



GULSHAN
POLYOLS LIMITED



Fuel Growth

23rd Year | 2022-2023 | ANNUAL REPORT



GULSHAN



55

*years of our journey
of making a difference*



Board of Directors



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

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



Ms. Arushi Jain
Joint Managing Director

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



Ms. Aditi Pasari
Joint Managing Director

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



Mr. Ashwani K. Vats
Whole Time Director & CEO

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



Mr. Akhilesh Kumar Maheshwari
Director

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



Mr. Rakesh Kapoor
Director

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



Ms. Archana Jain
Director

Ms. Jain is a qualified Chartered Accountant and a Law Graduate, with cross functional experience in Accounts, Finance and Indirect taxation. She has an immense experience of more than 10 years in handling Internal Audit, Forensic Audit etc. and having continuous experience in indirect taxation.



Mr. Rakesh Kumar Gupta
Director

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

Chairman's Communique



Dr. Chandra Kumar Jain
Chairman & Managing Director

Dear Shareholders, Honored Guests, Board Members, and Employees,

Good afternoon!

I am delighted to present our Annual Report for 2022-23, which encapsulates a year marked by resilience and sustained dedication to our valued stakeholders.

In contrast to the previous year, 2022-23 was marked by a number of challenges, mainly attributed to external factors beyond the Company's control. However, it is our strong foundation built over five decades that enabled us to confront the challenges and successfully manoeuvre our way forward.

Our focussed strategy, impeccable execution record, prudent financial management, longstanding relationships, uncompromising ethical standards, culture of performance excellence and commitment to sustainability, anchor the way we do our business.

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

Financial Performance

During the financial year ended March 31, 2023, Revenue from

operations increases to ₹ 1179.73 crores from ₹ 1100.72 crores in the previous year. Net Profit at ₹ 45.36 Crores as compared to ₹ 85.24 Crores in the previous year, recording a decline of 46.79% owing to elevated raw material and coal prices and raised finance cost consequent to ongoing expansions. On Y-o-Y basis for a period of 12 months, our EBITDA Margins have contracted owing to operational factors as mentioned above.

Company's Focus

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

India's Ethanol Blending Program is aimed at reducing the country's dependence on crude oil imports, cutting carbon emissions, and boosting farmers' income. The advancement of E20 target to 2025-26 continued to build on its momentum on the back of very promising build-up of industry ecosystem. Center fixed 10% blending target for ethanol from year 2021-22 and 20% blending by 2030.

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

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

With government's increased focus on ethanol blending in petroleum we believe there is a long runway for growth. As per current statistics, ethanol blending stands at ~ 9.5% and is targeted to reach 20% by 2025-26. According to ICRA Research, India's Ethanol production has to be increased by 3 times to meet the target of 20% ethanol blending by 2030. In order to capitalize on this opportunity, the Company is augmenting its capacity to 810 KLPD from 60 KLPD currently. This shall turn the company into a formidable player with a sizeable market share in ethanol segment.

Being a Chairman on the Board of Gulshan Polyols Limited, let me assure you that despite myriad challenges, your Company is focused on maintaining effervescent growth and delivering value to its stakeholders. Gulshan has prodigious potential to grow and is constantly scouting for opportunities arising out of **'Make in India and "Aatma-Nirbhar Bharat" Ethanol Blending Petroleum Program'** calls given and initiatives taken by Hon'ble Prime Minister of India.

I feel overjoyed to state that 500 KLPD capacity Grain based Ethanol Plant at Boregaon, Distt. Chhindwara, Madhya Pradesh have passed all the Quality Control parameters for the Production of Ethanol during trial run and commercial operations have been started.

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

Dividend

We manage our business efficiently to give advantage to all our shareholders. A key component of delivering value to our shareholders and winning their confidence is the steady return of capital. GPL is a constant dividend payee company who always kept the trust of their shareholders reposed into the working of the Company, by paying the dividend since inception of the Company. The Company's Board of Directors in the tune of progressive Dividend Policy, had recommended a Dividend @50% and be declared in the ensuing 23rd Annual General Meeting of the Company on the paid up equity share capital of the Company.

Bonus

On June 23, 2023, the Board of Directors of Company approved the allotment of 1,03,95,097 (One Crore Three Lakh Ninety-Five Thousand and Ninety Seven) Equity Shares of Re. 1/- (Rupee One Only) to the existing shareholders of the Company in the ratio of 1:5 i.e., 1 (One) fully paid up equity share of Re. 1 each for every 5 (Five) existing fully paid up equity shares of Re. 1 each held. The paid-up equity share capital of the Company stands increased to 6,23,70,586 equity shares due to bonus issue.

Customer Satisfaction

At the heart of our success lies our dedication to providing exceptional customer experiences. We have always believed that our customers are our most valuable assets, and we take pride in the relationships we have built over the years. Our commitment to delivering superior products and services has resulted in a loyal customer base that continues to grow.

Team Effort

None of these achievements would have been possible without the extraordinary efforts of our employees. Their passion, determination, and expertise have driven our company to new heights. I want to extend my heartfelt gratitude to each and every member of the Gulshan's family for their dedication to our shared vision.

55th Anniversary Celebration

This year marked a significant milestone in Gulshan's history as we celebrated Gulshan Group's 55th anniversary. The Company organized a Star Night to celebrate its long and cherished association, during 55 years of journey of making a difference with its employees, vendors, customers, bankers and all other stakeholders who have been an integral part of this journey.

Corporate Social Responsibility

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

women empowerment and education and an **Ashayein** initiative is being taken up and started in previous year only at the celebration of **75th Azadi ka Amrit Mahotsav**.

Looking Ahead

As we move forward into the next year, we recognize that challenges and opportunities will continue to shape our path. We remain agile, adaptive, and focused on our long-term goals. Together, we will continue to navigate the dynamic business landscape, striving for excellence in all our endeavors.

Closing Remarks

On behalf of the Board of Gulshan Polyols Limited, I would like to take this opportunity to acknowledge and thank our bankers, investors and vendors for their trust and support. I am deeply thankful to the continued support of our esteemed consumers, business associates, suppliers and legal authorities for their loyalty and trust in all our activities. I would like to express my sincere gratitude to all the members of our board for their continued insights and invaluable guidance and to employees for their continuous efforts as we explore new opportunities and move ahead with confidence. Most importantly, also my sincere appreciation to all the shareholders for the trust reposed by them in the Management of the Company and also for continued support in our journey to create long-term value. *My dedicated squad and I remain confident to continue to lead GULSHAN to its next leg of growth.*

Jai Hind!!

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

Corporate Overview

Board's Committees

Audit Committee

Mr. Rakesh Kumar Gupta, Chairman

Mr. Akhilesh Kumar Maheshwari, Member

Dr. Chandra Kumar Jain, Member

Ms. Archana Jain, Member

Stakeholders Relationship Committee

Mr. Akhilesh Kumar Maheshwari, Chairman

Ms. Arushi Jain, Member

Ms. Aditi Pasari, Member

Nomination, Remuneration and Compensation Committee

Mr. Akhilesh Kumar Maheshwari, Chairman

Mr. Rakesh Kumar Gupta, Member

Ms. Archana Jain, Member

Sustainability & Corporate Social Responsibility Committee

Ms. Archana Jain, Chairperson

Ms. Arushi Jain, Member

Ms. Aditi Pasari, Member

Risk Management Committee

Ms. Arushi Jain, Chairperson

Mr. Akhilesh Kumar Maheshwari, Member

Mr. Ashwani Kumar Vats, Member

Auditors

Statutory Auditors

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

Internal Auditors

M/s. Svaraj & Associates, Chartered Accountants, New Delhi

Secretarial Auditors

M/s. DMK Associates, Company Secretaries, Delhi

Cost Auditors

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

Key Managerial Personnel

Chief Financial Officer

Mr. Rajiv Gupta

Company Secretary & Compliance Officer

Ms. Asha Mittal

Listed at

BSE Limited

National Stock Exchange of India Limited

Bankers

State Bank of India

HSBC Bank

Registrar & Share Transfer Agent

Alankit Assignments Limited

Alankit House, 4E/2 Jhandewalan Extension, New Delhi - 110055, INDIA

Ph. No: 011-42541234/ 955 Fax No: 011-42541201

E-mail: rta@alankit.com

Plant Locations

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

Registered Office

9th K.M., Jansath Road, Muzaffarnagar, Uttar Pradesh – 251001

Tel: 0131-32958800, Fax: 0131 - 2661378

Email: cs@gulshanindia.com Website: www.gulshanindia.com

CIN: L24231UP2000PLC034918

Corporate Office

G-81, Preet Vihar, Delhi- 110092

Tel: 011-49999200, Fax: 011-49999202

Contents

| | |
|-----|---|
| 1 | Board's Report and its Annexures |
| 22 | Corporate Governance Report |
| 51 | Management Discussion and Analysis Report (MDAR) |
| 61 | Business Responsibility and Sustainability Report |
| 86 | Independent Auditors' Report on Standalone Financial Statements |
| 93 | Standalone Balance Sheet |
| 94 | Standalone Statement of Profit and Loss |
| 95 | Standalone Cash Flow Statement |
| 97 | Standalone Notes to the Financial Statements |
| 130 | Independent Auditors' Report on Consolidated Financial Statements |
| 134 | Consolidated Balance Sheet |
| 135 | Consolidated Statement of Profit and Loss |
| 136 | Consolidated Cash Flow Statement |
| 138 | Consolidated Notes to the Financial Statements |
| 172 | Notice of 23 rd AGM |
| 198 | Proxy Form-Form No. MGT-11 |
| 199 | Attendance Slip & Route Map |

BOARD'S REPORT

To the Members of Gulshan Polyols Limited

Your Board of Directors takes pleasure in presenting the 23rd (Twenty Third) Annual Report on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2023.

I. FINANCIAL AND OPERATIONAL PERFORMANCE

1. FINANCIAL RESULTS– STANDALONE & CONSOLIDATED

The standalone and consolidated financial highlights of your Company are as follows:

(₹ in Lakhs, except earnings per share)

| Particulars | Standalone | | Consolidated | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Financial Year Ended | | Financial Year Ended | |
| | 31.03.2023 | 31.03.2022 | 31.03.2023* | 31.03.2022 |
| REVENUE | | | | |
| Revenue from Operations | 1,17,972.97 | 1,10,072.64 | 1,17,972.97 | 1,10,072.64 |
| Other Income | 706.48 | 204.75 | 706.48 | 204.75 |
| TOTAL INCOME (I) | 1,18,679.45 | 1,10,277.39 | 1,18,679.45 | 1,10,277.39 |
| TOTAL EXPENSE OTHER THAN INTEREST AND DEPRECIATION (II) | 1,09,155.13 | 95,060.87 | 1,09,173.13 | 95,060.87 |
| Earnings before Interest, Tax , and Depreciation (EBITDA) (I – II) | 9,524.32 | 15,216.52 | 9,506.32 | 15,216.52 |
| Less: Finance Cost (Interest) | 612.73 | 495.97 | 612.73 | 495.97 |
| Depreciation | 2,873.49 | 3,240.90 | 2,873.49 | 3,240.90 |
| PROFIT BEFORE TAX (PBT) BEFORE SHARE IN NET PROFIT/(LOSS) OF ASSOCIATES | 6,038.10 | 11,479.65 | 6,020.10 | 11,479.65 |
| Share in net profit/(loss) of associates | - | - | - | - |
| PROFIT BEFORE TAX (PBT) (III) | 6,038.10 | 11,479.65 | 6,020.10 | 11,479.65 |
| Less - Current Tax | 1,450.51 | 3,079.67 | 1,450.51 | 3,079.67 |
| - Deferred Tax | 51.41 | -124.91 | 51.41 | -124.91 |
| TOTAL TAX EXPENSES | 1,501.92 | 2,954.76 | 1,501.92 | 2,954.76 |
| PROFIT AFTER TAX (PAT) (IV) | 4,536.18 | 8,524.89 | 4,518.18 | 8,524.89 |
| OTHER COMPREHENSIVE (INCOME)/LOSS(V) | 48.02 | -5.83 | 48.85 | -5.83 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VI) (IV - V) | 4,488.16 | 8,530.72 | 4,469.33 | 8,530.72 |
| RETAINED EARNINGS-OPENING BALANCE | 39,238.10 | 31,964.29 | 39,238.10 | 31,964.29 |
| Profit for the year | 4,536.18 | 8,524.89 | 4,518.18 | 8,524.89 |
| Dividend (including Dividend Distribution Tax) (Interim and/or Final) | -519.75 | -274.08 | -519.75 | -274.08 |
| Transfer to Capital Redemption Reserve | - | -975.00 | - | -975.00 |
| Transfer to General Reserve | - | -2.00 | - | -2.00 |
| Transfer to retained earning on disposal of equity instruments valued through OCI | -14.37 | - | -14.37 | - |
| RETAINED EARNINGS-CLOSING BALANCE | 43,240.16 | 39,238.10 | 43,222.15 | 39,238.10 |
| Earnings per Share on Net Profit after tax (face value ₹ 1/- each)(In Rupees) | | | | |
| - Basic (₹) | 8.73 | 16.40 | 8.69 | 16.40 |
| - Diluted (₹) | 8.73 | 16.40 | 8.69 | 16.40 |

*The initial capital infusion amounting AED 100000 (One Hundred Thousand United Arab Emirates Dirhams only) was made by Gulshan Polyols Limited in Gulshan Overseas- FZCO (WOS) on December 7, 2022, consisting of 10000 shares of AED 10 (United Arab Emirates Dirham Ten Only) per share. Therefore consolidated figures mentioned above for the year ended 31.03.2022 represents standalone figures.

2. STATE OF COMPANY'S AFFAIRS

Gulshan Polyols Limited ('GPL' or 'the Company') is a multi-location and multi-product manufacturing company with global presence in 42 countries across 3 continents. GPL is a diversified Company engaged in manufacturing/ trading of Sorbitol, Fructose & Sweetener, Ethanol (Bio-fuel)/ Distillery, Calcium Carbonate, Starch & Derivatives, by products thereof and Onsite PCC Plants. GPL is an industrial house, older, more than four decades, operating from multiple facilities set up across India. GPL 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, etc. GPL is engaged in manufacturing of chemicals from grain and

minerals. **From toothpaste to alcohol, from sweeteners to paints, from paper to medicines, from plastics to personal care items, GPL is touching and an integral part of everyone's everyday life, across the world.** We seek to develop and justify the reason of our existence through value creation in management and processes. Our approach to manage the Company stands on the core values of – Respect, Trust, Ownership and Integrated Teamwork. We are working to strengthen our moves to achieve goals with the principles of being decisive, innovative, inspiring, empowering, dynamic and process driven to take our integrated approach forward. This is a fitting approach for an organization such as ours, where we interact and have intense relationships with a broad and diverse set of stakeholders.

2.1 STANDALONE FINANCIAL & OPERATIONAL PERFORMANCE HIGHLIGHTS

During the financial year ended March 31, 2023, Company has achieved Revenue from Operations of ₹ 1,17,972.97 Lakhs (Previous Year: ₹ 1,10,072.64 Lakhs). The EBIDTA for the year stood at ₹ 9524.32 Lakhs against ₹15,216.52 Lakhs reported in the previous year. The Net Profit for the year stood at ₹ 4,536.18 Lakhs (Previous year ₹ 8,524.89 Lakhs).

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

Business Operations-Segment wise for the year ended March 31, 2023

(₹ in Lakhs)

| Segments | Revenue for the year ended 31st March | | | | Profits before Interest and Tax for the year ended 31st March | | | |
|--------------------------------|---------------------------------------|--------------------|--------------------|--------------------|---|------------------|-----------------|------------------|
| | Standalone | | Consolidated* | | Standalone | | Consolidated* | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Mineral Processing | 11,581.20 | 9,409.63 | 11,581.20 | 9,409.63 | 2,940.26 | 1,278.56 | 2,940.27 | 1,278.56 |
| Grain Processing | 87,481.73 | 80,915.33 | 87,481.73 | 80,915.33 | 3,327.90 | 8,140.83 | 3,327.90 | 8,140.83 |
| Ethanol (Bio-Fuel)/ Distillery | 18,910.04 | 19,729.30 | 18,910.04 | 19,729.30 | (29.40) | 2,453.27 | (29.40) | 2,453.27 |
| Unallocated | - | 18.38 | - | 18.38 | 412.07 | 102.96 | 394.08 | 102.96 |
| Total | 1,17,972.97 | 1,10,072.64 | 1,17,972.97 | 1,10,072.64 | 6,650.83 | 11,975.62 | 6,632.85 | 11,975.62 |

*The initial capital infusion amounting AED 100000 (One Hundred Thousand United Arab Emirates Dirhams only) was made by Gulshan Polyols Limited in Gulshan Overseas- FZCO (WOS) on December 7, 2022, consisting of 10000 shares of AED 10 (United Arab Emirates Dirham Ten Only) per share. Therefore consolidated figures mentioned above for the year ended 31.03.2022 represents standalone figures.

As at March 31, 2023, our earnings per share is ₹ 8.73 as compared to ₹16.40 in the previous year. As far as liquidity is concerned, we are adequately funded to navigate through these challenging times and we do not foresee any major impact on our operations except disruptions in supply chain and increase in raw material prices which may impact on profit margins amid global tensions and fast inflation. We remain motivated and committed to consistently create value for our stakeholders while maintaining our strong leadership position in key business segments. A detailed analysis of the overall performance is given in the Management Discussion and Analysis Report, forming part of this Report.

2.2 CONSOLIDATED FINANCIAL STATEMENTS

In accordance with provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Indian Accounting Standards (Ind AS)-110 on Consolidated Financial Statements (CFS), the Audited Consolidated Financial Statements for the year ended March 31, 2023 are provided in this annual report.

Further, in accordance with Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and the separate financial statements of the subsidiary company, are available on the Company's website at web link <https://www.gulshanindia.com/annual-report.html>. Any Member desirous of inspecting or obtaining copies of the said CFS may write at investorsrelation@gulshanindia.com.

3. TRANSFER TO GENERAL RESERVE

During the year under review, no amount has been transferred to General Reserve of the Company.

4. DIVIDEND

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

During the year under review, the Board of Directors of your Company has paid the Final dividend, declared for FY 2021-22 at the rate of 100% on 5,19,75,489 equity shares of face value ₹ 1/- each amounting to ₹ 1/- per share at 22 nd AGM. The Board of Directors of your Company after considering holistically, the relevant circumstances and keeping in view the Company's dividend distribution policy, has decided, not to recommend any Interim Dividend during the year under review.

The Board of Directors has further recommended the Final Dividend at the rate of 50% on 5,19,75,489/- equity shares of face value of ₹ 1 each amounting to ₹ 0.50/- per equity share in their meeting dated May 12, 2023 subject to the approval of the shareholders in the 23rd Annual General Meeting (AGM) of the Company as stipulated in the Notice of 23rd AGM.

The Board recommended dividend based on the parameters laid down in the Dividend Distribution Policy.

5. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

During the Financial Year 2022-23 and in pursuance to the provisions of Section 124(5) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the unclaimed dividend pertaining to Financial Year 2014-15 (Interim) amounting to ₹ 4,91,589/- (Rupees Four Lakh Ninety One Thousand Five Hundred and Eighty Nine Only), 2014-15 (Final) amounting to ₹ 4,42,039.50/- (Rupees Four Lakh Forty Two Thousand Thirty Nine and Fifty Paise Only) and 2015-16 (Interim) amounting to ₹ 4,33,294.75/- (Rupees Four Lakh Thirty Three Thousand Two Hundred Ninety Four and Seventy Five Paise Only) to the Investors Education and Protection Fund ("IEPF") Account established by the Central Government. The details of dividend amount transferred to IEPF are available on the Company's website at web link <https://www.gulshanindia.com/unpaid-dividend-transferred-to-iepf.html>.

Further, pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unclaimed for seven consecutive years or more shall be transferred to IEPF account after giving due notices to the concerned shareholders. Accordingly, the Company has periodically transferred 80,086 (Eighty Thousand and Eighty Six) equity shares to the IEPF account during the financial year 2022-23. The details of equity shares transferred are also available on the Company's website at web link <https://www.gulshanindia.com/transferred-iepf.html>.

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

6. CAPITAL STRUCTURE & STOCK OPTIONS

Authorised Share Capital

The Authorised Share Capital of the Company as at March 31, 2023 is ₹ 42,81,00,000/- (Rupees Forty Two Crore and Eighty One Lakh only) divided into 28,06,00,000 (Twenty Eight Crores and Six Lakhs) Equity Shares of ₹ 1/- (Rupees One only) each; 2,50,000 (Two Lakhs and Fifty Thousand) 0% (Zero Percent) Redeemable Preference Shares of ₹ 10/- (Rupees Ten only) each and 14,50,000 (Fourteen Lakhs and Fifty Thousand) 0%-10% (Zero Percent to Ten Percent) Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred only) each.

Paid-up Share Capital

As on March 31, 2023, the paid-up equity share capital stands at ₹ 5,19,75,489 (Rupees Five Crore Nineteen Lakh Seventy Five Thousand Four Hundred and Eighty Nine only) consisting of 5,19,75,489 (Five Crores Nineteen Lakhs Seventy Five Thousand Four Hundred and Eighty Nine) equity shares of ₹ 1/- (Rupee One only) each.

During the year under review, the Board of Directors of the Company at their meeting held on April 18, 2022 had approved the allotment of 2,99,82,536 (Two Crore Ninety Nine Lakh Eighty Two Thousand Five Hundred and Thirty Six) Equity Shares to the shareholders of Transferor Companies as on record date, April 14, 2022, fixed for the purpose, in the ratio of 39,848 Equity Shares of ₹ 1/- each fully paid up of the Company for every 1 (one) Equity Share of ₹ 1000/- each fully paid up of Transferor Company No. 1 and 181 Equity Shares of ₹ 1/- each fully paid up of the Company for every 1 (one) Equity Share of ₹ 10/- each fully paid up of the Transferor Company No. 2 and out of which 27,340,067 equity shares at ₹ 1 were cancelled & extinguished with respect to investments made by transferor companies in the Transferee Company. Consequently, there was a net increase in the Equity Share Capital by 26,42,469 Equity Shares at ₹ 1/- per share. Thereby, the paid-up equity share capital of the Company stands increased to ₹ 5,19,75,489 (Five Crore Nineteen Lakh Seventy Five Thousand Four Hundred and Eighty Nine) from ₹ 4,93,33,020 (Rupees Four Crore Ninety Three Lakh Thirty Three Thousand and Twenty only), pursuant to the Scheme of Amalgamation amongst the Company, Gulshan Holdings Private Limited (Holding Company or Transferor Company 1), East Delhi Importers & Exporters Private Limited (Group Company or Transferor Company 2) and their respective Shareholders and Creditors ("the Scheme"), under section 230 to 232 and other applicable provisions of the Companies Act 2013 and the provisions of other applicable laws. The Scheme was approved by the Board of Directors of the Company in its meeting held on August 06, 2020 and same has been approved by the Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") vide its order pronounced on March 09, 2022 and the certified copy of the order has been filed with "The Registrar of Companies, Kanpur, Uttar Pradesh," (the ROC) on March 30, 2022. The scheme becomes operative from March 30, 2022 (Effective Date).

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

EMPLOYEES STOCK OPTION PLAN

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

During the year, the Company has granted 42,500 (Forty-Two Thousand Five Hundred) stock options to eligible employees. The granted stock options can be exercised between May 15, 2025 to June 15, 2025 at ₹ 328/- (Rupees Three Hundred and Twenty Eight only). The details under SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), has been placed on the website of the Company and weblink of the same are <https://www.bseindia.com/xml-data/corpfiling/AttachHis/61d1809f-1565-4b6f-b7d4-0189b1dadaea7.pdf>