**	**0**	**0**	**78312**	**0.17**	**78312**	**0**	**78312**	**0.17**	**0**	**0.17**	**0**	**0**	**0**	**0**	**78312**
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		**1**	**78312**	**0**	**0**	**78312**	**0.17**	**78312**	**0**	**78312**	**0.17**	**0**	**0.17**	**0**	**0**	**0**	**0**	**78312**

(v) The following table sets forth the details of disclosure made by the trading members holding 1% or more of the total number of shares of our Company as on December 31, 2021:

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of Equity Shares Held	% of total no. of Equity Shares	Date of reporting by the Trading Member
1.	Nil	Nil	Nil	Nil	Nil

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLM. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on page 155 and 163, respectively. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Our Company, the BRLM and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs. The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, and rules thereunder through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act our Company, being, a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the Company have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date for the QIP;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, equity shares of the same class of such Company, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;
- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the Company shall have completed allotments with respect to any earlier offer or invitation made by the Company or shall have withdrawn or abandoned such invitation or offer made by the Company, except as permitted under the Companies Act;
- the Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to limit of 200 persons, Prior to circulating the private placement offer-cum-application (i.e., this Placement Document), the Company shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the Company prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued, and allotment shall be made only in dematerialized form to the allottees; and

- the Promoters and Directors of the Company are not Fugitive Economic Offenders.

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the Company's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated August 17, 2021 and our Shareholders through a special resolution on September 18, 2021, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price. Our Company has offered a discount of 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorized by the board of the Company decides to open the proposed issue and "stock exchange" means any of the recognized stock exchanges in India on which the equity shares of the Company of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP in one or tranches and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

• two, where the issue size is less than or equal to ₹ 25,000 lakhs; and

• five, where the issue size is greater than ₹ 25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process—Application Form*" on page 146.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI LODR Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on August 17, 2021 and our Shareholders in the annual general meeting held on September 18, 2021.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Bid/Issue Opening Date, our Company in consultation with the BRLM have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form and shall circulate serially numbered copies of the Placement Document, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the BRLM. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - equity shares held by the Bidder in our Company prior to the Issue; and

   - it has agreed to certain other representations set forth in the Application Form and this Placement Document.

   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Bidders shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of *"Gulshan Polyols Limited QIP Escrow Account"* with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in *"Refunds"* on page 150.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional

amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

9. Upon receipt of the duly completed Application Form, whether signed or not, and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with BRLM determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and this Placement Document to the Successful Bidders. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

10. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹ 2,500 lakhs;
- provident funds with minimum corpus of ₹ 2,500 lakhs;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e., 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. The existing aggregate investment limit for FPIs in the Company is 100% of the paid-up capital of the Company, on a fully diluted basis.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 155.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Company.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the BRLM and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually

result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document and this Placement Document, the Bidder will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations By Investors*" and "*Selling Restrictions*" on pages 3, 5 and 155, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or members of the Promoter Group or persons related to the Promoter;

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details as "proposed Allottees" in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate.

    Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIITe and the Consolidated FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). Additionally, the Application Form will include details of the relevant Escrow Account into which the Bid Amount will have to be deposited. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and Email	Phone (Telephone)
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower Rahimtullah Sayani Road, Opposite Parel ST Depot Prabhadevi, Mumbai - 400 025, Maharashtra	Subodh Mallya	https://www.motilaloswal.com/ subodh.mallya@motilaloswal.com	+91-22-7193-5300

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of *"Gulshan Polyols Limited QIP Escrow Account"* with the Escrow Agent, in terms of the Escrow Agreement entered among our Company, the BRLM and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in *"Gulshan Polyols Limited QIP Escrow Account"* only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in *"Issue Procedure – Refunds"* on page 150.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price is not less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company has offered a discount of 5% of the Floor Price in accordance with the approval of our Shareholders, accorded through special resolution passed in the annual general meeting held on September 18, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document..

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI LODR Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document, which include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 146 and 150 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful

Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement

The BRLM has entered into the Placement Agreement dated March 21, 2022 with our Company, pursuant to which the BRLM has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Bidder/Eligible QIBs.

The BRLM and their affiliates may engage in transactions with and perform services for our Company and our Subsidiary or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and our Subsidiary or affiliates, for which they would have received compensation and may in the future receive compensation.

In connection with the Issue, the BRLM (or their affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue, and no specific disclosure will be made of such positions. Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. See "*Offshore Derivative Instruments*" and "*Representations by Investors*" on page 11 and 5 respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own accounts, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 11.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company outside the United States, in "offshore transactions", as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

From time to time, the Book Running Lead Manager, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and their respective affiliates and associates.

Lock-up

Our Company undertakes that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the BRLM, directly or indirectly, (i) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise approve the transfer or dispose of, any Equity Shares or any securities convertible into, or exercisable for Equity Shares (including, without limitation, securities convertible into, or exercisable or exchangeable for Equity Shares), or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into, or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (i) or (ii) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (iii) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (iv) publicly announce any intention to enter into any transaction falling within (i) to (iii) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (i) to (iii) above; the foregoing restriction shall not be applicable to any issuance of stock options pursuant to any employee stock option plan of our Company and issuance of Equity Shares of our Company pursuant to exercise of employee stock options issued and any issuance or transfer of shares including the transfer of shares to family trusts by the Promoters pursuant to ongoing scheme of amalgamation of our Company with Gulshan Holdings Private Limited i.e. our Holding Company and East Delhi Importers & Exporters Private Limited.

Lock-up by Promoter

Our Company acknowledges that each Promoter has undertaken that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the BRLM, directly or indirectly: (a) directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, or otherwise transfer or dispose of, any Promoter and Promoter Group shares, including but not limited to any options or warrants to purchase any Promoter and Promoter Group shares, or any securities convertible into or exercisable for, or that represent the right to receive, any Promoter and Promoter Group share; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter and Promoter Group shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Promoter Group shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Promoter and Promoter Group shares or such other securities, in cash or otherwise); or (c) deposit any of the Promoter and Promoter Group shares, or any securities convertible into or exercisable or exchangeable for the Promoter and Promoter Group shares or which carry the rights to subscribe for or purchase the Promoter and Promoter Group shares, with any depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Promoter and Promoter Group shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above, provided, however, that the foregoing restrictions shall not apply to: (i) any sale, transfer or disposition of any of the Promoter and Promoter Group shares by the undersigned with prior notice to the BRLM to the extent such sale, transfer or disposition is required by Applicable Law; (ii) any bona fide pledge or non-disposal undertaking of any of the Promoter and Promoter Group shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, our Company or transfer of any of the Promoter and Promoter Group shares to any third party pursuant to the invocation of any pledge in relation to the Promoter and Promoter Group shares; and (iii) any inter group transfer made to any entities promoted by the Promoter ("**Promoter Group Entities**"), subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors" and "Representations by Investors" on pages 3 and 5, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "*Purchaser Representations and Transfer Restrictions*" on page 163.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document have not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Placement Document, and any offers made under this Placement Document, you represent to the Company and the Book Running Lead Managers that you will not provide this Placement Document or communicate any offers made under this Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act. Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or a Book Running Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares and this Placement Document will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Placement Document or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Equity Shares.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), but only where the offer will be made to, and received by, the relevant BVI company entirely outside of the British Virgin Islands.

Canada

The Equity Shares will not be qualified for sale under the securities laws of any province or territory of Canada. The Equity Shares may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "SIBL"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

The Equity Shares may not be offered or sold directly or indirectly in the People's Republic of China (the "**PRC**") (which, for the sole purpose herein, does not include Hong Kong, Macau or Taiwan). Neither this Placement Document nor any material or information contained or incorporated by reference herein relating to the Equity Shares, which have not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations, may be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Equity Shares in the PRC. The material or information contained or incorporated by reference herein relating to the Equity Shares does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The Equity Shares may only be invested by the PRC investors that are authorised to engage in the purchase of Equity Shares of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from CSRC, the State Administration of Foreign Exchange, the National Development and Reform Commission and/or the Ministry of Commerce, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the Issuer or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

This Placement Document has not been delivered for registration to the registrar of companies in Hong Kong, and its contents have not been reviewed or authorized by any regulatory authority in Hong Kong. Accordingly: (i) the Equity Shares have not been and will not be offered or sold in Hong Kong, by means of any document, other than to persons that are considered "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made thereunder, or in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong and as permitted under the SFO; and (ii) no invitation, advertisement or other document relating to the Equity Shares has been or will be issued (or possessed for the purpose of issue), whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

The contents of this Placement Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Issue. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor", as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (, as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors, as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations. Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Luxembourg

The Equity Shares offered in this Placement Document may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Placement Document is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Equity Shares. Distribution of this Placement Document to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Company, is prohibited.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the Republic of Mauritius is not invited to subscribe for the interests offered hereby. This document relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. The document is for the use only of the named addressee and should not be given or shown to any other person.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Qatar (excluding the Qatar Financial Centre)

This Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar.

The offering, marketing, issue and sale of the Equity Shares and distribution of this Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "QFC"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

i) the offer, transfer, sale, renunciation or delivery is to:
   a) persons whose ordinary business is to deal in securities, as principal or agent;
   b) the South African Public Investment Corporation;
   c) persons or entities regulated by the Reserve Bank of South Africa;
   d) authorised financial service providers under South African law;
   e) financial institutions recognised as such under South African law;
   f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
   g) any combination of the person in (a) to (f); or

ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South

African Companies Act (such persons being referred to as “SA Relevant Persons”). Any investment or investment activity to which this Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority (“**CMA**”) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “UAE”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “SCA”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “Promotion and Introduction Regulations”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural person “Qualified Investors” (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document. In relation to its use in the UAE, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom 206 prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

a. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Managers for any such offer; or

c. in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 **("FSMA"**) provided that no such offer of the Equity Shares shall require the Issuer or any Book Running Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

Each purchaser of the Equity Shares offered and sold in "offshore transactions" as defined in, and reliance on Regulation S will be deemed to have represented and agreed as follows:

a. the purchaser (i) is, and the person, if any, for whose account it is acquiring such Shares is, outside the United States, and (ii) is acquiring the Shares in an "offshore transaction" as defined in Regulation S;
b. the purchaser has not been offered the Shares by means of any "directed selling efforts" as defined in Regulation S;
c. the purchaser is aware that the Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, and, subject to certain exceptions, may not be offered or sold within the United States; and
d. the purchaser acknowledges that the Company, the Book Running Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 163 and each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in "*Purchaser Representations and Transfer Restrictions*" on page 163.

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PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, Bidders are advised to consult legal counsel prior to subscribing for the Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized stock exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 155.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Each purchaser of the Equity Shares in the United States or who is a U.S. person is deemed to have represented, agreed and acknowledged as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

  It acknowledges that our Company, the BRLM, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchange and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of its affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the Stock Exchange in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchange Regulation

Indian Stock Exchange are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018 ("**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of Stock Exchange and clearing corporations in India together with providing for minimum capitalisation requirements for Stock Exchange. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective Stock Exchange, regulate the recognition of Stock Exchange, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the Stock Exchange.

The SEBI is empowered to regulate the Indian securities markets, including Stock Exchange and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognized Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI LODR Regulations. The SCRA empowers the governing body of each recognized stock exchange to, amongst other things, suspend trading of, or withdraw admission to dealings in, a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI LODR Regulations or for any reason, subject to our company receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI LODR Regulations and bye-laws of the Stock Exchange in India, to overrule decisions by the governing body of the Stock Exchange and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum level of public shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed Stock Exchange to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The Stock Exchange in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by Stock Exchange that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier Stock Exchange of India. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI LODR Regulations

Public listed companies are required under the SEBI LODR Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI LODR Regulations. In addition, a listed company is subject to, inter alia, continuing disclosure requirements pursuant to the terms of the SEBI LODR Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia,* impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoter, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹10 lakh over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to the share capital of our Company, including a brief summary of some of the provisions of the Memorandum and Articles of Association, the Companies Act and certain related legislation of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company is ₹ 3,72,500,000 divided into 22,50,00,000 Equity Shares of ₹ 1 each, 2,50,000 Preference Shares of ₹ 10 each and 14,50,000 Preference Shares of ₹ 100 each and the total issued, subscribed and paid up share capital is ₹ 4,69,17,020 divided into 4,69,17,020 Equity Shares of ₹ 1 each. For further details please see the section *"Capital Structure"* on page 62.

Dividend

Under Indian law and Companies Act, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. The Equity Shares issued pursuant to the Issue shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends declared by our Company.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

Capitalization of Reserves and Issue of Bonus Shares

The Board may, before recommending any dividend, set aside out of profit of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the board, be applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such applications, may, at the like discretion, either be employed in the business of the company or be invested in such investments (Other than shares of the company) as the Board may, from time to time, think fit.

As per the Articles of Association, a general meeting may upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undivided profits standing to the credit of reserves or capital redemption reserve account, or in the hands of the Company and available for dividend or representing premium received on issue of shares and standing in the credit of a share premium account, to be distributed among the members on the footing that they become entitled thereto as capital.

Any issue of bonus shares by a listed company would be subject to the guidelines issued by the SEBI. The relevant SEBI guidelines prescribe that no company shall, pending conversion of compulsorily convertible securities, issue any shares by way of bonus unless a similar benefit is extended to the holders of such compulsorily convertible securities, through a proportionate reservation of shares. Further, in order to issue bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption thereof and should have sufficient reason to believe that it has not defaulted in respect of any statutory dues of the employees. The declaration of bonus shares in lieu of a dividend cannot be made. A bonus issue may be made out of free reserves built out of genuine profits or share premium collected in cash and not from reserves created by revaluation of fixed assets.

Pre-emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, 2013, we can increase our share capital by issuing new shares. According to Section 62 of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date, the Board may dispose of the shares offered in respect of which no acceptance has been received in such manner as they think most beneficial to us. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person subject to the provisions of the FEMA, if applicable.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to condition prescribed under the Companies (Share Capital and Debentures) Rules, 2014 and any other conditions as may be prescribed, if a special resolution to that effect is passed by our Company’s shareholders in a general meeting.

The Articles of Association authorise it to increase its authorised capital by issuing new shares, as our Company may determine in a general meeting. Our Company may, by special resolution, also alter its share capital by converting any fully paid up shares into stock and reconverting that stock into fully paid up shares of any denomination.

The Articles of Association provide that our Company, by a special resolution passed at the general meeting, from time to time, may consolidate or sub-divide its share capital and the resolution may provide that holders of shares resulting from such sub-division shall have some special advantage as regards dividend, capital or otherwise as compared with any other shares. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, voting or otherwise, subject to the compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force.

General Meetings of Shareholders

There are two types of general meetings of the shareholders:

AGM; and EGM.

Our Company must hold its AGM within six months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company’s issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Not less than twenty-one days’ notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of special business there shall be annexed to the notice a statement complying with provisions of Act. Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company, and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons.

Due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and SEBI, by way of its Circular No. SEBI/ HO/CFD / CMD1/ CIR/P/2020/79 dated May 12, 2020, has permitted companies to hold meetings, including annual general meetings through video conferencing or other audio visual means, during the calendar year 2020. Pursuant to the General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 and dated December 8, 2021, MCA has permitted companies to hold annual general meetings through video conferencing or other audio visual means till June 30, 2022.

Register of shareholders and record dates

We are obliged to maintain a register of shareholders at our registered office unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the Registered Office is situated or any other place in India in which more than one-tenth of the total shareholders entered in the register of members reside. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In the case of shares held in physical form, transfers of shares are registered on the register of shareholders upon lodgement of the share transfer form duly complete in all respects accompanied by a share certificate or, if there is no certificate, the letter of allotment in respect of shares transferred together with duly stamped transfer forms. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, the register may be closed for periods not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board may deem expedient in accordance with the provisions of the Companies Act, 2013. Under the Listing Agreement of the Stock Exchange on which our Company's outstanding shares are listed, our Company may, upon at least seven working days' advance notice to stock exchange, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Under the Companies Act, 2013, our Company is also required to maintain a register of debenture holders and a register of any other security holders.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote and every person present either as a general proxy on behalf of a holder of equity shares, if he is not entitled to vote in his own right or as a duly authorised representative of a body corporate, shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting or in case of a poll, not less than 24 hours before the time appointed for taking the poll. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. Any shareholder may appoint a proxy. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A proxy may not vote except on a poll and does not have a right to speak at meetings. A shareholder which is a legal entity may appoint an authorized representative who can vote in all respects as if a member both on a show of hands and a poll.

The Companies Act allows our Company to issue shares with differential rights as to dividend, voting or otherwise, subject to certain conditions. In this regard, the law requires that for a company to issue shares with differential voting rights, our Company must have, inter alia, had distributable profits in terms of the Companies Act for the last three financial years and our Company must not have defaulted in filing annual accounts and annual returns for the immediately preceding three financial years.

Transfer of Shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with applicable regulations by SEBI. These regulations provide the regime for the functioning of the depositories and their participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. We have entered into an agreement for such depository services with the National Securities Depository Limited and the Central

Depository Services India Limited. SEBI requires that our shares for trading and settlement purposes be in book entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. We shall keep a book in which every transfer or transmission of shares will be entered.

The securities of our Company are freely transferable, subject to the provisions of the Companies Act. If a public company without sufficient cause refuses to register a transfer of shares within thirty days from the date on which the instrument of transfer or intimation of transmission, as the case may be, is delivered to our Company, the transferee may appeal to our Company Law Board seeking to register the transfer. Our Company Law Board is proposed to be replaced with the National Company Law Tribunal with effect from a date that is yet to be notified.Pursuant to the SEBI LODR Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

A transfer may also be by transmission. Subject to the provisions of the Articles, any person becoming entitled to shares in consequence of the death or insolvency of any member may, upon producing such evidence as may from time to time properly be required by the Board, be registered as a member in respect of such shares, or may, subject to the regulations as to transfer contained in the Articles, transfer such shares. Our Articles of Association provide that our Company shall charge no fee for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or other similar document.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Winding-up

If our Company is to be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors
Gulshan Polyols Limited
Registered Office:
9th K.M., Jansath Road,
Muzaffarnagar - 251001,
Uttar Pradesh, India

Also at:

Corporate Office:
G-81 Preet Vihar,
Delhi - 110092, India
(Hereinafter referred to as the **"Company"**)

Sub: **Statement of possible tax benefits available to Gulshan Polyols Limited and its shareholders under the Indian Tax Laws, prepared in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")**

1. We, M/s. Rajeev Singal & Co., Chartered Accountants, ("**Firm**") (Firm Registration Number: 008692C), Chartered Accountants, the statutory auditors of Gulshan Polyols Limited (the "**Company**") hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible tax benefits under Income-tax Act, 1961 presently in force in India viz. the Income-tax Act, 1961,('Act'), the Income-tax Rules, 1962, ('Rules'), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.

2. The possible tax benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management.We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Companyor the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

3. We do not express any opinion or provide any assurance whether:

   - The Company and its shareholders will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met;
   - The revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or testedthem. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur withthe views expressed herein. Our views are based on the existing tax laws and its interpretation, which are subject to change from time

to time. We do not assume responsibility to update the views consequent to such changes. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

5. This Statement is addressed to Board of Directors and issued at specific request of the Company. This Statement is intended solely for information and for the inclusion in the preliminary placement document and the placement document proposed to be filed by the Company with the National Stock Exchange Limited, BSE Limited and the Securities and Exchange Board of India, in connection with the proposed qualified institutional placement of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **M/s. Rajeev Singal & Co.,**
Chartered Accountants
Firm Registration Number: 008692C
Peer Review Certificate Number: 013485
UDIN: 22408730AFGPPE3024

(SUNIL KUMAR)
Partner
Membership Number: 408730
Date: March 21, 2022
Place: Muzaffarnagar

Encl: Management Annexure detailing Possible Tax benefits

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT

The following benefits are available to the Company after fulfilling conditions as per the applicableprovisions of the Act:

- Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawnfor the same or any other tax year. The Company may claim such beneficial tax rate in future years subject to fulfilling the then prevailing provisions under the Act.

- The Company is eligible to claim an additional deduction of 30 per cent of additional employee cost incurred in the previous year, for three consecutive assessment years. This deduction is subject to the satisfaction of prescribed conditions under section 80JJAA of the Act while computing total income of the Company. The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section115BAA of the Act as discussed above.

POSSIBLE TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

- Section 112A of the Act provides for concessional rate of tax with effect from April 1, 2019 (i.e., Assessment Year 2019-20). Any income, exceeding ₹ 1,00,000 arising from the transferof a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('**STT'**) is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

For Gulshan Polyols Limited

Rajiv Gupta
Chief Financial Officer

Place: New Delhi

Date: March 21, 2022

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are initiated by us and also by suppliers, regulators, and other parties. These legal proceedings are primarily in the nature of tax disputes, labour disputes, criminal complaints, civil suits and petitions pending before the tribunals.

*This section discloses outstanding legal proceedings considered material in accordance with our Company's "Policy for Disclosure of Event or Information and Determination of Materiality" framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Policy of Materiality**"). Additionally, solely for the purpose of the Issue, our Company has also disclosed in this section, (i) all outstanding criminal proceedings involving the Company and Directors; and (ii) all other outstanding litigation involving our Company, where the amount involved in such proceedings does not exceed ₹ 3,656 lakhs (approximately 10 % of the consolidated gross turnover, or exceeds ten per cent of the consolidated net worth; whichever is lower)*

Further, other than as disclosed in this section, (i) there are no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; and (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors or our Promoters shall, unless otherwise decided by our Board, not be considered as litigation until such time that our Company or any of its Directors or Promoters, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

I. Litigation involving our Company

A. Outstanding criminal litigation involving our Company

Criminal proceedings against our Company: NIL

Criminal proceedings by our Company

Our Company, in the ordinary course of business, has filed eight proceedings aggregating to an amount of ₹ 29,93,800 against defaulting customers under section 138 of the Negotiable Instruments Act. Such proceedings are pending before various adjudicating forums.

B. Outstanding civil proceedings involving our Company

Material civil proceedings against our Company: NIL

Material civil proceedings by our Company

Our Company has filed three corporate insolvency resolution proceedings aggregating to an amount of ₹ 35,71,938 against defaulting customers under section 9 of the IBC. Such proceedings are pending before various National Company Law Tribunal. Though, out of the aforesaid three proceedings, our Company has already received the payment from one of defaulting customer, however the matter is presently pending for final order and disposal of the matter.

C. ***Pending Action by statutory or regulatory authorities against our Company***

Our Company has recently been issued a summons in relation to an enquiry conducted by the Directorate General of goods and services tax intelligence. Pursuant to the enquiry proceedings, the Additional Assistant Director of Directorate General of goods and services tax intelligence, Regional Unit Circle, CGO Complex, Indore, Madhya Pradesh issued summons to our Company under section 70 of the CGST Act, 2017 read with section 174 of the CGST Act, 2017 for non/short-payment of GST for the period beginning from July 2017 to December 2021, on January 11, 2022. Our Company was directed to appear in person before the Additional Assistant Director, Regional Unit, Indore. Our Company officials duly appeared as directed under the summons and presented certified copy of ledger, with narrations, in respect of sale of by-products cleared in the name of animal feed supplement/ DDGS/distilled wet grain solubles. The matter is presently pending.

D. ***Tax proceedings involving our Company.***

Tax proceedings against our Company

Nature of Proceeding(s)	Number of Proceeding(s)	Amount Involved (in Rs.)
Direct Tax	1	2,10,576.00
Indirect Tax	5	3,93,59,466.00
Total	**6**	**3,95,70,042.00**

Tax proceedings by our Company: NIL

E. ***Other material outstanding litigation involving our Company***

Other material outstanding litigation against our Company: NIL

Other material outstanding litigation by our Company: NIL

II. ***Outstanding Litigations involving the Directors, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of our Company:*** NIL

IV. ***Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoter during the last three years:*** NIL

V. ***Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years:*** NIL

VI. ***Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company:*** NIL

VII. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of undisputed statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon:*** NIL

VIII. ***Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder:*** NIL

IX. ***Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations:*** NIL

OUR STATUTORY AUDITORS

Rajeev Singal & Co., Chartered Accountants, are Statutory Auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the AGM held on September 9, 2017.

The Audited Financial Statements of our Company as of March 31, 2021, 2020 and 2019, Unaudited Interim Financial Statements for the six months period ended September 30, 2021 and Unaudited limited reviewed interim financial results for the nine months period ended December 31, 2021, included in this Placement Document, have been audited by Rajeev Singal & Co., Chartered Accountants, Independent Auditors, as stated in their reports included in *"Financial Statements"* beginning on page 181, which contain other matters paragraphs that state their reports are based upon reports of other auditors.

GENERAL INFORMATION

1. Our Company was incorporated as *"Gulshan Polyols Limited"* under the provisions of the Companies Act, 1956 on October 20, 2000 as a public company and the certificate of incorporation bearing registration no. 20-25708 of 2000 dated October 20, 2000 and the certificate of commencement of business dated October 24, 2000 was issued by the RoC. Pursuant to the approval of the scheme of arrangement/demerger of GSCL with our Company and Gulshan Chemfill Limited by the Hon'ble High Court at Allahabad vide its order dated February 28, 2001 along with order dated March 27, 2001 and the rectification order dated April 12, 2001, our Company filed listing applications with UPSE and DSE and the Stock Exchange, Mumbai and subsequently the Equity Shares of our Company were listed on UPSE and DSE and the Stock Exchange, Mumbai with effect from May 22, 2001, June 15, 2001 and March 26, 2002, respectively.

   Further, pursuant to the order of the CLB dated December 6, 2001, the registered office of our Company was shifted from the State of Uttar Pradesh to State of Gujarat and a certificate of registration bearing no. L24231GJ2000PLC040379 was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli dated January 22, 2002. In 2004, our Company was delisted from UPSE and DSE. Subsequently, the registered office of our Company was again shifted from the State of Gujarat to the State of Uttar Pradesh pursuant to the CLB Order dated March 14, 2008 and a certificate of registration was issued bearing registration no. L24231UP2000PLC034918 dated March 31, 2008 by the Registrar of Companies, Uttar Pradesh and Uttaranchal.

   In 2008, our Company was amalgamated with GSCL pursuant to the approval of the scheme of arrangement by the Hon'ble High Court at Allahabad vide its order dated September 26, 2008. In 2010, Salil Industries Limited, was merged with our Company pursuant to the approval of the scheme of arrangement by the Hon'ble High Court at Allahabad vide its order dated September 30, 2010. On January 28, 2015, the equity shares of our Company were also listed on NSE.

   Our Company is in the process of amalgamation with our Holding Company and East Delhi Importers & Exporters Private Limited for which an order dated March 9, 2022 has been passed by the NCLT, Allahabad. Once the Scheme of Amalgamation becomes effective, our Holding Company and East Delhi Importers & Exporters Private Limited forming part of the Promoter Group will be merged into our Company.

2. Our Registered Office is situated at 9th K.M., Jansath Road, Muzaffanagar - 251001, Uttar Pradesh, India and the Corporate Office of our Company is situated at G-81, Preet Vihar, New Delhi-110092, India

3. The CIN of our Company is L24231UP2000PLC034918.

4. The authorized share capital of our Company as of the date of this Placement Document is ₹ 372,500,000 divided into 22,50,00,000 Equity Shares of ₹ 1 each, 2,50,000 of 0% Redeemable Preference shares of ₹ 10 each and 14,50,000 of 8% Redeemable Preference Shares of ₹ 100 each and the total issued, subscribed and paid up equity share capital as of the date of this Placement Document is ₹ 46,917,020 divided into 46,917,020 Equity Shares of ₹ 1 each.

5. For the main objects of our Company, please refer to the Memorandum of Association. Copies of the Memorandum of Association and Articles of Association will be available for inspection between 10.00 A.M. and 1.00 P.M. on all working days (excluding Saturdays, Sundays and public holidays) at the Registered and Corporate Office during the Bidding Period.

6. The website of our Company is http://www.gulshanindia.com.

7. The Equity Shares of our Company were listed on BSE on March 26, 2002 and on NSE on January 28, 2015.

8. The Issue has been approved by our Board pursuant to its resolution passed on August 17, 2021 and has been approved by our shareholders in the annual general meeting held on September 18, 2021.

9. Our Company has received in principle approvals each dated March 21, 2022 from BSE and NSE, to list the Equity Shares to be issued pursuant to the Issue under Regulation 28(1) of the SEBI LODR Regulations. We shall apply to the Stock Exchanges for the final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue after Allotment of the Equity Shares in the Issue.

10. Except as disclosed in this Placement Document, there has been no material or adverse change in our Company's financial or trading position since December 31, 2021, the last date of Unaudited Interim Financial Results, which has been included in this Placement Document.

11. Our Company has obtained necessary consents, approvals and authorisations required in connection with the Issue.

12. Except as disclosed in this Placement Document, there are no legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which are, or might be, material in the context of the Issue or could have a material adverse effect on the position, business, operations, prospects or reputation of our Company. For further details, see *"Legal Proceedings*" on page 175.

13. The Floor Price is ₹ 343.66 per Equity Share as calculated in accordance with Regulation 176 of Chapter VI of SEBI ICDR Regulations. Our Company has offered a discount of 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations.

14. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

15. As on the date of this Placement Document, our Company has not made any default in annual filings of the Company under the Companies Act, 2013 and the rules made thereunder.

16. Our Company confirms that it is in compliance with the requirement of minimum public shareholding requirements as required in terms of the SEBI LODR Regulations, SCRA and SCRR.

17. Asha Mittal is the Company Secretary and Compliance Officer of our Company.

    Her details are as follows:

    Asha Mittal
    Company Secretary and Compliance Officer
    G -81, Preet Vihar,
    Delhi- 110092, India
    Telephone: +91-11-49999200
    E-mail: cs@gulshanindia.com

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Company, in consultation with the BRLM, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company is set forth below.

S No.	Name of the proposed Allottee	Percentage of post-Issue paid up Equity Share capital*
1.	Aditya Birla Sun Life Trustee Private Limited	1.74%
2.	Societe Generale – ODI	0.19%
3.	Vikasa India EIF I Fund	0.47%
4.	Saint Capital Fund	0.62%
5.	Geosphere India Fund	0.19%
6.	Quant Mutual Fund	1.49%
7.	Rajasthan Global Securities Private Limited	0.20%
	Total	**4.90%**

** Based on beneficiary position as on March 18, 2022.*

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1	Unaudited limited reviewed interim financial results for the nine months period ended December 31, 2021 along with limited review report issued	F-1 to F-3
2	Unaudited limited reviewed interim financial statements for the six months period ended September 30, 2021 along with limited review report issued	F-4 to F-8
3	Audited financial statements as at and for the year ended March 31, 2021 along with audit report issued	F-9 to F-47
4	Audited financial statements as at and for the year ended March 31, 2020 along with audit report issued	F-48 to F-90
5	Audited financial statements as at and for the year ended March 31, 2019 along with audit report issued	F-91 to F-131

RAJEEV SINGAL & CO.
CHARTERED ACCOUNTANTS

Reg. No. - 008692C
PAN- AAPFR2931N

175, Dwarkapuri, Main Road
Opp. Shiv Mandir First Floor
Muzaffarnagar (U.P.)-251001

singhalrk2012@gmail.com
Office Mob- +91-9568000525
Phn- 0131-2970118

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS

To,
The Board of Directors
Gulshan Polyols Limited

We have reviewed the accompanying statement of Unaudited Financial Results of **Gulshan Polyols Limited for the quarter and nine months ended December 31, 2021**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Rajeev Singal & Co.
Chartered Accountants
(Firm Registration No.: 008692C)

(Rajeev Kumar Singhal)
Partner
Membership No.077834

Place: Delhi
Date: February 4, 2022
UDIN 22077834AAKHQF4697

GULSHAN POLYOLS LIMITED

CIN: L24231UP2000PLC034918

Regd. Off.: 9th K.M., Jansath Road, Muzaffarnagar, U.P. - 251001

Tel. No.:011-49999200, Fax No.: 011-49999202

Statement of Un-Audited Financial Results for the Quarter and Nine Months ended December 31, 2021

(Rs. In Lakhs)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	**Income**						
	a. Revenue from Operations	29,266.10	27,728.36	20,912.89	80,849.97	53,868.90	76,603.44
	b. Other Income	9.79	42.86	13.45	94.06	56.60	187.42
	Total Income	**29,275.89**	**27,771.22**	**20,926.34**	**80,944.03**	**53,925.50**	**76,790.86**
2	**Expenses :**						
	(a) Cost of materials consumed	15,719.28	13,401.95	9,973.49	41,060.69	25,715.74	36,055.47
	(b) Purchases of Stock-in-Trade	272.89	190.94	263.96	571.72	482.38	471.74
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(441.22)	798.48	(622.01)	143.35	176.28	664.69
	(d) Employee benefits expenses	782.43	771.35	648.72	2,375.40	1,654.38	2,860.58
	(e) Finance Cost	160.33	115.90	84.48	358.22	482.83	654.67
	(f) Depreciation and amortization expenses	834.88	800.02	822.84	2,391.40	2,393.45	3,255.37
	(g) Other Expenses	9,411.84	7,857.64	7,013.83	24,156.26	17,056.66	23,478.51
	Total expenses	**26,740.42**	**23,936.28**	**18,185.30**	**71,057.02**	**47,961.72**	**67,441.03**
3	**Profit before tax**	**2,535.47**	**3,834.94**	**2,741.04**	**9,887.01**	**5,963.78**	**9,349.83**
4	**Tax Expense:**						
	Current Tax	658.92	1,005.58	478.92	2,595.59	1,041.99	1,813.17
	Add: MAT Credit Available	-	-	406.47	-	833.88	1,285.05
	Deferred Tax	(36.78)	(18.56)	(4.82)	(88.86)	(3.28)	6.06
	Total Tax Expenses	**622.12**	**987.01**	**880.56**	**2,506.72**	**1,872.60**	**3,104.28**
5	**Net Profit after tax (3-4)**	**1,913.34**	**2,847.93**	**1,860.48**	**7,380.28**	**4,091.19**	**6,245.55**
6	Other Comprehensive (income)/expenses (net of tax)						
	Item that will not to be reclassified to Profit and Loss:						
	(Gain)/loss of defined benefit obligation	5.50	11.60	-	17.10	-	(77.07)
	Income tax relating to items that will not be reclassified to profit or loss	(1.43)	(3.06)	-	(4.49)	-	14.95
	Other Comprehensive (income)/expenses (net of tax)	**4.07**	**8.54**	-	**12.61**	-	**(62.12)**
7	**Total Comprehensive income for the period , Net of Tax (5-6)**	**1,909.27**	**2,839.38**	**1,860.48**	**7,367.67**	**4,091.19**	**6,307.67**
8	**Paid-up equity share capital**	**469.17**	**469.17**	**469.17**	**469.17**	**469.17**	**469.17**
	Face value of the share (Rs.)						
9	Earning per equity share (face value Rs. 1/-each) (in rupees)						
	Basic	**4.08**	**6.07**	**3.97**	**15.73**	**8.72**	**13.31**
	Diluted	**4.08**	**6.07**	**3.97**	**15.73**	**8.72**	**13.31**

S.No	Notes:
1	The above Unaudited financial results have been reviewed and recommended by the Audit committee and approved by the Board of Directors in their respective meetings held on February 4, 2022. These Results have been subjected to Limited Review by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and they have expressed an unmodified opinion on the aforesaid Results
2	The above Financial Results has been prepared in accordance with Indian Accounting Standards ('IND AS') prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other recognised accounting practices and policies to the extent applicable.
3	Figures for the previous period have been regrouped/ rearranged wherever necessary to make them comparable with current figure.
4	Results of Gulshan Polyols Limited for the above mentioned period are available on our website, www.gulshanindia.com and on the Stock Exchange website www.nseindia.com and www.bseindia.com.
5	The Company has filed the second motion application with Hon'ble NCLT for seeking sanction to the Scheme of Amalgamation on September 29, 2021. Thereon, Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench has issued an Order dated November 02, 2021 (received on November 09, 2021) inter-alia for fixing the date of hearing on January 04, 2022 in the matter of second motion petition filed by the Company. However, on January 04, 2022, Hon'ble NCLT lists the matter on February 21, 2022.

GULSHAN POLYOLS LIMITED DELHI

SEGMENT WISE REVENUE,RESULTS,ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31,2021

(Rs in Lakhs)

	Particulars	Unaudited Results for the Quarter ended	Unaudited Results for the Quarter ended	Unaudited Results for the Quarter ended	Unaudited Results for the Nine months ended		Audited Results for the Year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
1	**Segment Revenue (Sales and Other Operating Income)**						
	a) Ethanol(Bio-Fuel)/Distillery	4,838.22	5,240.95	3,657.30	14,478.13	8,644.49	13,269.60
	b) Grain Processing	22,095.57	19,976.44	14,508.09	59,649.79	38,428.97	54,080.63
	c) Mineral Processing	2,332.30	2,510.97	2,747.51	6,703.67	6,779.70	9,237.46
	d) Unallocated	-	-	-	18.38	15.75	15.75
	Total Segment Revenue	29266.10	27,728.36	20912.89	80849.97	53,868.90	76603.43
2	**Segment Results (Profit before tax and Interest)**						
	a) Ethanol(Bio-Fuel)/Distillery	444.49	1,010.45	659.25	2285.39	902.74	1,579.25
	b) Grain Processing	1944.01	2,538.03	1,598.45	6949.06	4,171.57	6631.03
	c) Mineral Processing	274.94	375.72	558.07	898.57	1,348.35	1729.13
	d) Unallocated	32.35	26.64	9.75	112.20	23.96	65.09
	Total Segment Results	2695.79	3,950.84	2825.52	10245.21	6,446.62	10004.50
	Less: Finance Cost	160.33	115.90	84.48	358.22	482.83	654.67
	Total Profit before Tax	2535.47	3,834.94	2741.04	9887.01	5,963.78	9349.83
3	**Segment Assets**						
	a) Ethanol(Bio-Fuel)/Distillery	17828.23	14,950.67	12092.91	17828.23	12,092.91	12810.90
	b) Grain Processing	33861.63	30,071.31	27312.33	33861.63	27,312.33	28242.84
	c) Mineral Processing	5371.76	6,716.36	5725.50	5371.76	5,725.50	6553.61
	d) Unallocated	10594.33	4,376.20	5142.17	10594.33	5,142.17	2041.24
	Total	67655.95	56,114.55	50272.91	67655.95	50,272.91	49648.59
4	**Segment Liabilities**						
	a) Ethanol(Bio-Fuel)/Distillery	2876.40	1,736.02	1321.80	2876.40	1,321.80	1447.27
	b) Grain Processing	14613.25	6,336.15	10393.30	14613.25	10,393.30	5214.88
	c) Mineral Processing	1075.45	1,396.70	1099.67	1075.45	1,099.67	1488.72
	c) Unallocated	5824.76	4,803.53	3,119.39	5824.76	3,119.39	4,942.48
	Total	24389.87	14,272.41	15934.16	24389.87	15,934.16	13093.35

For and on behalf of the Board

(Dr. Chandra Kumar Jain)
Chairman and Managing Director

Date : February 04, 2022
Place : Delhi

GULSHAN POLYOLS LIMITED
DELHI

RAJEEV SINGAL & CO.
CHARTERED ACCOUNTANTS

Reg. No. - 008692C
PAN- AAPFR2931N

175, Dwarkapuri, Main Road
Opp. Shiv Mandir First Floor
Muzaffarnagar (U.P.)-251001

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INDEPENDENT AUDITORS' LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS

To,
The Board of Directors
Gulshan Polyols Limited

We have reviewed the accompanying statement of Unaudited Financial Results of **Gulshan Polyols Limited for the quarter and half year ended September 30, 2021**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Rajeev Singal & Co.
Chartered Accountants
(Firm Registration No.: 008692C)

RAJEEV SINGAL & CO. MUZAFFAR NAGAR (U.P.) R.No.-08692C Chartered Accountants

(CA Sunil Kumar)
Partner
Membership No.408730

Place: Delhi
Date: 9th Nov, 2021
UDIN: **21408730AAAAFU9958**

GULSHAN POLYOLS LIMITED

CIN: L24231UP2000PLC034918
Regd. Off.: 9th K.M., Jansath Road, MuzaffarNagar, U.P. - 251001
Tel. No.:011-49999200, Fax No.: 011-49999202

Statement of Un-Audited Financial Results for the Quarter and Half Year ended September 30, 2021

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
1	**Income**						
	a. Revenue from Operations	27,728.36	23,855.51	20,860.79	51,583.87	32,956.01	76,603.44
	b. Other Income	42.86	41.42	34.81	84.27	43.15	187.42
	Total Income	**27,771.22**	**23,896.93**	**20,895.60**	**51,668.14**	**32,999.16**	**76,790.86**
2	**Expenses :**						
	(a) Cost of materials consumed	13,401.95	11,939.46	10,204.56	25,341.41	15,742.25	36,055.47
	(b) Purchases of Stock-in-Trade	190.94	107.89	177.88	298.82	218.42	471.74
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	798.48	(213.90)	(117.98)	584.57	798.29	664.69
	(d) Employee benefits expenses	771.35	821.62	575.70	1,592.97	1,005.66	2,860.58
	(e) Finance Cost	115.90	81.99	179.76	197.89	398.36	654.67
	(f) Depreciation and amortization expenses	800.02	756.50	815.23	1,556.52	1,570.61	3,255.37
	(g) Other Expenses	7,857.64	6,886.77	6,556.48	14,744.41	10,042.83	23,478.51
	Total expenses	**23,936.28**	**20,380.33**	**18,391.65**	**44,316.60**	**29,776.42**	**67,441.03**
3	**Profit before tax**	**3,834.94**	**3,516.60**	**2,503.96**	**7,351.54**	**3,222.74**	**9,349.83**
4	**Tax Expense:**						
	Current Tax	1,005.58	931.09	437.49	1,936.67	563.08	1,813.17
	Add: MAT Credit Available	-	-	362.22	-	427.41	1,285.05
	Deferred Tax	(18.56)	(33.52)	(8.29)	(52.08)	1.54	6.06
	Total Tax Expenses	**987.01**	**897.57**	**791.42**	**1,884.59**	**992.04**	**3,104.28**
5	**Net Profit after tax (3-4)**	**2,847.93**	**2,619.03**	**1,712.53**	**5,466.95**	**2,230.71**	**6,245.55**
6	Other Comprehensive (income)/expenses (net of tax)						
	Item that will not to be reclassified to Profit and Loss:						
	(Gain)/loss of defined benefit obligation	11.60	-	-	11.60	-	(77.07)
	Income tax relating to items that will not be reclassified to profit or loss	(3.06)	-	-	(3.06)	-	14.95
	Other Comprehensive (income)/expenses (net of tax)	**8.54**	**-**	**-**	**8.54**	**-**	**(62.12)**
7	**Total Comprehensive income for the period , Net of Tax (5-6)**	**2,839.38**	**2,619.03**	**1,712.53**	**5,458.41**	**2,230.71**	**6,307.67**
8	**Paid-up equity share capital**	**469.17**	**469.17**	**469.17**	**469.17**	**469.17**	**469.17**
	Face value of the share (Rs.)						
9	Earning per equity share (face value Rs. 1/-each) (in rupees)						
	Basic	**6.07**	**5.58**	**3.65**	**11.65**	**4.75**	**13.31**
	Diluted	**6.07**	**5.58**	**3.65**	**11.65**	**4.75**	**13.31**

S.No	STATEMENT OF ASSETS AND LIABILITIES		
			(Rs.in Lakhs)
	Particulars	As at 30th Sep 2021	As at 31st Mar 2021
A	ASSETS		
1	**Non-Current Assets**		
	(a) Property, Plant and Equipment	23,959.47	24,083.87
	(b) Capital Work-in-Progress	1,415.16	303.11
	(c) Intangible assets	8.43	8.81
	(d) Financial Assets		
	(i)- Investments	41.95	41.95
	(ii) Loans	554.76	506.93
	(iii) - Other Financial Assets	114.39	192.30
	(e) Other Non-Current Assets	1,425.21	180.08
	Total Non- Current Assets	**27,519.37**	**25,317.05**
2	**Current Assets**		
	(a) Inventories	11,699.68	9,045.07
	(b) Financial Assets		
	(i) Trade Receivables	11,314.97	9,838.15
	(ii) Cash and Cash equivalents	2,454.40	1,787.89
	(iii) Other Bank Balance	324.26	66.95
	(c)Other Current Assets	2,801.87	3,593.48
	Total Current Assets	**28,595.18**	**24,331.54**
	Total Assets (1+2)	**56,114.55**	**49,648.59**
B	EQUITY AND LIABILITIES		
1	**Equity**		
	(a) Equity Share Capital	469.17	469.17
	(b) Other Equity	41,372.97	36,086.07
	Total equity	**41,842.14**	**36,555.24**
2	**Non-Current Liabilities**		
	(a) Financial Liabilities		
	(I) - Borrowings	1,014.00	1,053.00
	(ii) Other Financial liabilities	129.90	133.48
	(b) - Deferred Tax Liabilities (Net)	1,423.83	1,475.91
	Total Non Current Liabilities	**2,567.73**	**2,662.39**
3	**Current Liabilities**		
	(a.)Financial Liabilities		
	(I)- Borrowings	-	-
	(ii)- Trade payables		
	-Outstanding dues of micro and small enterprises	127.52	231.74
	-Outstanding dues of creditors other than above	5,682.91	5,399.04
	(iii) Other Financial Liabilities	1,624.48	752.32
	(b) Other Current Liabilities	1,836.06	1,707.55
	(c.) Provisions	356.61	512.20
	(d.) Liabilities for current Tax (Net)	2,077.09	1,828.11
	Total Current Liabilities	**11,704.68**	**10,430.96**
	TOTAL EQUITY AND LIABILITIES	**56,114.55**	**49,648.59**

S.No	Notes:
1	The above Unaudited financial results have been reviewed and recommended by the Audit committee and approved by the Board of Directors in their respective meetings held on November 9, 2021. These Results have been subjected to Limited Review by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and they have expressed an unmodified opinion on the aforesaid Results .
2	The above Financial Results has been prepared in accordance with Indian Accounting Standards ('IND AS') prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other recognised accounting practices and policies to the extent applicable.
3	Figures for the previous period have been regrouped/ rearranged wherever necessary to make them comparable with current figure.
4	Results of Gulshan Polyols Limited for the above mentioned period are available on our website, www.gulshanindia.com and on the Stock Exchange website www.nseindia.com and www.bseindia.com.
5	The Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench has issued an order dated July 14, 2021 (received on July 15, 2021) ordering meetings of shareholders and creditors of Gulshan Polyols Limited, which were convened on September 18, 2021. The Chairperson for meetings, appointed by the Hon'ble NCLT has reported the result of the meetings on September 24, 2021.The Company along with the Transferor Companies filed a joint petition under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with rules of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 for seeking sanction to the Scheme of Amalgamation executed between the Company, Gulshan Holdings Private Limited (Holding Company), East Delhi Importers & Exporters Private Limited (Group Company) and their respective Shareholders, on September 29, 2021. The listing of the second motion petition is awaited.
6	A wholly owned subsidiary "GULSHAN OVERSEAS FZCO" has been incorporated on September 08, 2021 under Dubai Silicon Oasis Authority, for the purpose of expanding the current business of the Company and exploring the business opportunities globally.
7	The Board of Directors has declared an Interim Dividend of Re. 1/- per equity share of face value of Re. 1/- each (100%) in their meeting held today on November 9, 2021 for FY 2021-22.

GULSHAN POLYOLS LIMITED

Statement of Cash Flow for the Half Year ended September 30, 2021

(Rs.in Lakhs)

	Particulars	Half Year ended 30/09/2021	Year ended 31/03/2021
A.	**Cash flow from operating activities**		
	Profit before Tax	**7,351.54**	**9,349.84**
	Adjustment for :		
	Depreciation and Amortization Expenses	1,556.52	3,255.37
	Dividend income	(0.24)	(0.24)
	Provision/(write back) for doubtful debts and advances (net)	-	98.32
	(Gain) / Loss on disposal of property, plant and equipment	(2.74)	(82.02)
	(Gain) / Loss on disposal of Investment	(62.19)	(13.04)
	Interest income	(7.99)	(65.61)
	Interest expenses	197.89	654.67
	Cash generated from operations before working capital changes	**9,032.80**	**13,197.27**
	Adjustment for :		
	Decrease/(increase) in other assets	709.25	(690.12)
	Decrease/(increase) in trade receivables	(1,476.82)	(1,699.57)
	Decrease/(increase) in inventories	(2,654.61)	(395.01)
	(Decrease)/increase in other current liabilities	(1,567.71)	633.94
	(Decrease)/increase in provisions	(155.59)	331.63
	(Decrease)/increase in trade and other payables	1,048.24	840.82
	Cash generated from operating activities	(4,097.25)	(978.29)
	Direct taxes paid (net of refunds)	(1,390.00)	(1,635.00)
	Cash flows before exceptional items	**3,545.55**	**10,583.97**
	Net Cash flow generated from operating activities (A)	**3,545.55**	**10,583.97**
B.	**Cash Flow from Investing activities (A)**		
	Sale proceeds from property, plant and equipment	4.30	208.40
	Purchase of property, plant and equipment	(2,544.55)	(1,465.30)
	Purchase of intangibles	(0.80)	-
	Net Sale/ Purchase proceeds of from non-current investments and current investments	62.19	13.04
	Interest income	7.99	65.61
	Dividend income	0.24	0.24
	Net Cash Flow Generated from investing activities (B)	**(2,470.64)**	**(1,178.01)**
C.	**Cash flow from Financing activities**		
	Interest expenses	(197.89)	(654.67)
	Repayment of long-term borrowings	(39.00)	(963.47)
	Repayment of short-term borrowings	-	(5,960.93)
	Dividend paid	(171.52)	(281.50)
	Net Cash flow Generated from financing activities (C)	(408.41)	(7,860.57)
	Net increase in cash and cash equivalents (A+B+C)	666.51	1,545.39
	Cash and cash equivalents at the beginning of the year	1,787.89	242.50
	Cash and cash equivalents at year end	2,454.40	1,787.89

Date : November 9, 2021
Place : Delhi

For and on behalf of the Board

(Dr. Chandra Kumar Jain)
Chairman and Managing Director

GULSHAN POLYOLS LIMITED DELHI

SEGMENT WISE REVENUE,RESULTS,ASSETS AND LIABILITIES FOR THE QUARTER ENDED SEPTEMBER 30,2021

(Rs in Lakhs)

	Particulars	Unaudited Results for the Quarter ended	Unaudited Results for the Quarter ended	Unaudited Results for the Quarter ended	Unaudited Results for the Half Year ended		Audited Results for the Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
1	**Segment Revenue (Sales and Other Operating Income)**						
	a) Ethanol(Bio-Fuel)/Distillery	5,240.95	4,398.96	3,787.23	9,639.90	4,987.19	13,269.60
	b) Grain Processing	19,976.44	17,577.78	14,649.21	37,554.21	23,920.88	54,080.63
	c) Mineral Processing	2,510.97	1,860.39	2,424.35	4,371.37	4,032.19	9,237.46
	d) Unallocated	-	18.38	-	18.38	15.75	15.75
	Total Segment Revenue	**27728.36**	**23855.51**	**20860.79**	**51583.86**	**32956.01**	**76603.43**
2	**Segment Results (Profit before tax and Interest)**						
	a) Ethanol(Bio-Fuel)/Distillery	1010.45	830.45	222.10	1840.90	243.49	1,579.25
	b) Grain Processing	2538.03	2,467.02	2,015.89	5005.04	2,573.12	6631.03
	c) Mineral Processing	375.72	247.91	439.23	623.63	790.28	1729.13
	d) Unallocated	26.64	53.21	6.50	79.85	14.20	65.09
	Total Segment Results	**3950.84**	**3598.59**	**2683.72**	**7549.42**	**3621.10**	**10004.50**
	Less: Finance Cost	115.90	81.99	179.76	197.89	398.36	654.67
	Total Profit before Tax	**3834.94**	**3,516.60**	**2503.96**	**7351.53**	**3,222.74**	**9349.83**
3	**Segment Assets**						
	a) Ethanol(Bio-Fuel)/Distillery	14950.67	12,938.23	11651.88	14950.67	11,651.88	12810.90
	b) Grain Processing	30071.31	31,176.89	27594.56	30071.31	27,594.56	28242.84
	c) Mineral Processing	6716.36	6,133.54	5863.98	6716.36	5,863.98	6553.61
	d) Unallocated	4376.20	4,026.44	2033.90	4376.20	2,033.90	2041.24
	Total	**56114.55**	**54275.10**	**47144.33**	**56114.55**	**47144.33**	**49648.59**
4	**Segment Liabilities**						
	a) Ethanol(Bio-Fuel)/Distillery	1736.02	1,198.58	1517.94	1736.02	1,517.94	1447.27
	b) Grain Processing	6336.15	9,040.37	8865.76	6336.15	8,865.76	5214.88
	c) Mineral Processing	1396.70	1,131.09	1805.98	1396.70	1,805.98	1488.72
	d) Unallocated	4803.53	3,730.78	2,194.88	4803.53	2,194.88	4,942.48
	Total	**14272.41**	**15100.82**	**14384.56**	**14272.41**	**14384.56**	**13093.35**

INDEPENDENT AUDITOR'S REPORT

To the Members of ,

Gulshan Polyols Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Gulshan Polyols Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Other Information

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in " **Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating

effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(1) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

(2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .

(3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(4) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Date : May 22, 2021
Place : Delhi
UDIN: 21077834AAAACW6920

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

Annexure A" to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programe of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programe, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.

(vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the Cost Records with a view to determin1e whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

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

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

(viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and there is also no fresh term loan raised during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Date : May 22, 2021
Place : Delhi
UDIN: 21077834AAAACW6920

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

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

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

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

We have audited the internal financial controls with reference to standalone financial statements of **GULSHAN POLYOLS LIMITED** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that ;

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Date : May 22, 2021
Place : Delhi
UDIN: 21077834AAAACW6920

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

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

The accompanying notes form an integral part of the financial statements **1**

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

For and on behalf of the Board of Directors

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

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

ASHA MITTAL
Company Secretary

RAJIV GUPTA
Chief Financial Officer

Date: May 22,2021
Place : Delhi

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

(₹ in Lakhs)

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

The accompanying notes form an integral part of the financial statements **1**

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

For and on behalf of the Board of Directors

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

DR. CHANDRA KUMAR JAIN
Chairman & Managing Director
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ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

ASHA MITTAL
Company Secretary

RAJIV GUPTA
Chief Financial Officer

Date: May 22,2021
Place : Delhi

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

(₹ in Lakhs)

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

Note:

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

The Accompanying notes form an integral part of the financial statements

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

For and on behalf of the Board of Directors

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

DR. CHANDRA KUMAR JAIN
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Whole Time Director and CEO
DIN : 00062413

ASHA MITTAL
Company Secretary

RAJIV GUPTA
Chief Financial Officer

Date: May 22,2021
Place : Delhi

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Opening Balance as at April 01, 2019	**469.17**
Changes during the year	**-**
Closing balance as at March 31, 2020	**469.17**
Change during the year	-
Closing balance as at March 31, 2021	**469.17**

B. Other Equity attributable to the Equity Holders of the Company **(₹ in Lakhs)**

Particulars	RESERVES AND SURPLUS					
	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	Total
Balance as at 1st April 2019	132.35	3,701.57	4,986.24	-	19,765.95	28,586.11
Profit for the year	-	-	-	-	2,058.40	2,058.40
Amount Transfer to General Reserve	-	-	-		-	-
Amount Transfer to Capital Redemption Reserve	-	-	-	50.00	(50.00)	-
Dividend on equity shares	-	-	-	-	(469.17)	(469.17)
Dividend Distribution Tax	-	-	-	-	(96.44)	(96.44)
Other Comprehensive income for the year, net of income tax	-	-	-	-	(19.01)	(19.01)
As at 31st March 2020	**132.35**	**3,701.57**	**4,986.24**	**50.00**	**21,189.74**	**30,059.90**
Balance as at 1st April 2020	132.35	3,701.57	4,986.24	50.00	21,189.74	30,059.90
Profit for the year	-	-	-	-	6,245.55	6,245.55
Amount Transfer to General Reserve	-	-	-		-	-
Dividend on equity shares	-	-	-	-	(281.50)	(281.50)
Dividend Distribution Tax	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	62.12	62.12
As at 31st March, 2021	**132.35**	**3,701.57**	**4,986.24**	**50.00**	**27,215.91**	**36,086.07**

The accompanying notes form an integral part of the financial statements

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

For and on behalf of the Board of Directors

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834
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DR. CHANDRA KUMAR JAIN
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Whole Time Director and CEO
DIN : 00062413

ASHA MITTAL
Company Secretary

RAJIV GUPTA
Chief Financial Officer

Date: May 22,2021
Place : Delhi

1. DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

(i) Corporate Information

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

(ii) Statement of compliance

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

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

1.2 Use of estimates and judgements

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

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

1.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

1.4 Foreign currencies

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

Transactions and balances

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

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

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

1.5 Critical estimates and judgments

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

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

The areas involving critical estimates or judgment are:

- Estimation of Defined benefit obligation
- Estimation of current tax expenses
- Useful life of Property, plant and equipment
- Valuation of Inventory
- Provisions and Accruals
- Contingencies

1.6 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

1.7 Revenue from contracts with customers

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

(i) Sale of goods

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

(ii) Interest income

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

(iii) Dividend

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

(iv) Other Income

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

(v) Export Incentives

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

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

1.8 Taxes

Tax expenses comprise of current and deferred tax:

Current income tax

a. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

a. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

c. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

e. The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period.

f. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

1.9 Earnings per share

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

1.10 Property, Plant and Equipment Recognition and measurement

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

Aftertheinitialrecognitiontheproperty,plantandequipment other than freehold landarecarriedatcostlessaccumulated depreciation and impairment losses. Cost of Self-constructed asset is determined using the same principles as for acquired assets after eliminating the component of internalprofits.

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

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

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

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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

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

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

1.11 Intangible Assets

Acquired intangible assets are initially recognized at cost afterdeductingrefundablepurchasetaxesandincluding the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.

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

The estimated useful lives, residual values and amortization methodarereviewedateachfinancialyearendand the effect of any change is accounted for on prospectivebasis.

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takesasubstantialperiodoftimetogetreadyforitsintended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which theyoccur.Borrowingcostsconsistofinterest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Leases

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

Company as a lessee

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

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

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

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

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

Right-of-use assets

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

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

Lease Liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note 38)

Short-term leases and leases of low-value assets

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

1.14 Inventories

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

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

(i) **Raw Materials, Packing Materials and Stores & Spares:**FIFO basis

(ii) **Finished Goods:** Cost of input plus appropriate overhead.

(iii) **Work in Progress:**Cost of input plus overhead up-to the stage of completion.

(iv) **By- Products:** At net realizable value

(v) **Stock-In-Trade:** FIFO Basis

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

1.15 Impairment of non-financialassets

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

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

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

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

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

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Liabilities

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

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

Contingent Assets

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

1.17 Employee benefits

a. Short Term Employee Benefits:

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

b. Post-Employment Benefits:

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

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

1.18 Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

Where assets that measured at fair value, gains and losses are either recognized entirely in the statement of

profit and loss or recognized in other comprehensive income.

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

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

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

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

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

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is

primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired,or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred

nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

Financial Liabilities:

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables,

net of directly attributable transaction costs.

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

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

Derecognition

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

Offsetting of financial instruments

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

1.19 Cash and cash equivalents

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

2.PROPERTY, PLANT AND EQUIPMENT (₹ in Lakhs)

Particulars	Free hold Land	ROU (Right of Use of Assets)	Building	Plant and Equipment	Office Furniture and Equipment	Vehicle	Total
Gross Block							
Balance as at 1st April 2019	**258.72**	**634.07**	**4,009.60**	**32,601.11**	**187.94**	**437.57**	**38,129.01**
Additions	-	334.80	114.52	1,295.46	21.93	111.89	1,878.60
Disposals	-	-	25.03	65.49	-	21.61	112.13
Balance as at 1st April 2020	**258.72**	**968.87**	**4,099.09**	**33,831.09**	**209.87**	**527.86**	**39,895.49**
Additions	-	232.27	-	933.48	11.53	306.46	1,483.75
Disposals	-	114.06	-	-	-	59.14	173.20
Balance as at 31st March 2021	**258.72**	**1,087.09**	**4,099.09**	**34,764.57**	**221.40**	**775.18**	**41,206.04**
Accumulated Depreciation							
Balance as at 1st April 2019	**-**	**23.94**	**732.81**	**9,796.91**	**77.25**	**206.54**	**10,837.45**
Additions	-	22.41	309.82	2,649.81	32.57	83.42	3,098.04
Disposals	-	-	-	0.43	-	18.36	18.79
Balance as at 1st April 2020	**-**	**46.35**	**1,042.63**	**12,446.30**	**109.82**	**271.60**	**13,916.70**
Additions		28.68	290.36	2,816.16	28.91	88.18	3,252.29
Disposals		-	-	-	-	46.82	46.82
Balance as at 31st March 2021	**-**	**75.03**	**1,332.99**	**15,262.46**	**138.73**	**312.95**	**17,122.17**
Net Block							
Balance as at 31st March 2021	**258.72**	**1,012.06**	**2,766.09**	**19,502.11**	**82.67**	**462.22**	**24,083.87**
Balance as at 31st March 2020	**258.72**	**922.52**	**3,056.46**	**21,384.79**	**100.04**	**256.26**	**25,978.79**
Balance as at 31st March 2019	**258.72**	**610.13**	**3,276.79**	**22,804.20**	**110.69**	**231.03**	**27,291.57**

3. CAPITAL WORK IN PROGRESS (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Work in Progress consist of the following:		
Work in progress	303.11	321.56
Total	**303.11**	**321.56**

4. INTANGIBLE ASSETS (₹ in Lakhs)

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

5. INVESTMENTS (NON- CURRENT) (₹ in Lakhs)

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

6. Loans (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
(Unsecured, Considered good)		
Security Deposits	506.93	459.66
Total	**506.93**	**459.66**

7. Other Financial Assets (Non Current) (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
Bank Deposits with maturity of more than 12 months as Margin Money	192.30	83.69
Total	**192.30**	**83.69**

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

8. OTHER NON-CURRENT ASSETS (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advances	-	15.85
Other Loans & Advances	136.00	127.80
Balance with Government Authorities	-	3.20
Balance with Gratuity fund	44.08	1.50
Total	**180.08**	**148.35**

9. INVENTORIES (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	4,648.21	3,617.19
Work in Progress	749.80	695.18
Finished Goods	1,898.08	2,557.71
Stock in Traded Goods	35.08	94.77
Stores, Spares & Packing	523.24	435.91
Coal, Fuel & Chemicals	1,190.65	1,249.29
Total	**9,045.07**	**8,650.06**

10. TRADE RECEIVABLES (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Un-secured and Considered Good	9,838.15	8,168.58
Considered Doubtful		68.32
Total	**9,838.15**	**8,236.90**

Note: A provision of ₹ 98.31 Lakh on doubtful trade receivable has been made during the year.

11. CASH AND CASH EQUIVALENTS (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash in hand	5.73	6.38
Balance with Banks		
-in Current accounts	1,782.16	236.13
Total	**1,787.89**	**242.51**

12. Other Financial Assets (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unpaid dividend account	66.95	73.41
Total	**66.95**	**73.41**

13. OTHER CURRENT ASSETS (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured and Considered Good		
Advance to Employees	11.19	9.88
Advance to suppliers and service providers	1,350.97	323.63
Advance/Current Taxes	1,761.36	370.66
Balance with Government Authorities	304.03	276.21
Other Advances	165.92	469.12
Total	**3,593.48**	**1,449.50**

14. EQUITY SHARE CAPITAL

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

Terms/rights attached to the Equity Shares

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

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

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

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

(₹ in Lakhs)

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

Terms/rights attached to the Preference Shares

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

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

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

15. OTHER EQUITY

(₹ in Lakhs)

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

Particulars	RESERVES AND SURPLUS Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	Total
Balance as at 31st March, 2019	**132.35**	**3,701.57**	**4,986.24**	**-**	**19,765.95**	**28,586.11**
Profit for the year	-	-	-	-	2,058.40	2,058.40
Amount Transfer to General Reserve	-	-	-	50.00	(50.00)	-
Dividend on equity shares for the year	-	-	-	-	(469.17)	(469.17)
Dividend Distribution Tax	-	-	-	-	(96.44)	(96.44)
Other comprehensive income for the year, net of income tax	-	-	-	-	(19.01)	(19.01)
Balance as at 31st March, 2020	**132.35**	**3,701.57**	**4,986.24**	**50.00**	**21,189.74**	**30,059.90**

16. FINANCIAL LIABILITIES –NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured Loans		
(i) Term Loan from bank measured at Amortised Cost	-	1,000.00
(ii) Long term maturities of Finance Lease obligations/ hire purchase finance	-	133.94
	-	**1,133.94**
Unsecured		
9,75,000, 8% Redeemable Preference shares of ₹ 100 each (refer note below)	1,053.00	975.00
	1,053.00	**975.00**
Total	**1,053.00**	**2,108.94**
(a) Nature of security for secured borrowings are given below:		
(i) Term Loans from Banks	-	2,949.75
The Immovable and Movable Assets of the Unit Located at Boregoan Industrial Area, Distt. Chhindawara (M.P.) and Abu Road, Sirohi, Rajasthan are charged to Citi Bank by way of First charge for External Commercial Borrowings(ECB) of USD 11.60 million.		
The Immovable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and movable assets of Units located at Muzaffarnagar (UP) are charged to The Hongkong & Shanghai Banking Corporation Ltd. by way of First charge on pari-passu with Citi Bank for Term Loan of ₹ 40 crores.		
(ii) Long term maturities of Finance Lease obligations Above loans are secured against vehicles purchased through Banks under hire purchase agreements.	-	133.94
(b) The aggregate amount of loans under each head guaranteed by Directors or others are given below:		
Term Loans from Banks Above term loans are secured by personal guarantee of the Promoter Director. Redeemable Preference Share capital includes interest of ₹ 78 Lacs.	-	2,949.75

17. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease Liabilities	133.48	41.01
Total	**133.48**	**41.01**

18. DEFERRED TAX LIABILITIES (NET) (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Depreciation and amortisation	1,475.91	1,469.85
Mat Receivables	-	(1,446.14)
Total	1,475.91	23.71

19. SHORT TERM BORROWINGS (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured loans		
Working Capital Loan	-	5,960.93
Total	**-**	**5,960.93**

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

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

20. TRADE PAYABLES (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Payables consist of the following:		
- micro, small and medium enterprises (refer note 37)	231.74	229.60
- others	5,399.04	2,658.10
Total	**5,630.78**	**2,887.70**

21. OTHER FINANCIAL LIABILITIES (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued but not due on borrowings	-	7.00
Current maturities of long term debt	-	2,003.59
Unclaimed dividends	66.95	73.41
Capital liabilities	5.00	43.96
Expenses payable	666.99	525.93
Lease Liability	13.37	0.68
Total	**752.31**	**2,654.57**

22. OTHER CURRENT LIABILITIES (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance from Customers	324.15	221.50
Other liabilities	1,383.39	598.52
Total	**1,707.54**	**820.02**

23. PROVISIONS (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Employee Benefits	512.20	180.56
Total	**512.20**	**180.56**

24. REVENUE FROM OPERATIONS (₹ in Lakhs)

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

(A) Revenue from contracts with customers disaggregated based on nature of products or services.		
Revenue from sale of products		
i) Mineral Processing	8,118.46	11,741.33
ii) Grain Processing	53,657.52	47,862.81
iii) Distillery	13,269.61	504.50
Other Operating Revenues		
(i) Export and Other Incentives	204.14	429.63
(ii) Miscellaneous Receipts & claims	60.85	116.35
(iii) Sales- Scrap & Waste Material	153.13	139.78
(iv) Foreign Exchange Fluctuations	83.93	129.97
(v) Lease Rent, Operation & Maintenance Charges	1,055.81	1,155.39
Total	**76,603.45**	**62,079.76**
(B) Revenue from contracts with customers disaggregated based on geography		
Domestic	68,758.38	50,407.21
Export	5,680.61	9,298.38
Total	**74,438.99**	**59,705.59**
(C) Reconciliation of gross revenue with the revenue from contracts with customers		
Gross revenue #	74,482.81	59,753.60
Less: discounts	(43.82)	(48.01)
Total	**74,438.99**	**59,705.59**

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

(D) Receivables, contract assets and contract liabilities from contracts with customers		
Trade receivables*	9,838.15	8,236.90
Contract balances		
– Advances from customers **	(324.15)	(221.50)
Total	**9,514.00**	**8,015.40**

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

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

25. OTHER INCOME **(₹ in Lakhs)**

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

26. COST OF MATERIALS CONSUMED **(₹ in Lakhs)**

Particulars	**For the year ended 31st March, 2021**	**For the year ended 31st March, 2020**
Raw Material	36,055.47	35,496.96
Total	**36,055.47**	**35,496.96**

27. PURCHASE OF GOODS TRADED **(₹ in Lakhs)**

Particulars	**For the year ended 31st March, 2021**	**For the year ended 31st March, 2020**
Purchase of Stock in Trade	471.74	704.73
Total	**471.74**	**704.73**

28. CHANGE IN INVENTORIES (₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Opening inventories		
Traded Goods	94.77	46.64
Work in progress	695.18	640.19
Finished Goods	2,557.71	1,812.45
	3,347.66	**2,499.27**
(b) Less: Closing Inventories		
Traded Goods	35.08	94.77
Work in progress	749.80	695.18
Finished Goods	1,898.08	2,557.71
	2,682.97	**3,347.66**
Total	**664.69**	**(848.38)**

29. EMPLOYEE BENEFITS EXPENSES (₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and Wages	2,579.95	1,963.67
Contribution to Provident and Other Funds	122.76	78.98
Employee Welfare	157.87	125.78
Total	**2,860.58**	**2,168.43**

30. FINANCE COST (₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest & Charges on Bank borrowing for working Capital	408.36	647.27
Interest on Term and Other Loans	168.31	393.58
Interest Expenses recognised on Redeemable Preference Shares	78.00	97.24
Total	**654.67**	**1,138.09**

31. DEPRECIATION AND AMORTIZATION EXPENSES (₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation on Property, Plant and Equipment	3,252.29	3,098.04
Amortisation on Intangible Assets	3.08	3.92
Total	**3,255.37**	**3,101.96**

32. OTHER EXPENSES (₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Process Chemicals & Consumables	5,393.81	3,697.47
Stores, Spare Parts & Packing	2,864.37	2,127.64
Power and Fuel	8,310.81	6,627.94
Repair & Maintenance:		
-Building	4.51	4.50
-Plant & Machinery	1,263.21	647.05
Rates and Taxes	335.99	127.00
Rent	109.55	79.32
Printing and Stationary	26.51	24.26
Advertisement and Publicity	4.83	4.07
Subscription and Membership fees	9.62	10.72
Travelling Expenses	114.06	177.18
Legal and Professional Expenses	216.54	218.60
Payment to Auditors*	8.00	6.25
Communication Charges	46.73	56.01
Repair and Maintenance	50.18	47.31
Insurance	92.28	82.33
Donation	0.63	1.67
Corporate Social Responsibility expenses**	218.09	37.46
Miscellaneous Expenses	17.95	9.19
Allowance for Doubtful trade receivables	98.32	-
Commission & Discount	125.38	133.92
Freight and Forwarding Expenses	4,099.14	3,489.27
Others	68.00	61.34
Total	**23,478.51**	**17,670.48**

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

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

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

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

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

i) Defined Contribution Plan

Employers' contribution towards provident fund amounting to INR 36.73 Lakhs (Previous year INR 39.13 Lakhs) is recognized as an expense and included in Employee Benefit expenses Note No 29.

ii) Defined Benefit Plan

Gratuity

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

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

Expected contributions to gratuity plans for the year 2021-22 are INR 32.47 Lakhs

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

A

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

(₹ in Lakhs)

B

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

C (₹ in Lakhs)

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

D (₹ in Lakhs)

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

E Plan Assets

Plan Assets comprise of the following:

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

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

F

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

****** The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.42 years (31st March 2020: 9 years).

G Sensitivity Analysis (₹ in Lakhs)

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

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

H Risk Exposure

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

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

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

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

I Maturity profile of defined benefit obligation **(₹ in lakhs)**

Actuarial Assumptions	Gratuity (Funded)	
	31st March 2021	31st March 2020
Year 1	24.47	39.89
Years 2-5	67.34	90.07
Years 6-10	81.86	150.65
Beyond 10	134.74	441.29

34. INCOME TAX

A. Amounts recognised in profit or loss **(₹ in lakhs)**

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

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

B Movement in deferred tax balances **(₹ in lakhs)**

Particulars	As at 31st March 2020	Recognized in P&L	Recognized in OCI	As at 31st March 2021
Deferred Tax Assets				
MAT Receivable	1,446.14	(1,446.14)	-	-
Total Deferred Tax Assets	**1,446.14**	**(1,446.14)**	**-**	**-**

(₹ in lakhs)

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

35. Financial instruments and risk management

I. Financial instruments by category

(₹ in Lakhs)

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

II. Fair value hierarchy

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

(₹ in Lakhs)

As at 31 March 2021	Note No	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	41.95	41.95
Total financial assets		**-**	**-**	**41.95**	**41.95**

(₹ in Lakhs)

As at 31 March 2020	Note No	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	41.95	41.95
Total financial assets		**-**	**-**	**41.95**	**41.95**

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

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

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

Notes:

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

b. The fair value of financial assets and liabilities approximate their carrying amount measured under Level III hierarchy.

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

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

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

Reconciliation of Level 3 fair value measurement **(₹ in Lakhs)**

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

III. Financial risk management

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

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

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

i. Credit risk

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

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

Expected credit loss for trade receivables under simplified approach

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

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

Reconciliation of loss allowance provision – Trade and other receivables **(₹ in Lakhs)**

Particulars	**31st March 2021**	**31st March 2020**
Opening balance	0.00	48.69
Provision made during the year	98.31	-
Trade receivables written off during the year	-	(48.69)
Provision reversed during the year / collection	-	-
Closing balance	**98.31**	**0.00**

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

Concentration of significant credit risk

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

ii. Liquidity risk

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

(₹ in Lakhs)

Particulars	**Contractual cash flows**			
	31st March 2021	**< 1 year**	**2 to 5 Years**	**5 years <**
Non-derivative financial liabilities				
Borrowings (Long Term)	1,053.00	78.00	975.00	-
Trade Payables	5,630.78	5,630.78	-	-
Other financial liabilities	885.80	752.32	36.81	96.67
Total non-derivative liabilities	**7,569.58**	**6,461.10**	**1,011.81**	**96.67**

(₹ in Lakhs)

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

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the approved foreign currency risk management policy. The Company enters into forward foreign exchange contracts to mitigate the foreign currency risk. The carrying amounts of the company's foreign exchange monetary items as at the end of reporting period are as follows:

(₹ in Lakhs)

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

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

Sensitivity analysis

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

(₹ in Lakhs)

Particulars	Profit or loss	
	Strong	**Weak**
31st March 2021		
USD (10% movement)	88.20	(88.20)
31st March 2020		
USD (10% movement)	98.46	(98.46)

b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Any rise in market rate of interest effective effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analyzed for mitigation measure.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management is as follows.

(₹ in Lakhs)

Particulars	Nominal Amount	
	31st March 2021	**31st March 2020**
Financial Assets/Liabilities		
Variable-rate instruments		
Long term borrowings	-	1,133.94
Short Term Borrowings	-	5,960.93
Fixed-rate instruments		
Long Term Borrowings	1,053.00	975.00

(Profit) or loss **(₹ in Lakhs)**

Particulars	50 bp increase	50 bp decrease
31st March 2021		
Variable-rate instruments	-	-
31st March 2020		
Variable-rate instruments	44.03	(44.03)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

c. Fiscal Risk

The company does not foresee any material fiscal risk pertaining to its overseas transactions with related parties in respect of which its application for advance pricing agreement is pending before fiscal authorities for years even though authorities make any upward revision of prices. Though overseas transactions with related parties for many years are conducted as per application made for advance pricing agreement, impact of any upward revision of prices of any of the items of out- put is unlikely to give rise to any additional financial liability considering huge carry forward loss and unabsorbed depreciation as per company's income tax return.

36 Capital Management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

(₹ in Lakhs)

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

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 2020.

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

(₹ in Lakhs)

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

38. Leases

Company as a lessee

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

(₹ in lakhs)

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

(₹ in lakhs)

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

(₹ in lakhs)

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

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

(₹ in lakhs)

Particulars	Amount
Not later than one year	13.37
Later than one year and not later than five years	53.50
Later than five years	400.82
The Company has incurred ₹ NIL for the period ended March 31, 2021 towards expense relating to short-term leases which has not been considered to be recorded as lease liability.	
Company as a lessor	
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising, is accounted for on a straight-line basis over the lease terms.	

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

A. Raw Materials Consumed:

(₹ in lakhs)

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

B. Traded Goods

(₹ in lakhs)

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

C. Manufactured Goods

(₹ in lakhs)

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

40 IMPORTS

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

(₹ in lakhs)

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

B. Expenditure in foreign currency during the year:

(₹ in lakhs)

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

C. Earnings in Foreign Exchange:

(₹ in lakhs)

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

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

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

41. Contingent Liabilities in respect of:

i) Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC)for ₹ 7.39 Lakhs (Previous year ₹ 7.39 Lakhs) on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the Company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units.

ii) Bank guarantees of ₹ 715.38 Lakhs (Previous Year 884.95 Lakhs) includes Financial and Performance guarantees issued in favour of Statutory Authorities, PSU, Government bodies and Corporates.

iii) Estimated amounts of contracts remaining to be executed on capital account and not provided for ₹ 6252.25 Lakhs (Previous year ₹ 71.04 Lakhs).

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

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

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

(i) Holding Company : Gulshan Holding Pvt. Ltd.

(ii) Subsidiary Company : Nil

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

(i) Joint Ventures etc. : Nil

(ii) Key Management Personnel : Dr. Chandra Kumar Jain, Managing Director

Mrs. Arushi Jain, Whole Time Director

Mrs. Aditi Pasari, Whole Time Director

Mr. Ashwani Kumar Vats, CEO & Whole Time Director

Mr. Rajiv Gupta, CFO

Ms. Asha Mittal, CS

(iii) Relative of KMP : Mrs. Mridula Jain

(iv) Corporate entities over which key Management personnel are able to exercise significant influence:

Gulshan Lamee Pack Pvt. Ltd, Gulshan Specialty Minerals Private Limited, Gulshan Sugar & Chemicals Ltd., Reliance Expovision Pvt Ltd., East Delhi Importers & Exporters Pvt Ltd., ARP Developers Pvt Ltd., Oye Oye.com Online Services India LLP., Houzilla Interiors Pvt Ltd.

(v) Transactions with related parties of the period 01.04.2020 to 31.03.2021

(₹ in lakhs)

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

43. Earning Per Share

(₹ in lakhs)

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

44. Information on segment reporting pursuant to Ind AS 108 – Operating Segments:

- Mineral Processing
- Grain Processing
- Distillery

Identification of Segments:

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as Un-allocable expenditure (net of un-allocable income).

Segment assets and liabilities:

Assets used by the operating segment mainly consist of Property, Plant and Equipment, Trade Receivables, Cash and Cash Equivalents and Inventories. Segment Liabilities include Trade Payables and Other Liabilities. Common Assets and Liabilities which cannot be allocated to any of the segments are shown as a part of Un-allocable Assets/ Liabilities.

(₹ in Lakhs)

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

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

Other Information

	Mineral Processing		Grain Processing		Distillery		Others		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Segment Assets	6,553.61	6,261.31	28,242.84	27,667.77	12,810.90	10,838.44	-	-	47,607.35	44,767.52
Unallocated Assets	-	-	-	-	-	-	2,041.24	930.74	2,041.24	930.74
TOTAL ASSETS	**6,553.61**	**6,261.31**	**28,242.84**	**27,667.77**	**12,810.90**	**10,838.44**	**2,041.24**	**930.74**	**49,648.59**	**45,698.26**
Segment Liabilities	1,488.72	941.93	5,214.88	13,417.96	1,447.27	1,264.22	-	-	8,150.88	15,624.11
Unallocated Liabilities & Provisions	-	-	-	-	-	-	4,942.48	(454.93)	4,942.48	(454.93)
TOTAL LIABILITIES	**1,488.72**	**941.93**	**5,214.88**	**13,417.96**	**1,447.27**	**1,264.22**	**4,942.48**	**(454.93)**	**13,093.35**	**15,169.19**

45. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46. Standards issued but not yet effective

Since there were no standard issued but not yet effective at the time of preparing the financial statements, hence the disclosure is not applicable.

47. The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Company's operations were also severely affected due to interruption in production, supply chain disruption, unavailability of personnel, etc. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realizable to the extent shown in the financial results.

The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor the development.

The accompanying notes form an integral part of the financial statements

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

For and on behalf of the Board of Directors

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

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

ASHA MITTAL
Company Secretary

RAJIV GUPTA
Chief Financial Officer

Date: May 22,2021
Place : Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of ,

Gulshan Polyols Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Other Information

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(1) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

(2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .

3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(4) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

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

Date : 26th May, 2020
Place : Delhi

Annexure A" to the Independent Auditors' Report

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programe of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programe, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.

(vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the Cost Records with a view to determin1e whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

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

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

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

(viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) further only a term loan of Rs. 30 lacs from GMUCB as a vehicle Loan raised during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

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

Date : 26th May, 2020
Place : Delhi

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

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

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

We have audited the internal financial controls with reference to standalone financial statements of **GULSHAN POLYOLS LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that ;

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

Date : 26th May, 2020
Place : Delhi

BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lakhs)

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

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

For and on behalf of the Board of Directors

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

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

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

(₹ in Lakhs)

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

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

For and on behalf of the Board of Directors

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

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

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

(₹ in Lakhs)

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

Note:

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

The Accompanying notes form an integral part of the financial statements

As per our report of even date

For RAJEEV SINGAL & CO.
Chartered Accountants
(Registration No.008692C)

For and on behalf of the Board of Directors

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

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

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

(₹ in Lakhs)

Particulars		RESERVES AND SURPLUS					
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earning	Total
Balance as at 1st April 2019	469.17	132.35	3,701.57	4,986.24	-	19,765.95	29,055.28
Profit for the year	-	-	-	-	-	2,058.40	2,058.40
Amount Transfer to General Reserve	-	-	-	-		-	-
Amount Transfer to Capital Redemption Reserve	-	-	-	-	50.00	(50.00)	
Dividend on equity shares	-	-	-	-	-	(469.17)	(469.17)
Dividend Distribution Tax	-	-	-	-	-	(96.44)	(96.44)
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	(19.01)	(19.01)
As at 31st March 2020	469.17	132.35	3,701.57	4,986.24	50.00	21,189.73	**30,529.06**

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

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

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

For and on behalf of the Board of Directors

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

(i) Corporate Information

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

(ii) Statement of compliance

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

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

1.2 Use of estimates and judgements

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

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

1.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

1.4 Foreign currencies

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

Transactions and balances

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

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

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

1.5 Critical estimates and judgments

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

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

The areas involving critical estimates or judgment are:

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

1.6 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

1.7 Revenue from contracts with customers

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

(i) Sale of goods

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

(ii) Interest income

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

(iii) Dividend

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

(iv) Other Income

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

(v) Export Incentives

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

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

1.8 Taxes

Tax expenses comprise of current and deferred tax:

Current income tax

a. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

a. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

c. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

e. The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period.

f. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

1.9 Earnings per share

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

1.10 Property, Plant and Equipment Recognition and measurement

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

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

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

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

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

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

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

1.11 Intangible Assets

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

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

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

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Leases

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

Company as a lessee

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

Right-of-use assets

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

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

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

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

Company as a lessor

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

1.14 Inventories

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

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

(i) Raw Materials, Packing Materials and Stores & Spares: FIFO basis

(ii) Finished Goods: Cost of input plus appropriate overhead.

(iii) Work in Progress: Cost of input plus overhead up-to the stage of completion.

(iv) By- Products: At net realizable value

(v) Stock-In-Trade: FIFO Basis

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

1.15 Impairment of non-financial assets

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

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

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

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

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Liabilities

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

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

Contingent Assets

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

1.17 Employee benefits

a. Short Term Employee Benefits:

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

b. Post-Employment Benefits:

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

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

1.18 Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

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

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

• Business Model Test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.

• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

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

• Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

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

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

Derecognition of financial assets

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

• The rights to receive cash flows from the asset have expired, or

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

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

Impairment of financial assets

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

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

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

Financial Liabilities:

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

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

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

Derecognition

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

Offsetting of financial instruments

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

1.19 Cash and cash equivalents

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

2.PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

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

(₹ in Lakhs)

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

3. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

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

4. INTANGIBLE ASSETS (₹ in Lakhs)

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

INTANGIBLE ASSETS (₹ in Lakhs)

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

5. INVESTMENTS (₹ in Lakhs)

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

6. OTHER FINANCIAL ASSETS (₹ in Lakhs)

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

7. DEFERRED TAX ASSETS (NET) (₹ in Lakhs)

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

8. OTHER NON-CURRENT ASSETS (₹ in Lakhs)

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

9. INVENTORIES (₹ in Lakhs)

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

10. TRADE RECEIVABLES (₹ in Lakhs)

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

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

11. CASH AND CASH EQUIVALENTS (₹ in Lakhs)

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

12. BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS (₹ in Lakhs)

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

13. OTHER CURRENT ASSETS (₹ in Lakhs)

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

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

14. EQUITY SHARE CAPITAL (₹ in Lakhs)

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

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

(₹ in Lakhs)

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

Terms/rights attached to the Equity Shares

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

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

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

15. OTHER EQUITY

(₹ in Lakhs)

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

(₹ in Lakhs)

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

16. FINANCIAL LIABILITIES –NON CURRENT BORROWINGS

(₹ in Lakhs)

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

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

17. DEFERRED TAX LIABILITIES (NET) (₹ in Lakhs)

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

18. SHORT TERM BORROWINGS (₹ in Lakhs)

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

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

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

19. TRADE PAYABLES (₹ in Lakhs)

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

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

20. OTHER FINANCIAL LIABILITIES (₹ in Lakhs)

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

21. OTHER CURRENT LIABILITIES (₹ in Lakhs)

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

22. PROVISIONS (₹ in Lakhs)

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

23. REVENUE FROM OPERATIONS (₹ in Lakhs)

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

24. OTHER INCOME (₹ in Lakhs)

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

25. COST OF MATERIALS CONSUMED (₹ in Lakhs)

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

26. PURCHASE OF GOODS TRADED (₹ in Lakhs)

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

27. CHANGE IN INVENTORIES (₹ in Lakhs)

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

28. EMPLOYEE BENEFITS EXPENSES (₹ in Lakhs)

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

29. FINANCE COST (₹ in Lakhs)

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

30. DEPRECIATION AND AMORTIZATION EXPENSES (₹ in Lakhs)

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

31. OTHER EXPENSES (₹ in Lakhs)

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

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

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

(₹ in Lakhs)

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

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

i) Defined Contribution Plan

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

ii) Defined Benefit Plan

Gratuity

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

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

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

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

A

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

B

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

C

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

D

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

E Plan Assets

Plan Assets comprise of the following: **(Rs in lakhs)**

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

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

F

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

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

G Sensitivity Analysis

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

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

H Risk Exposure

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

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

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

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

I Maturity profile of defined benefit obligation **(₹ in Lakhs)**

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

33 INCOME TAX

A. Amounts recognised in profit or loss

(₹ in Lakhs)

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

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

B Movement in deferred tax balances

(₹ in Lakhs)

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

34 Financial instruments and risk management

I. Financial instruments by category

(₹ in Lakhs)

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

II. Fair value hierarchy

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

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

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

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

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

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

Note:

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

b. The fair value of financial assets and liabilities approximate their carrying amount measured under Level III hierarchy.

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

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

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

Reconciliation of Level 3 fair value measurement (₹ in Lakhs)

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

III. Financial risk management

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

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

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

i. Credit risk

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

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

Reconciliation of loss allowance provision – Trade and other receivables (₹ in Lakhs)

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

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

Concentration of significant credit risk

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

ii. Liquidity risk

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

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

(₹ in Lakhs)

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

Particulars	Contractual cash flows			
	31st March 2019	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	4,081.77	-	4,081.77	-
Borrowings (Short Term)	7,459.27	7,459.27	-	-
Trade Payables	2,096.45	2,096.45	-	-
Other current financial liabilities	3,835.87	3,835.87	-	-
Total non-derivative liabilities	**17,473.36**	**13,391.59**	**4,081.77**	**-**

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the approved foreign currency risk management policy. The Company enters into forward foreign exchange contracts to mitigate the foreign currency risk. The carrying amounts of the company's foreign exchange monetary items as at the end of reporting period are as follows:

Particulars	As at 31st March 2020	Conversion rates	As at 31st March 2019	Conversion rates
Transaction currency	**USD**		**USD**	
--> Financial assets				
Trade receivables	13.06	75.39	16.80	69.17
Financial liabilities				
Borrowings	14.50	65.50	43.50	65.50
Net statement of financial position Exposure	**(1.44)**		**(26.70)**	

Note: The above-mentioned secured borrowings are hedged to protect against foreign currency fluctuation risk through forward exchange forward contract. All other foreign currency assets and liabilities are not hedged as at the year end.

Sensitivity analysis

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

(₹ in Lakhs**)**

Particulars	Profit or loss	
	Strong	**Weak**
31st March 2020		
USD (10% movement)	0.16	(0.13)
31st March 2019		
USD (10% movement)	2.97	(2.43)

b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Any rise in market rate of interest effective effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analysed for mitigation measure.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management is as follows.

Particulars	Nominal Amount	
	31st March 2020	**31st March 2019**
Financial Assets/Liabilities		
Variable-rate instruments		
Long term borrowings	1,133.94	3,056.77
Short Term Borrowings	5,960.93	7459.27
Fixed-rate instruments		
Long Term Borrowings	1,016.01	1025.00

(Profit) or loss

Particulars	50 bp increase	50 bp decrease
31st March 2020		
Variable-rate instruments	44.03	(44.03)
31st March 2019		
Variable-rate instruments	22.63	(22.63)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

c. Security price risk

Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended 31st March 2020 would increase / decrease by INR Nil (for the year ended 31st March 2019: increase / decrease by INR 2.33 lacs) as a result of the change in fair value of equity investment measured at FVTOCI.

d. Fiscal Risk

The company does not foresee any material fiscal risk pertaining to its overseas transactions with related parties in respect of which its application for advance pricing agreement is pending before fiscal authorities for years even though authorities make any upward revision of prices. Though overseas transactions with related parties for many years are conducted as per application made for advance pricing agreement, impact of any upward revision of prices of any of the items of out- put is unlikely to give rise to any additional financial liability considering huge carry forward loss and unabsorbed depreciation as per company's income tax return.

35 Capital Management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Interest-bearing loans and borrowings (Note No 16 & 18)	8,110.88	11,541.04
Trade and other payables (Note 19, 20 & 21)	6,362.30	6,869.89
Less: cash and short-term deposits (Note 11 & 12)	315.92	2,575.61
Net debt	**14,157.26**	**15,835.32**
Reserve & Surplus (Note 15)	30,059.90	28,586.11
Equity (Note 14)	469.17	469.17
Total Capital	**30,529.07**	**29,055.28**
Capital and net debt	44,686.33	44,890.60
Gearing ratio	**31.68%**	**35.28%**

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 2019.

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

A. Raw Materials Consumed: (₹ in Lakhs)

Products	2019-20	2018-19
Rice	4,670.12	4,975.16
Corn/Starch	27,083.61	26,627.01
Lime & Lime Stone	2,238.14	3,220.04
Capital Goods	1,505.10	0.00
TOTAL	**35,496.97**	**34,822.21**

B. Traded Goods (₹ in Lakhs)

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Calcium Carbonate	704.73	1,320.16	1,112.89	1,992.77	46.64	71.46	94.77	46.64
TOTAL	**704.73**	1,320.16	**1,112.89**	1,992.77	**46.64**	71.46	**94.77**	46.64

C. Manufactured Goods (₹ in Lakhs)

Products	Sales		Opening Stock		Closing Stock	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1.Sorbitol & Sweetner	**20,967.86**	23,332.04	**362.47**	430.09	**535.00**	362.47
2. Fructose	**7,551.74**	4,822.00	**240.05**	286.66	**310.65**	240.05
3. Starch	**10,710.13**	13,666.54	**277.57**	-	**810.01**	277.57
4. Calcium Carbonate	**7,976.40**	9,266.11	**449.71**	219.12	**275.14**	449.71
5. By Products	**8,685.87**	10,247.12	**136.96**	234.05	**388.47**	136.96
6. Liquor-IMFL	**451.71**	2,554.28	**345.69**	555.37	**238.44**	345.69
7. Capital Goods	**2,652.05**	-	**-**	-	**-**	-
TOTAL	**58,995.76**	63,888.09	**1,812.45**	1,725.29	**2,557.71**	1,812.45

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

(₹ in Lakhs)

Particulars	2019-20	2018-19
Raw Materials, Stores and Components	**2,193.22**	193.51
Capital Goods	**435.49**	54.84

B. Expenditure in foreign currency during the year: (₹ in Lakhs)

Particulars	2019-20	2018-19
Interest	**159.34**	159.07
Commission	**27.43**	53.68
Travelling	**31.02**	26.27
Technical Service Expenses	**77.09**	20.78
Legal & Professional Fee	**5.82**	2.55

C. Earnings in Foreign Exchange: (₹ in Lakhs)

Particulars	2018-19	2018-19
Export of Goods on F.O.B. basis	**9,298.38**	8,577.06

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

Particulars	Value (₹ in Lakhs)			
	2019-20	2018-19	2019-20	2018-19
Raw Materials:				
Imported	**1,302.46**	140.47	**3.67%**	0.40%
Indigenous	**34,194.51**	34,681.74	**96.33%**	99.60%
	35,496.97	**34,822.21**	**100.00%**	**100.00%**
Coal and Fuel:				
Imported	**-**	-	**-**	-
Indigenous	**3,729.64**	5,011.89	**100.00%**	100.00%
	3,729.64	**5,011.89**	**100.00%**	100.00%
Stores and Spares:				
Imported	**112.88**	53.04	**56.17%**	17.43%
Indigenous	**88.08**	251.32	**43.83%**	82.57%
	200.96	**304.36**	**100.00%**	**100.00%**

38. Contingent Liabilities in respect of:

i) Corporate Guarantee (in the form of Counter Guarantee) extended to Gujarat Industrial Development Corporation (GIDC)for Rs.7.39 Lakhs (Previous year Rs.7.39 Lakhs) on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the company extended to GIDC by Industrial Development Finance Corporation(IDFC) for laying the common pipe line for treated water from industrial units.

ii) Bank Guarantees for Rs.884.95 Lakhs (Previous Year 614.34 Lakhs) in favour of Government Departments and performance Bank Guarantee.

iii) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.71.04 Lakhs (Previous year Rs.114.10 Lakhs).

39. Disclosure of Related Party transactions as per Ind AS 24 :

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

(i) Holding Company : Gulshan Holding Pvt. Ltd.

(ii) Subsidiary Company : Nil

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

(i) Joint Ventures etc. : Nil

(ii) Key Management Personnel : Dr. C.K. Jain, Managing Director
Mrs. Arushi Jain, Whole Time Director
Mrs. Aditi Pasari, Whole Time Director
Mr. A. K. Vats, Whole Time Director & CEO
Mr. S. K. Tewari, Whole Time Director
Mr. Rajiv Gupta, CFO
Mr. Vijay kumar Garg, CS

(iii) Relative of KMP : Mrs. Mridula Jain

(iv) Corporate entities over which key management personnel are able to exercise significant influence: Gulshan Lamee Pack Pvt. Ltd, Gulshan Specialty Minerals Private Limited, Gulshan Sugar & Chemicals Ltd., Reliance Expovision Pvt Ltd., East Delhi Importers & Exporters Pvt Ltd., ARP Developers Pvt Ltd., Oye Oye.com Online Services India LLP., Houzilla Interiors Pvt Ltd

(v) Transactions with related parties of the period 01.04.2019 to 31.03.2020 : (₹ in Lakhs)

(a) **Key Managerial Personnel**	**2019-20**	**2018-19**
Remuneration to Key Personnel:		
- Salaries & Perks	**387.70**	334.25
- Commission on Profits	**-**	-
Rent Paid - Dr. C.K Jain	**64.80**	64.80
- Mrs. Mridula Jain, Relative	**9.60**	16.98
(b) **Others**		-
Gulshan Holding Private Ltd. - Interest paid	**3.37**	-
Gulshan Lamee Pack Pvt. Ltd.- Product Sales	**50.64**	33.81
(c) Gulshan Lamee Pack Pvt. Ltd- Outstanding balance as on 31.03.2020 (Dr.)	**12.18**	10.25

40. Earning Per Share (₹ in Lakhs)

	Particulars	**2019-20**	**2018-19**
1	Net Profit After Tax	**2,058.40**	2,142.52
2	Weighted Average of number of Equity Share outstanding during the year	**469.17**	469.17
3	Basic Earning Per Share of Rs.1/- each	**4.39**	4.57
4	Diluted Earning Per Share of Rs.1/- each	**4.39**	4.57

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

- Mineral Processing
- Grain Processing
- Distillary

Identification of Segments:

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as un allocable expenditure (net of un allocable income).

Segment assets and liabilities:

Assets used by the operating segment mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of un allocable assets/ liabilities.

(₹ in Lakhs)

Particulars	Mineral Processing		Grain Processing		Distillery		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Revenue External sales	**13,144.68**	12,048.18	**48,430.59**	52,149.04	**504.49**	3,191.38	**62,079.77**	67,388.61
Total Revenue	**13,144.68**	12,048.18	**48,430.59**	52,149.04	**504.49**	3,191.38	**62,079.77**	67,388.61
Results Segment results before interest and Finance cost	**3,291.26**	1,706.14	**1,091.82**	4,113.93	**(473.20)**	(1,750.48)	**3909.88**	4,069.59
Un-allocable Income	**-**	-	**-**	-	**-**	-	**(29.57)**	58.02
Operating Profit	**3,291.26**	1,706.14	**1,091.82**	4,113.93	**(473.20)**	(1,750.48)	**3,880.31**	4,127.61
Interest Expenses							**1,138.08**	1,425.88
Current Tax (Net of MAT Credit/debit)							**543.89**	637.50
Deferred Tax Charge/ (Credit)							**139.93**	(78.30)
Net Profit							**2,058.40**	2,142.53

Other Information

	Mineral Processing		Grain Processing		Distillery		Others		Total	
	31st March 2020	31st March 2019	**31st March 2020**	31st March 2019	**31st March 2020**	31st March 2019	**31st March 2020**	31st March 2019	**31st March 2020**	31st March 2019
Segment Assets	**6,261.31**	6,862.09	**27,667.77**	27,367.90	**10,838.44**	10,494.16	**-**	**-**	**44,767.52**	44,724.14
Unallocated Assets	**-**	-	**-**	-	**-**	-	**930.74**	3,498.14	**930.74**	3,498.14
TOTAL ASSETS	**6,261.31**	6,862.09	**27,667.77**	27,367.90	**10,838.44**	10,494.16	**930.74**	3,498.14	**45,698.26**	48,222.28
Segment Liabilities	**941.93**	2,407.02	**13,417.96**	11,241.89	**1,264.22**	4,607.61	**-**	-	**15,624.11**	18,256.51
Unallocated Liabilities & Provisions	**-**	-	**-**	-	**-**	-	**(454.93)**	910.49	**(454.93)**	910.49
TOTAL LIABILITIES	**941.93**	2,407.02	**13,417.96**	11,241.89	**1,264.22**	4,607.61	**(454.93)**	910.49	**15,169.19**	19,167.00

42. Standards issued but not yet effective

Since there were no standard issued but not yet effective at the time of preparing the financial statements, hence the disclosure is not applicable.

43. The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realizable to the extent shown in the financial results. The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor the development.

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

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

For and on behalf of the Board of Directors

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of ,

Gulshan Polyols Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Gulshan Polyols Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Other Information

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (1) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Refer Note 1.16 to the standalone financial statements)

   (2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts . (Refer Note 1.16 & Note 21 to the standalone financial statements)

   (3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   (4) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Date : 29.05.2019
Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

Annexure A" to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder

(vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the Cost Records with a view to determine whether they are accurate and complete.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

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

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

(viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Date : 29.05.2019
Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

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

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

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

We have audited the internal financial controls with reference to standalone financial statements of **GULSHAN POLYOLS LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that ;

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Date : 29.05.2019
Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	27,291.57	29,760.69
(b) Capital Work-in-Progress	3	456.54	71.52
(c) Intangible assets	4	14.79	16.90
(d) Financial Assets			
(i)- Investments	5	46.73	46.73
(ii)- Other Financial Assets	6	337.26	309.70
(e) Deferred Tax Assets(Net)	7	164.20	130.72
(f) Other Non-Current Assets	8	118.64	546.39
Total Non- Current Assets		**28,429.71**	**30,882.66**
Current Assets			
(a) Inventories	9	5,332.99	7,439.44
(b) Financial Assets			
(i) Investments	5	-	531.68
(ii) Trade Receivables	10	10,003.93	11,597.85
(iii) Cash and Cash equivalents	11	2,515.67	289.71
(iv) Balance with Bank Other than (iii) above	12	59.95	49.48
(c) Other Current Assets	13	1,880.03	488.62
Total Current Assets		**19,792.57**	**20,396.78**
Total Assets		**48,222.28**	**51,279.44**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	469.17	469.17
(b) Other Equity	15	28,586.11	26,842.26
Total equity		**29,055.28**	**27,311.43**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4,081.77	7,021.34
Total Non Current Liabilities		**4,081.77**	**7,021.34**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	7,459.27	7,508.97
(ii) Trade payables	18	2,096.45	3,321.86
(iii) Other Financial Liabilities	19	3,835.87	4,911.70
(b) Other Current Liabilities	20	937.57	735.58
(c) Provisions	21	164.23	186.17
(d) Liabilities for current Tax (Net)		591.83	282.39
Total Current Liabilities		**15,085.23**	16,946.67
TOTAL EQUITY AND LIABILITIES		**48,222.28**	**51,279.44**
The accompanying notes form an integral part of the financial statements	1		

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

For and on behalf of the Board of Directors

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

Date: 29.05.2019
Place : Delhi

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
REVENUE			
Revenue from Operations	22	67,388.61	62,403.80
Other Income	23	196.30	183.49
Total Income (I)		**67,584.91**	**62,587.29**
EXPENSES			
Cost of Materials Consumed	24	34,822.21	31,539.45
Purchase of Stock in Trade	25	1,320.16	415.81
Changes in Inventories of Finished goods, work in progress and stock in trade	26	(77.97)	196.44
Employee Benefits expense	27	2,232.78	2,242.54
Finance Cost	28	1,425.88	1,080.72
Depreciation & amortisation Expenses	29	4,433.67	3,648.48
Other Expenses	30	20,726.43	21,109.74
Total Expenses (II)		**64,883.18**	**60,233.18**
Profit Before Tax (III=I-II)		**2,701.73**	**2,354.11**
Tax Expense:	32		
Current Tax Expense		592.68	508.33
Less: Mat Credit (Available)		44.82	(508.33)
Deferred Tax Expense		(78.30)	529.91
Total Tax Expenses (IV)		**559.21**	**529.91**
Profit/(Loss) for the year (V=III-IV)		**2,142.52**	**1,824.20**
OTHER COMPREHENSIVE INCOME			
Item that will not to be reclassified to Profit and Loss:			
(Gain)/loss of defined benefit obligation		3.87	-
Income tax relating to items that will not be reclassified to profit or loss		(0.85)	-
TOTAL OTHER COMPREHENSIVE INCOME (VI)		**3.02**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII=V-VI)		**2,139.50**	**1,824.20**
Earning per equity share of face value of Rs. 1 each Basic and diluted (in Rs.)	38		
Basic		4.57	3.89
Diluted		4.57	3.89
The accompanying notes form an integral part of the financial statements	1		

As per our report of even date

For RAJEEV SINGAL & CO.
Chartered Accountants
(Registration No.008692C)

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

Date: 29.05.2019
Place : Delhi

For and on behalf of the Board of Directors

DR. C. K. JAIN
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DIN: 00062221

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Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Attributable to the equity holders of the company

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

As per our report of even date

For RAJEEV SINGAL & CO.
Chartered Accountants
(Registration No.008692C)

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

Date: 29.05.2019
Place : Delhi

For and on behalf of the Board of Directors

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

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Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

Statement of Cash Flow for the year ended 31st March, 2019

(Rs.in Lacs)

	Particulars	Year ended 31/03/2019	Year ended 31/03/2018
A.	**Cash flow from operating activities**		
	Profit before Tax	**2,701.73**	2,354.11
	Adjustment for :		
	Depreciation and Amortization Expenses	**4,433.67**	3,648.48
	Dividend income	**(0.57)**	(1.57)
	Net Gain on Sale/Fair value of non-current investment FVTPL	**-**	(35.64)
	Profit on Sale of Current Investments	**(49.59)**	(49.67)
	Provision/(write back) for doubtful debts and advances (net)	**22.24**	26.45
	(Gain) / Loss on disposal of property, plant and equipment	**(22.94)**	(50.97)
	Interest income	**(70.51)**	(27.27)
	Interest expenses	**1,425.88**	1,080.72
	Cash generated from operations before working capital changes	**8,439.91**	6,944.65
	Adjustment for :		
	Decrease/(incease) in other assets	**(554.92)**	521.93
	Decrease/(incease) in trade receivables	**1,571.67**	(2,688.23)
	Decrease/(incease) in inventories	**2,106.45**	460.12
	Decrease/(incease) in other current liabilites	**201.99**	459.09
	Decrease/(incease) in provisions	**(21.94)**	(58.46)
	Decrease/(incease) in trade and other payables	**(2,301.24)**	(1,108.57)
	Cash generated from operating activities	**1,002.01**	(2,414.12)
	Direct taxes paid (net of refunds)	**(733.00)**	(316.12)
	Cash flows before exceptional items	**8,708.93**	4,214.41
	Exceptional items	**-**	-
	Net Cash flow generated from operating activities (A)	**8,708.93**	4,214.41
B.	**Cash Flow from Investing activities (A)**		
	Sale proceeds from property, plant and equipment	**52.63**	84.67
	Purchase of property, plant and equipment	**(2,374.57)**	(4,042.10)
	Purchase of intangibles	**(2.58)**	(19.41)
	Sale proceeds of from sale/maturity of non-current investments and curent investments	**581.27**	290.59
	Interest income	**70.51**	27.27
	Dividend income	**0.57**	1.57
	Net Cash Flow Generated from investing activities (B)	**(1,672.16)**	(3,657.42)
C.	**Cash flow from Financing activites**		
	Interest expenses	**(1,425.88)**	(1,080.72)
	Repayment of long-term borrowings	**(2,939.57)**	(472.94)
	Proceeds of short-term borrowings	**(49.70)**	1,577.59
	Dividend paid	**(328.42)**	(328.42)
	Dividend distribution tax paid	**(67.23)**	(66.86)
	Net Cash flow Generated from financing activities (C)	**(4,810.80)**	(371.35)
	Net increase in cash and cash equivalents (A+B+C)	**2,225.96**	185.64
	Cash and cash equivalents at the beginning of the year	**289.71**	104.07
	Cash and cash equivalents at year end	**2,515.67**	289.71

Note:

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

The Accompanying notes form an integral part of the financial statements

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

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

Date: 29.05.2019
Place : Delhi

For and on behalf of the Board of Directors

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

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Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

(i) Corporate Information

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

(ii) Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

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

The Company has uniformly applied the accounting policies during the periods presented except for the changes in accounting policy for new standard that was effective for annual period beginning from on or after 1 April 2018, as follows:

Ind AS 115 Revenue from contracts with customers:

Ind AS 115 – Revenue from Contracts with Customers, issued on 28 March 2018 replaced Ind AS 18- Revenue and Ind AS 11- Construction Contracts and applies to all revenue arising from contracts with customers, unless such contracts are within the scope of other standards. It introduced a new five-step approach to measure and recognise the revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The revenue from each of the contract performance obligations must be separately identified, classified and accrued. Among other matters, the standard also establishes the accounting criteria for accounting the incremental costs of obtaining a contract with a customer.

The Company generates revenue from different streams mainly sale of goods, lease rentals and other services. The Company has reviewed each type of revenue stream under Ind AS 115. The Company adopted Ind AS 115 using the cumulative effect method with effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) and has not restated the comparatives as at March 31, 2018 basis the exemption available in the standard. Ind AS 115- Revenue from Contracts with customers did not have a significant impact on the financial statements of the Company.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify that the Company needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how the Company should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Such amendment did not have any impact on the Company.

Amendment to Ind AS 20 Government grants related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. Such amendment did not have any impact on the Company.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and

Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

1.2 Use of estimates and judgements

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

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

1.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

1.4 Foreign currencies

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

Transactions and balances

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

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

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

1.5 Critical estimates and judgments

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

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

The areas involving critical estimates or judgment are:

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

1.6 Fair value measurement

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

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

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

The principal or t6he most advantageous market must be accessible by the Company.

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

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

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

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

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

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

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

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

1.7 Revenue from contracts with customers

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

(i) Sale of goods

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

(ii) Interest income

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

(iii) Dividend

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

(iv) Other Income

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

(v) Export Incentives

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

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

1.8 Taxes

Tax expenses comprise of current and deferred tax:

Current income tax

a. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

a. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

c. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

e. The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period.

f. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

1.9 Earnings per share

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

1.10 Property, Plant and Equipment Recognition and measurement

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

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

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

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

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

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

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

1.11 Intangible Assets

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

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

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

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement. An arrangement that does not take legal form of lease rent but conveys right to use an asset in return for payment or series of payment, is also accounted for as either finance lease or an operating lease.

Finance Leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

Depreciation on leasehold assets is provided on straight line method over the period of lease.

Operating Leases

Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease, in case the lease increments are not in line with the general inflation rate.

1.14 Inventories

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

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

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

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

1.15 Impairment of non-financial assets

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

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

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

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

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Liabilities

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

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

Contingent Assets

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

1.17 Employee benefits

a. Short Term Employee Benefits:

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

b. Post-Employment Benefits:

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

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

1.18 Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

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

Impairment of financial assets

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

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

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

Financial Liabilities:

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

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

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

Derecognition

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

Offsetting of financial instruments

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

1.19 Cash and cash equivalents

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

2.PROPERTY, PLANT AND EQUIPMENT **(₹ in Lakhs)**

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

(₹ in Lakhs)

3. CAPITAL WORK IN PROGRESS	As at 31st March, 2019	As at 31st March, 2018
Capital Work in Progress consist of the following:		
Construction work in progress	456.54	71.52
Balance as at 31st March 2018	**456.54**	**71.52**

(₹ in Lakhs)

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

(₹ in Lakhs)

5. INVESTMENTS

NON- CURRENT INVESTMENTS	As at 31st March, 2019	As at 31st March, 2018
(a) Investment at fair Value through OCI Equity Shares Unquoted (Fully paid up)		
(i) 10,500 equity shares of Rs. 10 each -BEIL Infrastructure Ltd.(Formerly Bharuch Enviro Infrastructure Ltd.)	1.05	1.05
(ii) 4,09,025 equity shares of Rs. 10 each - Narmada clean tech ltd. (formerly named as Bharuch Eco-Aqua Infrastructure Ltd.)	40.90	40.90
(iii) 4,778 equity shares of Rs. 100 each - Gulshan Mercantile Urban Co-operative Bank Ltd.	4.78	4.78
Total -A	**46.73**	**46.73**
CURRENT INVESTMENTS		
(a) Investment at Fair Value through P&L (Quoted Mutual Fund)		
(i) Nil units (Previous Year 17,72,768.095 units)- HDFC Corporate Debt Opportunity Fund - Growth	-	264.74
(ii) Nil units (Previous Year 2,00,000 units) - ICICI Prudential Mutual Fund - FMP	-	266.94
Total-B	**-**	**531.68**
Total (A+B)	**46.73**	**578.41**

6. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered good)		
(i) Security Deposits (Others)	337.26	309.70
	337.26	**309.70**

7. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Depreciation and amortisation	(1,329.92)	(1,408.22)
Mat Receivables	1,494.12	1,538.94
TOTAL	**164.20**	130.72

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	27.01	231.26
Prepaid Rent	35.43	304.88
Other loan & Advances	20.20	-
Balances with government authorities	5.47	10.25
Balance with Gratuity fund	30.54	**-**
Total	**118.64**	**546.39**

9. INVENTORIES **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Raw Materials (includes goods in transit)	1,878.91	3,690.94
(ii) Work in Progress	715.02	624.56
(iii) Finished Goods	1,812.45	1,725.29
(iv) Stock in Traded Goods	46.98	71.46
(v) Stores and Spares & Packing	419.88	587.12
(vi) Coal and Fuel & Chemicals	459.75	740.07
	5,332.99	**7,439.44**

10. TRADE RECEIVABLES **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Un-secured and Considered Good	9,804.05	11,359.82
Considered Doubtful -(a)	199.88	238.02
	10,003.93	**11,597.85**

Note: (a) A provision of Rs.22.24 Lacs (March 31, 2018 - Rs.26.45 lakhs) on doubtful trade receivable has been made during the year.

11. CASH AND CASH EQUIVALENTS **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Cash in hand	17.01	13.72
b) Balance with Banks		
In Current accounts	1,702.61	113.10
c) Other Bank Balances		
Term Deposits with original maturity of less than three months	796.05	162.89
	2,515.67	**289.71**

12. BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
On unpaid dividend account	59.95	49.48
	59.95	**49.48**

13. OTHER CURRENT ASSETS **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured and Considered Good		
Advance to employees	45.49	31.76
Balance with govt authorities	257.90	197.66
Other Advances (includes prepaid expenses, advances for material etc)	1,576.63	259.20
TOTAL	**1,880.03**	**488.62**

14. EQUITY SHARE CAPITAL **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised Equity Share Capital:		
22,50,00,000 Equity shares of Rs. 1 each	2,250.00	2,250.00
Total	**2,250.00**	**2,250.00**
Issued, Subscribed and Paid up:		
4,69,17,020 Equity shares of Rs. 1 each (Previous year 4,69,17,020 Equity shares of Rs. 1 each)	469.17	469.17
Total	**469.17**	**469.17**

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

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares		(1 Rs Each)		(1 Rs Each)
Shares outstanding at the beginning of the year	46,917,020	469.17	46,917,020	469.17
Add: Issued during the year	-	-	-	-
Closing balance	**46,917,020**	**469.17**	**46,917,020**	**469.17**

Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Company pays and declares and pays dividend in Indian Rupees.

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

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
(i) Gulshan Holdings Pvt. Ltd.	**18,881,035**	**40.24%**	18,881,035	40.24%
(ii) Dr.C. K. Jain	**4,846,990**	**10.33%**	4,846,990	10.33%
(iii) Antara India Evergreen Fund Ltd	**4,634,600**	**9.88%**	4,675,000	9.96%

15. OTHER EQUITY (₹ in Lakhs)

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

16.FINANCIAL LIABILITIES –NON CURRENT BORROWINGS (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured loans		
(i) Term Loans from banks measured at Amortised Cost	2,949.75	5,834.90
(ii) Long term maturities of Finance Lease obligations/ hire purchase finance	107.02	161.44
	3,056.77	5,996.34

Unsecured		
(i) 10,25,000, 8% Redeemable Preference shares of Rs. 100 each (The redemption period varing from 3 Year to maximum 15 Year from the date of issue)	1,025.00	1,025.00
	1,025.00	1,025.00
TOTAL	**4,081.77**	7,021.34
(a) Nature of security for secured borrowings are given below:		
(i) Term Loans from Banks	5,901.41	9,496.37
The Immovable and Movable Assets of the Unit Located at Boregoan Industrial Area, Distt.Chhindawara (M.P.) and Abu Road, Sirohi, Rajasthan are charged to Citi Bank by way of First charge for Foreign Currency Term Loan of USD 11.60 million.		
The Immovable and Movable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and Mauja Rampur Majri Tehsil Paonta Sahib, District Sirmor, Himachal Pradesh and movable assets of Unit located at Muzaffarnagar (UP) are charged to Citi Bank by way of First charge for Foreign Currency Term Loan of USD 4 million.		
The Immovable and Movable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and movable assets of Units located at Muzaffarnagar (UP) are charged to The Hongkong & Shanghai Banking Corporation Ltd. by way of First charge on pari-passu with Citi Bank for Term Loan of Rs 40 crores. The Term Loans from banks are further secured by 2nd charge on currents assets of the company.		
(ii) Long term maturities of Finance Lease obligations Above loans are secured against vehicles purchased through them under hire purchase agreements.	107.02	161.44
(b) The aggregate amount of loans under each head guaranteed by Directors or others are given below: **(i) Term Loans from Banks**	5,901.41	9,496.37
Above term loans are secured by personal guarantee of the Promoter Director.		

17. SHORT TERM BORROWINGS **(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Secured loans		
Working Capital Loan	7,459.27	7,508.97
TOTAL	**7,459.27**	7,508.97

(a) The Working Capital Loan are secured by the Hypothecation of Present and Future stock of Raw Materials, Stores, Stock in Process, Chemicals and Consumables, Fuels, Packing, Finished Goods etc. and Book Debts of the Company.
(b) The Loan is further secured by way of a Second Charge on Fixed Assets of the Company and personal guarantee of Promoter Director of the Company.

18. TRADE PAYABLES (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables consist of the following:		
Other Creditors	2,096.45	3,321.86
TOTAL	**2,096.45**	**3,321.86**

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

19. OTHER FINANCIAL LIABILITIES (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Interest accrued but not due on borrowings	30.00	24.60
(b) Current maturities of long term debt	2,951.66	3,661.47
(c) Unclaimed dividends	59.95	49.48
(d) Capital liabilities	92.72	342.16
(e) Expenses payable	602.69	735.30
(f) Interest Accrued on Preference Shares	98.86	98.69
TOTAL	**3,835.87**	**4,911.70**

20. OTHER CURRENT LIABILITIES (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Advance from Customers	412.02	115.93
(b) Other liabilities	525.55	619.65
TOTAL	**937.57**	**735.58**

21. PROVISIONS (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee Benefits	164.23	186.17
TOTAL	**164.23**	**186.17**

22. REVENUE FROM OPERATIONS (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue		
(a) Sale of Product (including excise duty)	65,447.61	60,528.36
(b) Freight and Handling Charges recovered	433.24	858.78
(I)	**65,880.85**	**61,387.14**
Other Operating Revenues		
(i) Export and Other Incentives	363.83	279.47
(ii) Miscellaneous Receipts & claims	144.02	135.22
(iii) Sales Scrap & Waste Material	63.70	-
(iv) Foreign Exchange Fluctuations	191.92	-
(v) Lease Rent, Operation & Maintenance Charges	744.29	601.97
(II)	**1,507.75**	**1,016.67**
REVENUE FROM OPERATIONS (I+II)	**67,388.61**	**62,403.80**

23. OTHER INCOME (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Interest Income		
(i) On Bank Deposits & Others	70.51	27.27
(b) Dividend Income		
(i) On Investments	0.57	1.57
(c) Gain / (Loss) on sale of investments (Net)		
(i) On Investments	49.59	49.67
(d) Net gain on financial assets designated at fair value through Profit and Loss account	-	35.64
(e) Profit/ (Loss) on property, plant and equipment sold / discarded (Net)	22.94	50.97
(f) Other Non-Operating income	52.68	18.37
TOTAL	**196.30**	**183.49**

24. COST OF MATERIALS CONSUMED (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Raw Material	34,822.21	31,539.45
TOTAL	**34,822.21**	**31,539.45**

25. PURCHASE OF GOODS TRADED (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of Stock in Trade	1,320.16	415.81
TOTAL	**1,320.16**	**415.81**

26. CHANGE IN INVENTORIES (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Opening inventories		
(i) Traded Goods	71.46	-
(ii) Work in progress	624.56	691.20
(iii) Finished Goods	1,725.29	1,926.55
	2,421.31	2,617.75
(b) Less: Closing Inventories		
(i) Traded Goods	46.64	71.46
(ii) Work in progress	640.19	624.56
(iii) Finished Goods	1,812.45	1,725.29
	2,499.27	2,421.31
TOTAL	**(77.97)**	**196.44**

27. EMPLOYEE BENEFITS EXPENSES (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Salaries and Wages	2,005.93	1,992.20
(b) Contribution to Provident and Other Funds	83.00	83.10
(c) Employee Welfare	143.84	167.24
TOTAL	**2,232.78**	**2,242.54**

28. FINANCE COST (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Interest & Charges on Bank borrowing for working Capital	610.03	906.38
(b) Interest on Term and Other Loans	670.49	118.20
(c) Gain on foreign currency transactions and translation	46.50	(42.55)
(d) Interest Expenses recognised on Redeemable Preference Shares	98.86	98.69
TOTAL	**1,425.88**	**1,080.72**

29. DEPRECIATION AND AMORTIZATION EXPENSES (₹ in Lakhs)

Particuars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Depreciation on Property, Plant and Equipment	4,428.99	3,645.97
(b) Amortisation on Intangible Assets	4.69	2.51
TOTAL	**4,433.67**	**3,648.48**

30. OTHER EXPENSES (₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Manufacturing Expenses		
(i) Process Chemicals & Consumables	3,272.78	3,264.83
(ii) Stores, Spare Parts & Packing	2,581.12	2,669.14
(iii) Power and Fuel	8,826.73	8,299.44
(iv) Excise Duty#	-	823.28
(v) Repair & Maintenance:		
-Building	15.87	11.22
-Plant & Machinery	1,022.73	786.66
TOTAL (A)	**15,719.24**	**15,854.56**
# Excise duty shown under expenditure represents the aggregate of Excise duty borne by company and difference between excise duty on opening and closing stock of finished goods.		
(b) Administrative Expenses		
(i) Rates and Taxes	111.20	140.99
(ii) Rent	106.32	117.57
(iii) Printing and Stationary	25.61	26.79
(iv) Advertsiment and Publicity	5.94	5.27
(v) Subscription and Membership fees	19.67	7.03
(vi) Travelling Expenses	163.29	203.85
(vii) Legal and Professional Expenses**	179.90	156.81
(viii) Communication Charges	60.40	67.65
(ix) Repair and Maintenance	71.40	46.64
(x) Insurance	71.10	34.82
(xi) Donation	2.20	2.92
(xii) Corporate Social Responsibility expenses***	34.66	14.41
(xiii) Miscellaneous Expenses	14.42	8.07
(xiv) Allowance for Doubtful trade receivables	22.24	26.45
TOTAL (B)	**888.36**	**859.25**

(c) Selling and Distribution Expenses		
(i) Commission & Discount	244.38	306.55
(ii) Freight and Forwarding Expenses	3,795.98	4,035.00
(iii) Others	78.48	54.38
TOTAL (C)	**4,118.83**	**4,395.93**
TOTAL (A+B+C)	**20,726.43**	**21,109.74**
(**) Details of Auditors Remuneration are as follows:		
(i) Audit Fees	5.75	5.75
(ii) Taxation matters	1.25	1.25
(iii) fee for certification	1.25	1.25
(iv) Reimbursement of expenses	1.27	0.69
	9.52	**8.94**

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

Particulars	2018-19	2017-18
Gross amount required to be spent by the Company during the year	61.12	66.98
Amount Spent during the year	34.66	14.41

31. Disclosure in respect of employee *benefits* under Indian Accounting Standard (Ind AS) – 19 "Employee Benefits" are given below:

i) Defined Contribution Plan

Employers' contribution towards provident fund amounting to Rs. 39.43 Lakhs (Previous year Rs. 40.13 Lakhs) is recognized as an expense and included in Employee Benefit expenses Note No 27.

ii) Defined Benefit Plan

Gratuity

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

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

Contributions to gratuity plans for the year 2019-20 are Rs. 6.26 Lakhs.

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

A

Particulars	**Gratuity (Funded)**	
	31st March, 2019	**31st March, 2018**
Change in the Present value of obligation		
Balance at the beginning of the year	246.34	236.16
Benefits paid	(25.91)	-
Current service cost	31.09	31.06
Interest cost	19.69	17.69
Past Service cost	-	-
Actuarial (gains) losses recognised in profit and loss:		
-Changes in demographic assumptions	-	-
Actuarial (gains) losses recognised in OCI:		
-Changes in demographic assumptions	0.96	-
-Changes in financial assumptions	7.75	(12.66)
-Experience adjustments	(11.50)	(25.91)
Balance at the end of the year	**268.42**	**246.34**

B **(₹ in Lakhs)**

Particulars	**Gratuity (Funded)**	
	31st March, 2019	**31st March, 2018**
Change in the fair value of plan asset		
Balance at the beginning of the year	273.72	241.89
Contributions paid into the plan	10.00	12.50
Benefits paid	-	-
Expected Return on Plan Asset	21.89	18.13
Acturial Gain/(Loss) on Planned Assets	(6.66)	1.20
Balance at the end of the year	**298.95**	**273.72**
Net Defined Benefit Asset/(Liability)	**30.53**	**27.38**

C **(₹ in Lakhs)**

Particulars	**Gratuity (Funded)**	
	31st March, 2019	**31st March, 2018**
Expense recognized in profit or loss		
Current service cost	31.09	31.05
Interest cost	(2.19)	(0.42)
Actuarial (Gain)/Loss	-	-
TOTAL	**28.90**	**30.63**

D **(₹ in Lakhs)**

Particulars	**Gratuity (Funded)**	
	31st March, 2019	**31st March, 2018**
Expense recognized in OCI		
Actuarial (gains) / losses		
- change in demographic assumptions	0.96	-
- change in financial assumptions	7.75	(12.66)
- experience variance (i.e. Actual experience vs assumptions)	(11.50)	(25.92)
- return on plan assets, excluding amount recognised in net interest expense	6.66	(1.21)
TOTAL	**3.87**	**(39.79)**

E Plan Assets

Plan Assets comprise of the following: **(₹ in Lakhs)**

Particulars	**31st March, 2019**	**31st March, 2018**
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company*	100%	100%
Others	0%	0%
TOTAL	**100%**	**100%**

* The company's assets are managed by the Life Insurance Corporation of India, the total assets held as on 31st March, 2019 is Rs. 298.95 Lakhs.

F **(₹ in Lakhs)**

Actuarial Assumptions	**Gratuity (Funded)**	
	31st March, 2019	**31st March, 2018**
Economic assumptions:		
Discount Rate (Per annum)	7.70%	8.00%
Future Salary increase	6.50%	6.50%
Demographic assumptions:		
Retirement Age (Years)	58	58
Mortality rates inclusive of provision for disability**	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate (%)	1.00%	0.50%

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

G Sensitivity Analysis **(₹ in Lakhs)**

Particulars	Gratuity (Funded)	
	31st March, 2019	31st March, 2018
Present Value of Obligation at the end of the period	268.42	246.34
a) Discount rate-100 basis points	295.95	272.62
b) Discount rate+100 basis points	244.71	223.81
c) Salary Growth Rate -100 basis points	244.25	223.32
d) Salary Growth Rate+100 basis points	296.01	272.75
e) Attrition Growth Rate-50% of attrition rates	267.46	245.70
f) Attrition Growth Rate+50% of attrition rates	269.31	246.95
g) Mortality Growth Rate-10% of mortality rates	268.33	246.22
h) Mortality Growth Rate+10% of mortality rates	268.51	246.44

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

H Risk Exposure

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

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

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

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

I Maturity Profile of defined benefit obligation **(₹ in Lakhs)**

Actuarial Assumptions	Gratuity (Funded)	
	31st March, 2019	31st March, 2018
Year 1	10.73	17.49
Years 2-5	96.75	75.45
Years 6-10	132.44	112.66
Beyond 10	431.06	463.73

32 INCOME TAX

A. Amounts recognised in profit or loss **(₹ in Lakhs)**

Particulars	31st March, 2019		31st March, 2018	
Current tax expense				
Current year	592.68		508.33	
Less: MAT Credit Available	44.82	637.51	508.33	-
Deferred Tax Expense		637.51		-
Property, plant and equipment		(78.30)		529.91
Total Tax Expense		**559.21**		**529.91**

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

B Movement in deferred tax balances **(₹ in Lakhs)**

Particulars	As at 31st March, 2018	Recognized in P&L	Recognized in OCI	As at 31st March, 2019
Deferred Tax Assets				
MAT Receivable	1,538.94	(44.82)		1,494.12
Total Deferred Tax Assets	**1,538.94**	**(44.82)**	**-**	**1,494.12**

Particulars	As at 31st March, 2018	Recognized in P&L	Recognized in OCI	As at 31st March, 2019
Deferred Tax Liabilities				
Property, plant and equipment	1,408.22	78.30	-	1,329.92
Total Deferred Tax Liabilities	**1,408.22**	**78.30**	**-**	**1,329.92**
Net Deferred Tax Assets (Liability)	**130.72**	**33.48**	**-**	**164.20**

33 Financial instruments and risk management

I. Financial instruments by category **(₹ in Lakhs)**

	As at 31.03.2019				As at 31.03.2018			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets								
Investments								
- in equity instruments	-	46.73	-	46.73	-	46.73	-	46.73
- in debt mutual funds	-	-	-	-	531.68	-	-	531.68
Trade Receivable	-	-	10,003.93	10,003.93	-	-	11,597.85	11,597.85
Security deposits	-	-	337.26	337.26	-	-	309.70	309.70
Cash and cash equivalents	-	-	2,515.67	2,515.67	-	-	289.71	289.71
Bank balances other than above	-	-	59.95	59.95	-	-	49.48	49.48
Total financial assets	**-**	**46.73**	**12,916.81**	**12,963.54**	**531.68**	**46.73**	**12,246.74**	**12,825.15**
Financial liabilities								
Term loans from bank	-	-	2,949.75	2,949.75	-	-	5,834.90	5,834.90
Obligations under finance leases and hire purchase contracts	-	-	107.02	107.02	-	-	161.44	161.44
Redeemable preference shares	-	-	1,025.00	1,025.00	-	-	1,025.00	1,025.00
Working capital loans	-	-	7,459.27	7,459.27	-	-	7,508.97	7,508.97
Trade payables	-	-	2,096.45	2,096.45	-	-	3,321.86	3,321.86
Interest accrued but not due on borrowings	-	-	30.00	30.00	-	-	24.60	24.60
Current maturities of long-term debt	-	-	2,951.66	2,951.66	-	-	3,661.47	3,661.47
Unclaimed dividends	-	-	59.95	59.95	-	-	49.48	49.48
Capital liabilities	-	-	92.72	92.72	-	-	342.16	342.16
Expenses payable	-	-	602.69	602.69	-	-	735.30	735.30
Interest accrued on preference shares	-	-	98.86	98.86	-	-	98.69	98.69
Total financial liabilities	**-**	**-**	**17,473.37**	**17,473.37**	**-**	**-**	**22,763.87**	**22,763.87**

II. Fair value hierarchy

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

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

As at 31 March 2018	Note No	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	5	531.68	-	-	531.68
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	46.73	46.73
Total financial assets		**531.68**	**-**	**46.73**	**578.41**

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

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

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

Note:

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

b. The fair value of financial assets and liabilities approximate their carrying amount measured under Level III hierarchy.

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

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

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

Reconciliation of Level 3 fair value measurement **(₹ in Lakhs)**

	Unlisted equity instruments
As at 01 April 2017	**46.73**
Acquisition	-
Gains/(losses) recognised	-
- in other comprehensive income	-
As at 31 March 2018	**46.73**
Acquisition	-
Gains/(losses) recognised	-
- in other comprehensive income	-
As at 31 March 2019	**46.73**

III. Financial risk management

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

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

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

i. Credit risk

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

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

Reconciliation of loss allowance provision – Trade and other receivables **(₹ in Lakhs)**

Particulars	31st March, 2019	31st March, 2018
Opening balance	26.45	-
Provision made during the year	22.24	26.45
Trade receivables written off during the year	-	-
Provision reversed during the year / collection	-	-
Closing balance	**48.69**	**26.45**

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

Concentration of significant credit risk

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

ii. Liquidity risk

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

The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Company has access to the unutilized credit limits from banks of Rs. 3,540.73 lacs (Rs. 3,491.03 lacs as at 31.03.2018) to honor any liquidity requirements arising for business needs.

(₹ in Lakhs)

	Contractual cash flows			
	31st March, 2019	**< 1 year**	**2 to 5 Years**	**5 years <**
Non-derivative financial liabilities				
Borrowings (Long Term)	4,081.77	-	4,081.77	-
Borrowings (Short Term)	7,459.27	7,459.27	-	-
Trade Payables	2,096.45	2,096.45	-	-
Other current financial liabilities	3,835.87	3,835.87	-	-
Total non-derivative liabilities	**17,473.36**	**13,391.59**	**4,081.77**	**-**

	Contractual cash flows			
	31st March, 2018	**< 1 year**	**2 to 5 Years**	**5 years <**
Non-derivative financial liabilities				
Borrowings (Long Term)	7,021.34	-	7,021.34	-
Borrowings (Short Term)	7,508.97	7,508.97	-	-
Trade Payables	3,321.86	3,321.86	-	-
Other current financial liabilities	4,911.70	4,911.70	-	-
Total non-derivative liabilities	**22,763.87**	**15,742.53**	**7,021.34**	**-**

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the approved foreign currency risk management policy. The Company enters into forward foreign exchange contracts to mitigate the foreign currency risk. The carrying amounts of the company's foreign exchange monetary items as at the end of reporting period are as follows:

(₹ in Lakhs)

	As at 31st March, 2019	Conversion Rates	**As at 31st March, 2018**	Conversion Rates
Transaction currency --> Financial assets	**USD**		**USD**	
Trade receivables	16.80	69.17	18.82	65.17
Financial liabilities				
Borrowings	43.50	65.50	84.33	65.17
Net statement of financial position Exposure	**(26.70)**		**(65.51)**	

Note: The above-mentioned secured borrowings are hedged to protect against foreign currency fluctuation risk through forward exchange forward contract. All other foreign currency assets and liabilities are not hedged as at the year end.

Sensitivity analysis

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

(₹ in Lakhs)

	Profit or loss	
	Strong	Weak
31st March 2019		
USD (10% movement)	(2.97)	2.43
31st March 2018		
USD (10% movement)	(1.88)	1.88

b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Any rise in market rate of interest effective effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analysed for mitigational measure.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management is as follows.

(₹ in Lakhs)

Particulars	Nominal Amount	
	31st March, 2019	31st March, 2018
Financial Assets/Liabilities		
Variable-rate instruments		
Long term borrowings	3,056.77	5,996.34
Short Term Borrowings	7,459.27	7,508.97
Fixed-rate instruments		
Long term borrowings	1,025.00	1,025.00

(Profit) or loss

Particulars	50 bp increase	50 bp decrease
31st March 2019		
Variable-rate instruments	22.63	(22.63)
31st March 2018		
Variable-rate instruments	35.11	(35.11)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

c. Security price risk

Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended 31st March 2019 would increase / decrease by Rs. 2.33 lacs (for the year ended 31st March 2018: increase / decrease by Rs. 2.33 lacs) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher / lower:

Profit for year ended 31 March 2019 would increase / decrease by nil (for the year ended 31 March 2018 by Rs. 5.32 lacs) as a result of the changes in fair value of mutual fund investments.

d. Fiscal Risk

The company does not foresee any material fiscal risk pertaining to its overseas transactions with related parties in respect of which its application for advance pricing agreement is pending before fiscal authorities for years even though authorities make any upward revision of prices. Though overseas transactions with related parties for many years are conducted as per application made for advance pricing agreement, impact of any upward revision of prices of any of the items of out- put is unlikely to give rise to any additional financial liability considering huge carry forward loss and unabsorbed depreciation as per company's income tax return.

iv. Capital Management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

(₹ in Lakhs)

	31st March, 2019	31st March, 2018
Interest-bearing loans and borrowings (Note No 16 & 17)	11,541.04	14,530.31
Trade and other payables (Note 18, 19 & 20)	6,869.89	8,969.14
Less: cash and short-term deposits (Note 11 & 12)	2,575.61	339.19
Net debt	**15,835.32**	**23,160.26**
Reserve & Surplus (Note 15)	28,586.11	26,842.25
Equity (Note 14)	469.17	469.17
Total Capital	**29,055.28**	**27,311.42**
Capital and net debt	44,890.60	50,471.68
Gearing ratio	**35.28%**	**45.89%**

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 2018.

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

A. Raw Materials Consumed: (₹ in Lakhs)

Products	2018-19	2017-18
Rice	**4,975.16**	3,878.06
Corn/Starch	**26,627.01**	24,279.82
Lime & Lime Stone	**3,220.04**	3,381.57
TOTAL	**34,822.21**	31,539.45

B. Traded Goods **(₹ in Lakhs)**

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2018-19	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18
Calcium Carbonate	**1320.16**	415.81	**1992.77**	479.22	**71.46**	-	**46.64**	71.46
TOTAL	**1320.16**	415.81	**1992.77**	479.22	**71.46**	**-**	**46.64**	71.46

C. Manufactured Goods **(₹ in Lakhs)**

Products	Sales		Opening Stock		Closing Stock	
	2018-19	2017-18	**2018-19**	2017-18	**2018-19**	2017-18
1.Sorbitol & Sweetner	**23,332.04**	24,235.88	**430.09**	926.94	**362.47**	430.09
2. Fructose	**4,822.00**	4,940.58	**286.66**	318.01	**240.05**	286.66
3. Starch	**13,666.54**	11,054.54	**-**	-	**277.57**	-
4. Calcium Carbonate	**9,266.11**	11,353.71	**219.12**	339.34	**449.71**	219.12
5. By Products	**10,247.12**	9,162.43	**234.05**	329.77	**136.96**	234.05
6. Liquor-IMFL	**2,554.28**	160.78	**555.37**	12.49	**345.69**	555.37
TOTAL	**63,888.09**	60,907.92	**1,725.29**	1,926.55	**1812.45**	1,725.29

35 A. C.I.F. value of imports by the Company (Excluding imported items purchased locally): **(₹ in Lakhs)**

Particulars	2018-19	2017-18
Raw Materials, Stores and Components	**193.51**	540.86
Capital Goods	**54.84**	173.13

B. Expenditure in foreign currency during the year: **(₹ in Lakhs)**

Particulars	2018-19	2017-18
Interest	**159.07**	195.79
Commission	**53.68**	91.52
Travelling	**26.27**	27.77
Technical Service Expenses	**20.78**	19.73
Legal & Professional Fee	**2.55**	10.64

C. Earnings in Foreign Exchange: **(₹ in Lakhs)**

Particulars	2018-19	2017-18
Export of Goods on F.O.B. basis	**8,577.06**	7,385.31

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

Particulars	Value (₹ in Lakhs)			
	2018-19	2017-18	**2018-19**	2017-18
Raw Materials:				
Imported	**140.47**	25.82	**0.40%**	0.08%
Indigenous	**34,681.74**	31,513.63	**99.60%**	99.92%
	34,822.21	31,539.45	**100.00%**	100.00%
Coal and Fuel:				
Imported	**-**	-	**-**	-
Indigenous	**5,011.89**	4,524.19	**100.00%**	100.00%
	5,011.89	4,524.19	**100.00%**	100.00%
Stores and Spares:				
Imported	**53.04**	32.48	**17.43%**	9.53%
Indigenous	**251.32**	308.26	**82.57%**	90.47%
	304.36	340.74	**100.00%**	100.00%

36. Contingent Liabilities in respect of:

i) Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for ₹ 7.39 Lakhs (Previous year ₹ 7.39 Lakhs) on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units.

ii) Bank guarantees for ₹ 614.34 Lakhs (Previous Year ₹ 30.47 Lakhs) in favour of Government Departments and advance payment guarantee for supply of band new machinery.

iii) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹114.10 Lakhs (Previous year ₹ 365.70 Lakhs).

37. Disclosure of Related Party transactions as per Ind AS 24:

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

(i) Holding Company : Nil

(ii) Subsidiary Company : Nil

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

(i) Joint Ventures etc. : Nil

(ii) Key Management Personnel : Dr. C.K. Jain, Managing Director,
Mrs. Aditi Pasari, Whole Time Director,
Mrs. Arushi Jain, Whole Time Director,
Mr. S. K. Tewari, Whole Time Director,
Mr. A. K. Vats, CEO & Whole Time Director,
Mr. Rajiv Gupta, CFO,
Mr. Vijay kumar Garg, CS

(iii) Relative of KMP : Mrs. Mridula Jain

(iv) Corporate entities over which key management personnel are able to exercise significant influence: Gulshan Lamee Pack Pvt. Ltd, Gulshan Holdings Pvt. Ltd, and Gulshan Specialty Minerals Private Limited, Gulshan Sugar & Chemicals Ltd., Reliance Expovision Pvt Ltd., East Delhi Importers & Exporters Pvt Ltd., ARP Developers Pvt Ltd., Oye Oye.com Online Services India LLP., Houzilla Interiors Pvt Ltd

(v) Transactions with related parties of the period 01.04.2018 to 31.03.2019:

(₹ in Lakhs)

Key Managerial Personnel	2018-19	2017-18
Remuneration to Key Personnel:		
- Salaries & Perks	**334.25**	323.80
- Commission on Profits	**-**	-
Rent Paid - Dr. C.K Jain	**64.80**	60.00
- Mrs. Mridula Jain, Relative	**16.98**	38.40
Gulshan Holding Private Ltd. - Interest paid	**-**	50.59

38. Earning Per Share

	Particulars	2018-19	2017-18
1	Net Profit After Tax	**2142.52**	1824.20
2	Weighted Average of number of Equity Share outstanding during the year	**469.17**	469.17
3	Basic Earning Per Share of ₹1/- each	**4.57**	3.89
4	Diluted Earning Per Share of ₹1/- each	**4.57**	3.89

39. Information on segment reporting pursuant to Ind AS 108 – Operating segments:

- Mineral Processing
- Grain Processing
- Distillary

Identification of Segments:

The chief operational decision maker monitors the operating results of its busines segments separately for the purpose of making decisions about resouce allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities:

Assets used by the operating segment mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilties which cannot be allocated to any of the segments are shown as a part of unallocable assets/ liabilites.

(₹ in Lakhs)

Particulars	Mineral Processing		Grain Processing		Distillary		Total	
	31st March 2019	31st March 2018	**31st March 2019**	31st March 2018	**31st March 2019**	31st March 2018	**31st March 2019**	31st March 2018
Revenue External sales	**12,048.18**	12,382.91	**52,149.04**	49,773.08	**3,191.38**	247.81	**67,388.61**	62,403.80
Total Revenue	**12,048.18**	12,382.91	**52,149.04**	49,773.08	**3,191.38**	247.81	**67,388.61**	62,403.80
Results Segment results before interest and Finance cost	**1,706.14**	1,884.96	**4,113.93**	2,341.89	**(1,750.48)**	(823.96)	**4,069.59**	3,402.89
Unallocable Income	**-**	-	**-**	-	**-**	-	**58.02**	31.94
Operating Profit	**1,706.14**	1,884.96	**4,113.93**	2,341.89	**(1,750.48)**	(823.96)	**4,127.61**	3,434.83
Interest Expenses							**1,425.88**	1,080.72
Current Tax (Net of MAT Credit/ debit)							**637.50**	-
Deferred Tax Charge/ (Credit)							**(78.30)**	529.91
Net Profit							**2,142.52**	1,824.20

Other Information **(₹ in Lakhs)**

	Mineral Processing		Grain Processing		Distillary		Others		Total	
	31st March 2019	31st March 2018	**31st March 2019**	31st March 2018	**31st March 2019**	31st March 2018	**31st March 2019**	31st March 2018	**31st March 2019**	31st March 2018
Segment Assets	**6,862.09**	6,938.31	**27,367.90**	31,848.13	**10,494.16**	11,599.46	**-**	-	**44,724.14**	50,385.89
Unallocated Assets	**-**	-	**-**	-	**-**	-	**3,498.14**	893.53	**3498.14**	893.54
TOTAL ASSETS	**6,862.09**	6,938.31	**27,367.90**	31,848.12	**10,494.16**	11,599.46	**3,498.14**	893.53	**48,222.28**	51,279.43
Segment Liabilities	**2,407.02**	3,146.74	**11,241.89**	13,014.45	**4,607.61**	6,180.61	**-**	-	**18,256.51**	22,341.80
Unallocated Liabilities & Provisions	**-**	-	**-**	-	**-**	-	**910.49**	1,626.20	**910.49**	1,626.20
TOTAL LIABILITIES	**2,407.02**	3,146.74	**11,241.89**	13,014.45	**4,607.61**	6,180.61	**910.49**	1,626.20	**19,167.00**	23,968.00

40. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 "Leases"

Ind AS 116 Leases was notified in on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will adopt this standard w.e.f. the date of initial application i.e. April 1, 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application in accordance with para C7 to C13 of the standard. Further, the Company will elect to recognise the right-to-use asset at an amount equal to the finance lease liability calculated in accordance with para C8. The Company will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

During financial year ending March 2019, the Company has performed a detailed impact assessment of Ind AS 116 and there is no impact on financial statements of the Company.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Group does not expect any impact from this amendment.

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

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

Date: 29.05.2019
Place : Delhi

For and on behalf of the Board of Directors

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

VIJAY KUMAR GARG
Company Secretary

RAJIV GUPTA
Chief Financial Officer

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

Name: Chandra Kumar Jain
Designation: Chairman & Managing Director

Date: March 24, 2022
Place: Delhi

DECLARATION

We, the Board of Directors of the Company certify that:

(i) our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

Name: Chandra Kumar Jain
Designation: Chairman & Managing Director

Date: March 24, 2022
Place: Delhi

I am authorized by the Board of Directors, vide its resolution dated March 24, 2022 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Name: Chandra Kumar Jain
Designation: Chairman & Managing Director

Date: March 24, 2022
Place: Delhi

GULSHAN POLYOLS LIMITED

Registered Office
9th K.M., Jansath Road,
Muzaffanagar - 251001,
Uttar Pradesh, India
Telephone: 0131-32958800, **Fax**: 0131-2661378
E mail: cs@gulshanindia.com;
Website: www.gulshanindia.com;

Corporate Office
G -81, Preet Vihar,
Delhi- 110092, India
Telephone: +91-11-49999200
Fax: +91-11-49999202

CIN: L24231UP2000PLC034918

Company Secretary and Compliance Officer: Asha Mittal
G -81, Preet Vihar,
Delhi- 110092, India
Telephone: +91-11-49999200
Fax: +91-11-49999202
E-mail: cs@gulshanindia.com

BOOK RUNNING LEAD MANAGER

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower
Rahimtullah Sayani Road,
Opposite Parel ST Depot
Prabhadevi, Mumbai - 400 025, Maharashtra

STATUTORY AUDITORS OF OUR COMPANY

M/s. Rajeev Singal & Co., Chartered Accountants
Firm Registration Number: 008692C
Peer Review Certificate Number: 013485
175, Dwarkapuri, Main Road, Opp. Shiv mandir
First Floor, Muzaffarnagar - 251001, Uttar Pradesh

LEGAL COUNSEL TO THE ISSUE AS TO INDIAN LAW

SNG & Partners
Advocates & Solicitors
One Bazar Lane, Bengali Market
New Delhi - 110 001, India

APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

GULSHAN POLYOLS LIMITED

APPLICATION FORM

Gulshan Polyols Limited was incorporated under the provisions of the Companies Act, 1956 on October 20, 2000 as a public company and the certificate of incorporation bearing registration no. 20-25708 of 2000 dated October 20, 2000 and the certificate of commencement of business dated October 24, 2000 was issued by the Registrar of Companies, Uttar Pradesh, Kanpur.
CIN: L24231UP2000PLC034918; **ISIN:** INE255D01024
Registered Office: 9th K.M., Jansath Road, Muzaffanagar - 251001, Uttar Pradesh
Corporate Office: 81, Preet Vihar, Delhi- 110092
Telephone: +91-11-49999200; **E-mail:** cs@gulshanindia.com; **Website:** www.gulshanindia.com;

Form No.:

Date:

Name of the Bidder: ______________________________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO 24,16,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (THE "EQUITY SHARES"), FOR CASH AT A PRICE OF ₹ 326.48 PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹ 325.48 PER EQUITY SHARE, AGGREGATING UP TO ₹ 7,887.76 lakhs UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER BY GULSHAN POLYOLS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE").

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined hereinbelow) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"); can submit this Application Form.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" in the accompanying preliminary placement document dated March 21, 2022 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA AND RULE 6 OF FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. AIFs AND VCFs WHOSE SPONSOR AND MANAGER ARE NOT INDIAN OWNED AND CONTROLLED IN TERMS OF THE FEMA RULES, OR FVCIs, FOREIGN MULTILATERAL AND BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS AND ANY OTHER NON-RESIDENT INVESTORS ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
GULSHAN POLYOLS LIMITED
9th K.M., Jansath Road,
Muzaffanagar - 251001, Uttar Pradesh

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoters or the members of the promoter group or persons related to the promoters of the Company. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are we are not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules and we not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of Equity Shares bid for, under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Motilal Oswal Investment Advisors Limited (the "**BRLM**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note (**"CAN"**), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, this Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, nationality, contact details, e-mail id, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware that pursuant to the requirements under Form PAS-4 of the PAS Rules, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in this Placement Document, and we are further aware that disclosure of such details in relation to us in this Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Uttar Pradesh at Kanpur (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section titled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and this Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, 2013 upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in this Placement Document; however, disclosure of such details in relation to us in this Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM. For the purposes of this representation and warranty: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and this Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and are acquiring the Equity Shares in an "offshore transaction" as defined in, and pursuant to, Regulation S under the U.S. Securities Act.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form whether signed or not, is submitted by an Eligible QIB, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLM.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in this Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLM has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in this Placement Document.

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS																							
Depository Name (Please ✓)		National Security Depository Limited								Central Depository Services (India) Limited													
Depository Participant Name																							
DP – ID	I	N																					
Beneficiary Account Number									(16-digit beneficiary account. No. to be mentioned above)														

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 01:00 PM (IST), March 24, 2022 ("ISSUE CLOSING DATE")

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Gulshan Polyols Limited QIP Escrow Account	**Account Type**	Escrow Account
Name of Bank		**Address of the Branch of the Bank**	
Account No.		**IFSC**	
Legal Entity Identifier Code	335800B9ZMCRZ9P7HP16	**Email and phone number**	

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favour of "*Gulshan Polyols Limited QIP Escrow Account*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form. **You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLM shall not be liable in any manner for refunds that are not processed**

due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____ Email: ____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED
☐ Copy of PAN Card or PAN allotment letter**
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
☐ Copy of the IRDAI registration certificate
☐ Copy of notification as a public financial institution
☐ Certified true copy of the power of attorney
☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and this Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the BRLM.