

# **GUJARAT PETROSYNTHESE LIMITED**



ISO COMPANY

**FORTY FOURTH ANNUAL REPORT  
2020-21**

<b>BOARD OF DIRECTORS</b>	Mr. Raghu Venkataraman (DIN: 02012383)	Chairperson Independent Director
	Mr. Moreshwar Garde Digambar (DIN: 00689103)	Independent Director
	Mr. Rajesh Shirish Parikh (DIN: 08258755)	Independent Director
	Ms. Urmi Nuthakki Prasad (DIN: 00319482)	Joint Managing Director & CFO
	Ms. Charita Thakkar (DIN: 00321561)	Joint Managing Director

\*Due to his sad demise, Mr. Rameshchandra Thakkar, Chairman and Non-Executive Director of the Company ceased to be director of the Company w.e.f. May 16, 2020.

<b>BANKERS</b>	AXIS BANK LIMITED STATE BANK OF INDIA CANARA BANK BANK OF BARODA
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<b>AUDITORS</b>	M/S Dayal and Lohia Mumbai
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<b>SECRETARIAL AUDITOR</b>	J.J. Gandhi & Company Vadodara
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<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	Ms. Pratiksha Parmar
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<b>REGD. OFFICE &amp; WORKS</b>	NO. 24, II MAIN PHASE I, DODDANEKUNDI INDUSTRIAL AREA, MAHADEVPURA POST, BENGALURU - 560 048 Ph No. : 080-28524133, Email : info@gpl.in; secretarial@gujaratpetrosynthese.com
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<b>CIN No.</b>	L23209KA1977PLC043357
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The above disclosure has been given in accordance with Section 158 of Companies Act 2013, and reference of any of the above directors made in this document be read along with the above disclosure of their respective Director Identification Numbers

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**NOTICE**

**NOTICE** is hereby given that the **Forty Fourth (44<sup>th</sup>)** Annual General Meeting of the Members of Gujarat Petrosynthese Limited (**“the Company”**) will be held on Friday, September 17, 2021 at 11.00 A.M. through Video Conferencing (**“VC”**)/ Other Audio-Visual Means (**“OAVM”**) at No. 24, II Main, Doddanekkundi industrial Area, Phase I, Mahadevapura Post, Bangalore-560048 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, along with the Report of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 along with the Report of the Auditors thereon.
3. To appoint a Director in place of Ms. Charita Thakkar (DIN: 00321561), who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

4. Re-appointment of Ms. Urmi N. Prasad (DIN: 00319482) as the Joint Managing Director of the Company and, if thought fit, to pass the following resolution as a **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Sections 2(51), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, in accordance with the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to necessary approval(s), if any, consent of the Members of the Company be and is hereby accorded for the re-appointment of Ms. Urmi N. Prasad (DIN: 00319482) as the Joint Managing Director of the company, for a period of 5 years with effect from April 01, 2022 to March 31, 2027, who shall be liable to retire by rotation upon such terms and conditions, including remuneration, mentioned in the Explanatory Statement, with liberty to the Board of Directors or a duly constituted Committee thereof, of the Company to alter and vary the same from time to time.

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits provided under section 197 of the Act, which is required to be computed under section 198 of the Act and remuneration exceeds the limits of 5% of the net profits of the Company individually to the Joint Managing Director or 11% of the net profits to the directors as a whole, during the FY 2022-23 to FY 2024-25, i.e. the period of three years during the tenure of her appointment, the Company will pay Ms. Urmi Prasad, remuneration including perquisites, benefits and amenities which shall be within the limits as prescribed under Section II of Part I of Schedule V of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents, or writings as may be necessary, proper or expedients for the purpose of giving effect to foregoing resolutions and for matters concerned therewith or incidental thereto as the Board in its absolute discretion may deem fit.”



5. Re-appointment of Ms. Charita Thakkar (DIN: 00321561) as the Joint Managing Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 2(51), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, in accordance with the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to the approval of **central government**, if any, consent of the Members of the Company be and is hereby accorded for the re-appointment of Ms. Charita Thakkar (DIN: 00321561) as the Joint Managing Director of the company, for a period of 5 years with effect from April 01, 2022 to March 31, 2027, who shall be liable to retire by rotation upon such terms and conditions, including remuneration, mentioned in the Explanatory Statement, with liberty to the Board of Directors or a duly constituted Committee thereof, of the Company to alter and vary the same from time to time.

“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits provided under section 197 of the Act, which is required to be computed under section 198 of the Act and remuneration exceeds the limits of 5% of the net profits of the Company individually to the Joint Managing Director or 11% of the net profits to the directors as a whole, during the FY 2022-23 to FY 2024-25, i.e. the period of three years during the tenure of her appointment, the Company will pay Ms. Charita Thakkar, remuneration including perquisites, benefits and amenities which shall be within the limits as prescribed under Section II of Part I of Schedule V of the Companies Act, 2013.

“**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents, or writings as may be necessary, proper or expedients for the purpose of giving effect to foregoing resolutions and for matters concerned therewith or incidental thereto as the Board in its absolute discretion may deem fit.”

**Regd. Office:**

24, II main, Doddanekkundi Industrial Area,  
Phase I, Mahadevapura,  
Bengaluru- 560 048  
CIN: L23209KA1977PLC043357  
Website: [www.gpl.in](http://www.gpl.in); Email: [info@gpl.in](mailto:info@gpl.in)  
Tel: 080-28524133

By Order of the Board of Directors  
For Gujarat Petrosynthese Limited.

(Ms. Urmi N. Prasad)  
Joint Managing Director  
DIN: 00319482

Date : 12<sup>th</sup> August, 2021

**NOTES**

1. In view of the COVID-19 pandemic and restrictions on movement as well as social distancing norms, the Ministry of Corporate Affairs ('MCA') had vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, read with Circular Nos. 20/2020 and 02/2021 dated May 5, 2020 and January 13, 2021 and respectively and the Securities and Exchange Board of India ("SEBI") has vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively (collectively "Applicable Circulars"), permitted holding of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'). Accordingly, the 44<sup>th</sup> AGM of the Company will be held through VC / OAVM in compliance with the provisions of the Act and the Listing Regulations. Further, in accordance with SS-2 issued by ICSI read with Clarification / Guidance on applicability of Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) dated April 15, 2020, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Special Business under Item Nos. 4 to 5, to be transacted at the Annual General Meeting ('AGM' / 'Meeting') is annexed hereto
3. Pursuant to the provisions of Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India ('ICSI'), the relevant information in respect of the Directors seeking re-appointment at the AGM is attached as an Annexure and forms an integral part of this Notice.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. The Board of Directors of the Company has opined that as per the provisions of Clause 3A(II) of the General Circular No. 20/2020 dated May 5, 2020 issued by MCA, the special business under Item Nos. 4 to 5, being considered unavoidable, be transacted at 44<sup>th</sup> AGM of the Company.
6. Institutional investors, who are members of the Company, are encouraged to attend the 44<sup>th</sup> AGM of the Company through VC/ OAVM mode and vote electronically. Corporate members are required to send a scanned copy (PDF/JPG Format) of the Board Resolution/ Power of Attorney authorizing its representatives to attend and vote at the AGM through VC / OAVM on its behalf pursuant to Section 113 of the Act. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [scrutinizer@mmjc.in](mailto:scrutinizer@mmjc.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
7. All the documents referred to in the accompanying notice and Explanatory Statement, shall be available for inspection through electronic mode, basis the request being sent on [secretarial@gujaratpetrosynthese.com](mailto:secretarial@gujaratpetrosynthese.com)
8. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
9. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their Demat Accounts
10. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at CDSL e-voting system at [www.evotingindia.com](http://www.evotingindia.com)

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.
14. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories and has been uploaded on the website of the Company at [www.gpl.in](http://www.gpl.in). The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e., [www.evotingindia.com](http://www.evotingindia.com)
15. Members who would like to express their views/ask questions during the AGM may send their questions in advance and pre-register themselves as a speaker by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [secretarial@gujaratpetrosynthese.com](mailto:secretarial@gujaratpetrosynthese.com) from Friday, September 10, 2021 to Tuesday, September 14, 2021. Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM and the time limit for each speaker to speak at the AGM shall be 2-3 minutes. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
16. I. The Company has appointed Mr. Makarand Joshi failing him Mrs. Kumudini Bhalerao, Partner at Makarand M. Joshi & Co., Practicing Company Secretaries, to act as the Scrutiniser to scrutinise the remote e-voting process in a fair and transparent manner and Mr. Makarand Joshi has communicated his willingness to be appointed and be available for the purpose.  
II. The Scrutiniser shall, immediately after the conclusion of the remote e-voting at the AGM, first count the votes cast through remote e-voting during the Meeting and thereafter unblock the votes cast through remote e-voting before the AGM, and make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and submit the same to the Chairperson or a person authorised by him in writing who shall countersign the same.  
III. The results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.  
IV. The results declared along with the Scrutiniser's Report will be made available on the website of the Company ([www.gpl.in](http://www.gpl.in)) and on Service Provider's website ([www.evotingindia.com](http://www.evotingindia.com)) and the same shall be communicated to BSE Limited within 48 hours from the conclusion of the Meeting.

**INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -**

- (i) The voting period begins on Tuesday, September 14, 2021 (09.00 a.m. IST) and ends on Thursday, September 16, 2021 (05.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, September 10, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/">https://web.cdslindia.com/myeasi./Registration/</a> EasiRegistration</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>

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

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

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

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



(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Gujarat Petrosynthese Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@gujaratpetrosynthese.com](mailto:secretarial@gujaratpetrosynthese.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance from Friday, September 10, 2021 to Tuesday, September 14, 2021 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance from Friday, September 10, 2021 to Tuesday, September 14, 2021 mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@gujaratpetrosynthese.com](mailto:secretarial@gujaratpetrosynthese.com) (company email id). These queries will be replied to by the company suitably by email.



8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

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

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### EXPLANATORY STATEMENT

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

The following sets out all material facts relating to items under Special Business mentioned in the accompanying Notice for convening the Annual General Meeting of the Company:

**Item No. 4:**

The Shareholders of the Company at the 42<sup>nd</sup> Annual General Meeting held on August 14, 2019 had approved the re-appointment of Ms. Urmi N. Prasad as the Joint Managing Director for a period of 3 years w.e.f. April 1, 2019 till March 31, 2022, As per Section 196 (2) Company can re-appoint Joint Managing director, but such re-appointment shall not be made earlier than one year before the expiry of her term.

Present Tenure of Ms. Urmi N. Prasad will expire on March 31, 2022. Based on the performance evaluation of Ms. Urmi Prasad, considering her knowledge of various aspects relating to the Company's affairs and long business experience, given the background and contribution made by her during her tenure and for smooth and efficient running of the business and based on the recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on August 12, 2021, re-appointed Ms. Urmi N. Prasad as Joint Managing Director of the Company, for a period of five years effective from April 1, 2022 to March 31, 2027.

Further, on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on August 12, 2021 approved the revision in the terms of remuneration of Ms. Urmi N. Prasad, subject to the approval of the Shareholders. The main terms and conditions relating to the re-appointment and terms of remuneration of Ms. Urmi N. Prasad as Joint Managing Director are as follows:

**Brief Profile of Ms. Urmi Prasad:**

Ms. Urmi N Prasad has completed 29 years of service with the Company. She holds the B Com degree from the Bombay University and is a qualified Chartered Accountant. She obtained a Masters degree in Business administration from INSEAD in France. She has knowledge and experience in accounts, finance, corporate administration and operations, insurance and strategic business planning.

**TERMS OF APPOINTMENT:**

The terms of appointment of and details of remuneration proposed to be paid to Ms. Urmi N Prasad are as follows:

A. Tenure:	5 years commencing from April 01, 2022 to March 31, 2027.
B. Salary	Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) Per Month with such annual increments as may be decided by the Board/Nomination & Remuneration Committee effective 1st April each year
C. Commission	1% Commission on the net profits of the company computed in the manner laid down in Section 198 of the Companies Act, 2013.
D. Allowances and Perquisites	Housing I: The expenditure incurred by the company on hiring unfurnished accommodation for the Joint Managing Director will be subject to a ceiling of sixty percent of the salary, over and above ten percent payable by the Joint Managing Director. Housing II: If accommodation in the company owned house is provided, ten percent of salary of the Joint Managing Director shall be deducted by the company. Housing III: If the company does not provide accommodation, the Joint Managing Director shall be entitled to House rent allowance subject to the ceiling laid down in Housing I. Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Joint Managing Director
E. Medical Reimbursement	Reimbursement of medical and hospitalization expenses of the Joint Managing Director and her family subject to a ceiling of one month salary in a year.
F. Leave Travel Assistance	Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company
G. Club Memberships	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
H. Insurance Coverage	The Company shall pay the annual premium towards personal accident insurance as per the Rules of the company. Ms. Urmi N Prasad and family shall be covered under the Mediclaim Insurance Schemes as per the rules of the company.
I. Provident and Superannuation Fund	Company's contribution to the Provident and Superannuation Fund and payment of Gratuity shall be as per Rules of the Company
J. Leave	Encashment of leave on full pay and allowances as per the rules of the company but not exceeding one month's leave for every twelve months of service
K. Others	Such other benefits in accordance with the schemes and rules applicable to the members of the company from time to time

### **OVERALL REMUNERATION:**

The proposal for appointment is in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further, Section 197 of the Act provides that the company may by a shareholders resolution authorize payment of remuneration exceeding 5% of the net profits of the Company individually to the Whole-time Director, Manager or Joint Managing Director and exceeding 11% of the net profits to the directors as a whole, subject to the provisions of Schedule V to the Companies Act.

Hence, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and approval of the shareholders by way of special resolution, the Company shall authorise payment of remuneration to Ms. Urmi Prasad including perquisites as approved by the Board as the minimum remuneration exceeding 5% of the net profits of the Company computed in accordance with the provisions of section 198 of the Act which may lead to the total remuneration of all the directors, including managing director, whole-time director and manager, exceeding 11% of the net profits as computed under section 198 of the Act.

### **MINIMUM REMUNERATION:**

Notwithstanding anything to the contrary contained herein, in the event of absence or inadequacy of profits in any financial year during the term of office of Ms. Urmi Prasad as Joint Managing Director, the Company will, subject to applicable laws, pay her the remuneration, allowances and perquisites as detailed above with such increments/revision as may be approved from time to time except commission/performance bonus as the Minimum Remuneration in accordance with Schedule V and other applicable provision of the Act for the tenure of three years from FY 2022-23 till FY 2024-25.

**Statement containing information as required to be attached to the Notice as prescribed under Section II of Part II to Schedule V to the Act (w.r.t. payment of remuneration in the event of inadequacy or absence of profits in any financial year during the term of appointment of the Managing Director):**

<b>I.</b>	<b>General Information</b>	
1.	Nature of industry	Polymer alloys and blends.
2.	Date or expected date of commencement of commercial production:	Not Applicable – the Company has already commenced its operations.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable (The Company is an existing Company)
4.	Financial performance based on given indicators as per audited financial results for the year ended March 31, 2021:	<b>Particular</b>
		Gross Turnover & Other Income
		INR('000')
		199,773
		Net Profit as per Statement of Profit and Loss (After Tax)
		50,135
5.	Foreign investments or collaborations, if any:	Not Applicable
<b>II.</b>	<b>Information about the appointee</b>	
1.	Background details:	Refer Profile Section as per Stated Above
2.	Past remuneration:	Rs. 25,86,000/- Paid for FY 2020-21
3.	Recognition or awards:	-
4.	Job profile and her suitability	Considering her qualification, industry expertise and experience, Ms. Urmi Prasad is suitable for duties and responsibilities to be discharged as Joint Managing Director of the Company.
5.	Remuneration proposed:	As per the Resolution No. 4 of the Notice read with Explanatory Statement.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Since, Ms. Urmi Prasad has successfully proved her expertise in very effective manner, handled the responsibility shouldered to her very effectively and drove the Company towards the growth over the period of time, the remuneration paid to Ms. Urmi Prasad is commensurate with the size and scale of the Company's operations as well as counterparts from the industry.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Ms. Urmi N. Prasad is sister of Ms. Charita Thakkar, Joint Managing Director of the Company. Apart from the above, Ms. Urmi is not connected with any of the directors of the Company
<b>III.</b>	<b>Other Information:</b>	
1.	Reasons of loss or inadequate profits:	Business of Company is Impacted due to COVID -19 pandemic.
2.	Steps taken or proposed to be taken for improvement:	The Company takes various steps on a regular basis such as better product mix, cost control, borrowing at cheaper rate, improving efficiency, etc. Further, the management has adopted focused business strategies in all spheres of business activities to improve the sales and profitability of the Company.
3.	Expected increase in productivity and profits in measurable terms:	The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.
<b>IV.</b>	<b>Disclosures</b>	As required under Para B of Section II of Part II of Schedule V of the Act, requisite disclosures have been included in the Corporate Governance Report.

Ms. Urmi Prasad satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section 3 of Section 196 of the Act for being eligible for appointment.

Ms. Urmi Prasad is not disqualified from being appointed as Director in terms of Section 164 of the Act.

As per the requirement of Section 190 of the Act, the agreement entered into between Ms. Urmi Prasad and the Company, setting out the terms of her appointment shall be available for inspection at the Registered Office of the Company. Members are requested to e-mail any requests for inspection of said agreement at designated e-mail ID i.e. [secretarial@gujaratpetrosynthese.com](mailto:secretarial@gujaratpetrosynthese.com) On receipt of requests, the Company shall arrange to make the copy available for inspection.

The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

Except for Ms. Urmi Prasad, Ms. Charita Thakkar ( Sister of Ms. Urmi Prasad) and her relatives, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos. 4 of the accompanying Notice.

The Board recommends passing of the resolutions as set out in Item No. 4 of the accompanying Notice as Special Resolutions.

**Item No: 5:**

The Shareholders of the Company at the 42<sup>nd</sup> Annual General Meeting held on August 14, 2019 had approved the re-appointment of Ms. Charita Thakkar as the Joint Managing Director for a period of 3 years w.e.f. April 1, 2019 till March 31, 2022. As per Section 196 (2) Company can re-appoint Joint Managing director, but such re-appointment shall not be made earlier than one year before the expiry of her term.

Present Tenure of Ms. Charita Thakkar will expire on March 31, 2022. Based on the performance evaluation of the Ms. Charita Thakkar, considering her knowledge of various aspects relating to the Company's affairs and long business experience, given the background and contribution made by her during her tenure and for smooth and efficient running of the business and based on the recommendation of the Nomination and Remuneration Committee, the Board considers at their meeting held on August 12, 2021, re-appointed Ms. Charita Thakkar as the Joint Managing director of the Company, for a further period of five years with effect from April 1, 2022 to March 31, 2027.

Further, on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on August 12, 2021 approved the revision in the terms of remuneration of Ms. Charita Thakkar, subject to the approval of the Shareholders. The main terms and conditions relating to the re-appointment and terms of remuneration Ms. Charita thakkar as Joint Managing Director:

**Brief Profile of Ms. Charita Thakkar:**

Ms. Charita Thakkar has been associated with the Company since 1984. She holds a Bachelor's Degree from the Bombay University in chemistry and physics and Master of Business Administration in strategy and Finance from Texas Christain University, USA. She also holds the degree of Master in Management Science from the Sloan Program, Graduate school of Business, Stanford University, USA. She has held the position of Finance Manager, General Manager operations, Executive Director & Director of the Company and was incharge of the commissioning and operations of the polymer blends and alloys facilities

**TERMS OF APPOINTMENT:**

The terms of appointment of and details of remuneration proposed to be paid to Ms. Charita Thakkar are as follows:

A.	Tenure:	5 years commencing from April 01, 2022 to March 31, 2027.
B.	Salary	Rs. 150,000/- (Rupees One lakh Fifty Thousand Only) Per Month. with such annual increments as may be decided by the Board/ Nomination & Remuneration Committee effective 1st April each year.
C.	Commission	1% Commission on the net profits of the company computed in the manner laid down in Section 198 of the Companies Act, 2013.

D.	Allowances and Perquisites	Housing I: The expenditure incurred by the company on hiring unfurnished accommodation for the Joint Managing Director will be subject to a ceiling of sixty percent of the salary, over and above ten percent payable by the Joint Managing Director. Housing II: If accommodation in the company owned house is provided, ten percent of salary of the Joint Managing Director shall be deducted by the company. Housing III: If the company does not provide accommodation, the Joint Managing Director shall be entitled to House rent allowance subject to the ceiling laid down in Housing I. Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Joint Managing Director
E.	Medical Reimbursement	Reimbursement of medical and hospitalization expenses of the Joint Managing Director and her family subject to a ceiling of one month salary in a year
F.	Leave Travel Assistance	Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company
G.	Club Memberships	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
H.	Insurance Coverage	The Company shall pay the annual premium towards personal accident insurance as per the Rules of the company. Ms. Charita Thakkar and family shall be covered under the Mediclaim Insurance Schemes as per the rules of the company.
I.	Provident and Superannuation Fund	Company's contribution to the Provident and Superannuation Fund and payment of Gratuity shall be as per Rules of the Company
J.	Leave	Encashment of leave on full pay and allowances as per the rules of the company but not exceeding one month's leave for every twelve months of service
K.	Others	Such other benefits in accordance with the schemes and rules applicable to the members of the company from time to time.

#### OVERALL REMUNERATION:

The proposal for appointment is in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further, Section 197 of the Act provides that the company may by a shareholders resolution authorize payment of remuneration exceeding 5% of the net profits of the Company individually to the Whole-time Director, Manager or Joint Managing Director and exceeding 11% of the net profits to the directors as a whole, subject to the provisions of Schedule V to the Companies Act.

Hence, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and approval of the shareholders by way of special resolution, the Company shall authorise payment of remuneration to Ms. Charita Thakkar including perquisites as approved by the Board as the minimum remuneration exceeding 5% of the net profits of the Company computed in accordance with the provisions of section 198 of the Act which may lead to the total remuneration of all the directors, including managing director, whole-time director and manager, exceeding 11% of the net profits as computed under section 198 of the Act.

#### MINIMUM REMUNERATION:

Notwithstanding anything to the contrary contained herein, in the event of absence or inadequacy of profits in any financial year during the term of office of Ms. Charita Thakkar as Joint Managing Director, of the Company will, subject to applicable laws, pay her the remuneration, allowances and perquisites as detailed above with such increments/ revision as may be approved from time to time except commission/performance bonus as the Minimum Remuneration in accordance with Schedule V and other applicable provision of the Act for the tenure of three years from FY 2022-23 till FY 2024-25.



**Statement containing information as required to be attached to the Notice as prescribed under Section II of Part II to Schedule V to the Act (w.r.t. payment of remuneration in the event of inadequacy or absence of profits in any financial year during the term of appointment of the Managing Director):**

<b>I. General Information</b>			
1.	Nature of industry	Polymer alloys and blends.	
2.	Date or expected date of commencement of commercial production:	Not Applicable – the Company has already commenced its operations.	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable (The Company is an existing Company)	
4.	Financial performance based on given indicators as per audited financial results for the year ended March 31, 2021:	<b>Particular</b>	<b>INR('000')</b>
		Gross Turnover & Other Income	199,773
		Net Profit as per Statement of Profit and Loss (After Tax)	50,135
5.	Foreign investments or collaborations, if any:	Not Applicable	
<b>II. Information about the appointee</b>			
1.	Background details:	Refer Profile Section as per Stated Above	
2.	Past remuneration:	Rs. 23,82,000/- Paid for FY 2020-21	
3.	Recognition or awards:	Not Applicable	
4.	Job profile and her suitability	Considering her qualification, industry expertise and experience, Ms. Charita Thakkar is suitable for duties and responsibilities to be discharged as Managing Director of the Company.	
5.	Remuneration proposed:	As per the Resolution No. 5 of the Notice read with Explanatory Statement.	
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Since, Ms. Charita Thakkar has successfully proved her expertise in very effective manner, handled the responsibility shouldered to her very effectively and drove the Company towards the growth over the period of time, the remuneration paid to Ms. Charita Thakkar is commensurate with the size and scale of the Company's operations as well as counterparts from the industry.	
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Ms. Charita Thakkar is sister of Ms. Urmi Prasad Joint Managing Director of the Company. Apart from the above, Ms. Charita Thakkar is not connected with any of the directors of the Company.	
<b>iii. Other Information:</b>			
1.	Reasons of loss or inadequate profits:	Business of Company is Impacted due to COVID -19 pandemic.	
2.	Steps taken or proposed to be taken for improvement:	The Company takes various steps on a regular basis such as better product mix, cost control, borrowing at cheaper rate, improving efficiency, etc. Further, the management has adopted focused business strategies in all spheres of business activities to improve the sales and profitability of the Company.	

3.	Expected increase in productivity and profits in measurable terms:	The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.
4.	<b>Disclosures</b>	As required under Para B of Section II of Part II of Schedule V of the Act, requisite disclosures have been included in the Corporate Governance Report.

As per Part I of Schedule V of the Act, following conditions are required to be fulfilled by the Managing Director/ Joint Managing Director:

He/ She has not been sentenced to imprisonment for any period, or to a fine exceeding one thousand rupees, for the conviction of offence under various Acts as specified under Part I of the Schedule V;

He/ She has not been detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974;

He/ She has completed the age of twenty-one years and he has not attained the age of seventy years; and

He/ She is resident of India.

The explanation under Schedule V provides that Resident of India includes a person who has been staying in India for **continuous period** of not less than twelve months immediately preceding the date of his / her appointment / re appointment as a Managerial Person and who has come to stay in India:

- (a) for taking employment in India or
- (b) for carrying business or vocation in India.

Since Ms. Charita Thakkar was in San Fransisco, United States of America from March 12, 2020 until date, and could not come to India due to Covid-19 pandemic and lockdown situation, she is not fulfilling the condition of Resident of India as specified in point (4) above. Hence, the Company will have to take approval from the Central Government for her appointment as Joint Managing Director of the Company.

Ms. Charita Thakkar is not disqualified from being appointed as Director in terms of Section 164 of the Act.

As per the requirement of Section 190 of the Act, the agreement entered into between Ms. Charita Thakkar and the Company, setting out the terms of her appointment shall be available for inspection at the Registered Office of the Company. Members are requested to e-mail any requests for inspection of said agreement at designated e-mail ID i.e. [secretarial@gujaratpetrosynthese.com](mailto:secretarial@gujaratpetrosynthese.com) . On receipt of requests, the Company shall arrange to make the copy available for inspection.

The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

Except for Ms. Charita Thakkar, Ms. Urmi Prasad (Relative of Ms. Charita Thakkar) and her relatives, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos. 5 of the accompanying Notice.

The Board recommends passing of the resolutions as set out in Item No. 5 of the accompanying Notice as Special Resolutions.

## Annexure A

Details of Director seeking re-appointment at the Annual General Meeting pursuant to the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ('SS-2'), issued by The Institute of Company Secretaries of India and are provided herein below:

<b>Name of the Director</b>	Ms. Urmi N. Prasad	Ms. Charita Thakkar
<b>Director Identification Number</b>	00319482	00321561
<b>Category</b>	Executive Director (Joint Managing Director)	Executive Director (Joint Managing Director)
<b>Date of Birth</b>	September 26, 1964	November 01, 1960
<b>Age</b>	56 Years	60 Years
<b>Nationality</b>	Indian	United States
<b>Date of First Appointment on the Board</b>	April 01, 1993	September 28, 1990
<b>Relationship with Directors, Managers and KMPs</b>	Ms. Urmi N. Prasad is sister of Ms. Charita Thakkar, Joint Managing Director of the Company. Apart from the above, Ms. Urmi is not connected with any of the directors of the Company.	Ms. Charita Thakkar is sister of Ms. Urmi Prasad Joint Managing Director of the Company. Apart from the above, Ms. Charita Thakkar is not connected with any of the directors of the Company.
<b>Qualification</b>	B. Com. ACA, MBA(INSEAD France)	MBA (TCU) MMS(Stanford)
<b>Expertise in specific functional area</b>	Accounts, Finance, Business Administration and Strategic Planning.	Finance, operations, general management, exposure to international business negotiation and strategic planning
<b>Details of Board Meetings attended by the Directors during the year</b>	4 (Four)	4 (Four)
<b>Terms and Conditions of Appointment or re-appointment along with remuneration</b>	As per the Resolution at Item No. 4 of the Notice read with Explanatory Statement thereto	As per the Resolution at Item No. 5 of the Notice read with Explanatory Statement thereto
<b>Remuneration last drawn</b>	25,86,000	23,82,000
<b>Membership of Committees of Gujarat Petrosynthese Limited</b>	Gujarat Petrosynthese Limited Stakeholder Relationship Committee-Member	- -
<b>List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)</b>	1. GPL Finance and Investments Ltd. 2. Guardian Finance Limited 3. Gujarat Polybutenes Private Limited	1. Gujarat Polybutenes Private Limited
<b>Membership/Chairmanship of Committees across other Public Companies</b>	-	-
<b>Number of shares held in the Company</b>	4,07,466 Equity Shares	6,05,272 Equity Shares

**Regd. Office:**

24, II main, Doddanekkundi Industrial Area,  
Phase I, Mahadevapura,  
Bengaluru- 560 048  
CIN: L23209KA1977PLC043357  
Website: [www.gpl.in](http://www.gpl.in); Email: [info@gpl.in](mailto:info@gpl.in)  
Tel: 080-28524133

By order of the Board of Directors  
For **Gujarat Petrosynthese Limited.**

**Ms. Urmi N. Prasad**  
Jt. Managing Director  
DIN : 00319482

Date : 12<sup>th</sup> August, 2021

## BOARDS' REPORT

To  
The Members,  
Gujarat Petrosynthese Limited  
Address: 24, II Main, Doddanekkundi Industrial Area,  
Phase 1, Mahadevapura, Bengaluru - 560048

Your directors have pleasure in presenting the 44<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2021.

## 1. FINANCIAL STATEMENTS &amp; RESULTS:

## a. FINANCIAL RESULTS:

The Company's performance during the year ended 31<sup>st</sup> March, 2021 as compared to the previous financial year, is summarized below:

(Rs. in '000)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue from Operations	1,93,439	2,02,054	193,439	2,02,793
Other Income	6,334	4,451	12,264	12,552
<b>Total Income</b>	<b>1,99,773</b>	<b>2,06,505</b>	<b>2,05,703</b>	<b>2,15,345</b>
<b>Total Expenses</b>	<b>(2,05,980)</b>	<b>(2,15,120)</b>	<b>(2,07,465)</b>	<b>(2,17,509)</b>
<b>Profit/(Loss) before exceptional items &amp; Tax</b>	<b>(6,207)</b>	<b>(8,615)</b>	<b>(1,762)</b>	<b>(2,163)</b>
<b>Profit on exceptional items</b>	<b>55,798</b>	<b>23,186</b>	<b>55,818</b>	<b>23,168</b>
<b>Profit/ (Loss) before tax</b>	<b>49,591</b>	<b>14,571</b>	<b>54,506</b>	<b>21,005</b>
<b>Less:</b> 1. Current Tax	3,497	-	3,497	960
2. Tax adjustment of earlier years (net)	-	-	-	-
3. Deferred Tax	(4,041)	(340)	(4,041)	(341)
<b>Profit/(Loss) for the year</b>	<b>50,135</b>	<b>14,911</b>	<b>54,600</b>	<b>20,385</b>
<b>Other comprehensive income (OCI):</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
1. Re-measurement gains/(losses) on defined benefit plans	-	-	-	-
2. Income tax effect on above	-	-	4,783	5,600
<b>Total Other Comprehensive Income (OCI) for the year, net of tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Expense) for the year</b>	<b>50,135</b>	<b>14,911</b>	<b>59,383</b>	<b>25,984</b>
<b>Earnings per equity shares (Face Value of Rs.10/- each)</b>				
<b>Basic and Diluted earnings per share</b>	<b>8.40</b>	<b>2.50</b>	<b>9.15</b>	<b>3.41</b>

## APPROPRIATION

Interim Dividend	NIL	NIL
Final Dividend	NIL	NIL
Tax on distribution of dividend	NIL	NIL
Transfer of General Reserve	NIL	NIL
Balance carried to Balance sheet	<b>50,135</b>	<b>14,911</b>

## b. OPERATIONS:

The Company continues to be engaged in the activities pertaining to the Manufacture of polymer alloys and blends.

There was no change in nature of the business of the Company, during the financial year under review.

## c. PERFORMANCE &amp; FUTURE OUTLOOK:

Due to the Covid 19 pandemic lockdown last year the Company was shut from March 24, 2020 to May 4 2020. Thus, during April – June 2020, only 88 MTs of polymer alloys and blends were sold. However, the Company was able to ramp up sales in the remaining nine months, managing to end the year with sales of

1563 MTs, a fall of 9.5% from 1727 MT (2019-2020) and revenue of Rs 19.35 crores down from Rs 20.21 crores (2019-2020). The Company's continued emphasis on developing import substitution and specialty products to suit the needs of its customers helped in increasing the customer base. Barring unforeseen circumstances, the Company is hopeful of increasing the sales this year by 20%. During 2020-2021, the company sold its Mumbai office and ended the year with a profit of 5.01 crores.

**d. SUBSIDIARY COMPANY, ASSOCIATES AND JOINT VENTURES:**

During the year under review, the Company has filed a Scheme of Merger between Gujarat Polybutenes Private Limited (GPPL) with the Company, which inter-alia aims at synergy in operations, greater financial strength and improvement in the position of the merged entity post completion. The Appointed Date for the Scheme is July 01, 2020.

The Company has formulated a policy for determining material subsidiary(ies) and such policy has been disclosed on the Company's website and its weblink is <https://www.gpl.in>.

A statement containing the salient features of the financial statement of the Company's wholly owned subsidiary under the provisions of section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 has been annexed herewith in prescribed Form AOC – 1 and marked as Annexure-I.

Pursuant to the requirements of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the details of Loans/ Advances made to and investments made in the subsidiary have been furnished in Notes forming part of the Accounts.

The audited accounts of the wholly owned subsidiary of the company are placed on the Company's website.

Further, the Company does not have any joint venture or associate companies during the year or at any time after the closure of the year and till the date of the report.

**e. DIVIDEND:**

With a view to conserve resources, your directors have thought it prudent not to recommend any dividend for the financial year under review.

**f. UNPAID DIVIDEND & IEPF:**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

However, the transfer of unpaid dividend to Investor Education and Protection Fund (IEPF) is not applicable to the Company for FY 2020-21 and no amount is lying in Unpaid Dividend A/c of the Company.

**g. TRANSFER TO RESERVES:**

The Company has not transferred any amount to the Reserves during the year.

**h. DEPOSITS:**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("**the Act**") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**i. CONSOLIDATED FINANCIAL STATEMENTS:**

Consolidated Financial Statements are prepared by your Company in accordance with the applicable Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs and the same together with The Auditors' Report thereon form part of the Annual Report. The financial statements have been prepared as per Division II of Schedule III issued by the Ministry of Corporate Affairs vide its Notification dated April 06, 2016.

The Financial Statements as stated above are also available on the website of the Company and can be accessed at the Web-link <https://www.gpl.in/>

**j. RELATED PARTY TRANSACTIONS:**

In accordance with the requirements of the Companies Act, 2013 and Listing Regulations, 2015, your Company has a Policy on Related-Party Transactions which can be accessed through weblink - <https://www.gpl.in/>

All related-party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related-party transactions is placed before the Audit Committee for their noting/approval every quarter.

There were no materially significant transactions with related parties (i.e. transactions exceeding 10% of the annual consolidated turnover) that may have potential conflict with the interests of your Company at large entered into during the year as per the last audited financial statements. Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is not applicable.

All related party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members to the Notes to the financial statements which sets out the disclosure for related party transactions.

**k. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in “Annexure III” which forms part of this Report.

**l. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:**

The details of investments made by the Company under Section 186 of the Companies Act, 2013 are given in the Notes to the standalone financial statements for the financial year ended March 31, 2021.

**m. DETAILS OF MATERIAL CHANGES FROM END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT:**

There have been no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report.

**n. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

**2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL :****a. Board of Directors:****i. Appointment**

No appointment of any director was made in the Company during the year under review.

**ii. Re-appointment**

- Based on the Recommendation of the Nomination & Remuneration Committee of the Company the Board of Directors of the Company at its Meeting held on August 12, 2021 has proposed re-appointment of Mrs. Urmi N. Prasad (DIN: 00319482) as the Joint Managing Director of the Company for a further period of 5 years w.e.f. April 01, 2022 to March 31, 2027. The Board recommends her re-appointment as the Joint Managing Director for which the approval of the Members is being sought in the Notice convening the Annual General Meeting of the Company.
- Based on the Recommendation of the Nomination & Remuneration Committee of the Company the Board of Directors of the Company at its Meeting held on August 12 2021 has proposed re-appointment Mrs. Charita Thakkar (DIN: 00321561) as the Joint Managing Director of the Company for a further period of 5 years w.e.f. April 01, 2022 to March 31, 2027. The Board recommends her re-appointment as the Joint Managing Director for which the approval of the Members is being sought in the Notice convening the Annual General Meeting of the Company.

### iii. Resignation / cessation

Mr. Rameshchandra Thakkar, Chairman and Non-Executive Director of the Company ceased to be the director of the Company w.e.f. 16th May, 2020 due to his sad demise.

### iv. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of the Companies Act, 2013 and Articles of association of the Company, none of the Independent Directors is liable to retire by rotation.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Charita Thakkar, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment. The said Director is not disqualified from being re-appointed as a Director of a Company as per the disclosure received from her pursuant to Section 164(2) of the Companies Act, 2013.

### v. Key Managerial Personnel:

#### i. Appointment

No appointment of any KMP was made in the Company during the year under review.

#### ii. Resignation

There has not been any change in the Key Managerial Personnel of the Company.

### vi. Declarations by Independent Directors :

All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and Listing Regulations. They have declared that they do not suffer from any disqualifications specified under the Act. In terms of Regulation 25 (8) of SEBI Listing Regulations they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of directors of the Company has taken on record the declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same. There has been no change in the circumstances affecting their status as Independent Directors of the Company. Also, all the Independent Directors are registered on the on-line database of Independent Directors by the Indian Institute of Corporate Affairs, Manesar ("IICA").

### vii. Remuneration / Commission Drawn From Holding / Subsidiary Company:

The Company does not have any Holding Company and none of the Directors have drawn any remuneration/commission from Subsidiary Company.

## 3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### a. Board Meetings:

The Board of Directors met Four (4) times during the financial year ended 31<sup>st</sup> March 2021 on 30<sup>th</sup> June, 2020, 20<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020, and 12<sup>th</sup> February, 2021 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

Name of Directors	Number of meetings that members were eligible to attend during financial year 2020-21	Board Meetings attended
Ms. Urmi Prasad	4	4
Ms. Charita Thakkar	4	4
Mr. V Raghu	4	4
Mr. Rajesh Parikh	4	4
Mr. M. D. Garde	4	4

Your Directors state that applicable Secretarial Standards ('SS'), i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs of India have been duly followed by the Company.

**b. Audit Committee:**

The details including the composition of the Audit Committee including attendance at the Meetings and terms of Reference are included in the Corporate Governance Report, which forms a part of the Annual Report.

**c. Nomination and Remuneration Committee:**

The details including the composition of the Nomination & Remuneration committee including attendance at the Meetings and terms of Reference are included in the Corporate Governance Report, which forms a part of the Annual Report.

**d. Stakeholders Relationship Committee:**

The details including the composition of the Stakeholder relationship committee including attendance at the Meetings and terms of Reference are included in the Corporate Governance Report, which forms a part of the Annual Report.

**e. Vigil Mechanism Policy For The Directors And Employees:**

The Board of Directors of the Company has, pursuant to the provisions of Section 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the listing Regulations, framed a "**Vigil Mechanism Policy**" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The policy is also uploaded on the website of the Company. The path of the same is as follows:  
<https://www.gpl.in/admin/uploads/Vigil%20Mechanism%20Policy.pdf>

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Board of Directors. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**f. Risk Management Policy:**

The Board of Directors of the Company has designed The Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

The policy is also uploaded on the website of the Company. The path of the same is as follows:  
<https://www.gpl.in/policy.php>

**g. Corporate Social Responsibility Policy:**

The provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable on the Company.

**h. Annual Evaluation Of Directors, Committee And Board:**

Pursuant to the Section 134(3)(p) of the Companies Act, 2013 as amended from time to time and Regulations 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, The Board has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of all the committees i.e. Audit, Nomination and Remuneration, Stakeholders Relationship Committee.



The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board the exercise was carried out by feedback survey from each director covering the Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate Exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc.

The various criteria considered for evaluation of Executive Directors included qualification, experience, knowledge, commitment, integrity, leadership, engagement, transparency, analysis, decision making, governance etc. The Board commended the valuable contributions and the guidance provided by each Director in achieving the desired levels of growth. This is in addition to evaluation of Non-Independent Directors and the Board as a whole by the Independent Directors in their separate meeting being held every year.

#### 4. AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

##### a. Observations Of Statutory Auditors on Accounts for The Year Ended 31st March 2021:

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March 2021 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

##### b. Secretarial Audit Report for The Year Ended 31st March 2021:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary M/s. J.J. Gandhi & Associates, Practicing Company Secretaries had been appointed to issue the Secretarial Audit Report for the financial year 2020-21.

Secretarial Audit Report issued by M/s. J.J. Gandhi & Associates, Practicing Company Secretaries in Form MR-3 for the financial year 2020-21 and is annexed hereto and marked as “**Annexure-II-A**”. The report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 except as mentioned below:

***“As per the requirements of Regulation 31(2) of the SEBI (LODR) Regulations, 2015 the 100% shareholding of the promoters have not been maintained in demat form.”***

The management hereby gives explanation to the above mentioned qualification that the two promoters who are holding shares in physical form are deceased and hence, Company was not able to maintain all the shareholding of promoter in demat form. However, The Company is identifying various measures to do the same.

Further, the Board of Directors, has re-appointed M/s. J.J. Gandhi & Associates, Practicing Company Secretaries to conduct the Secretarial Audit for the Financial Year 2021-22 in accordance with Section 204 of the Companies Act, 2013.

Further, Gujarat Polybutenes Private Limited is wholly owned material subsidiary company of the Company and as per Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, Secretarial Audit report issued by M/s. J.J. Gandhi & Associates, Practicing Company Secretaries is annexed hereto and marked as “**Annexure-II-B**”.

##### c. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Dayal & Lohia, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 40<sup>th</sup> AGM held on September 22, 2017 for a term of five financial years and they continue to be the Statutory Auditors of the Company till the conclusion of the ensuing 45<sup>th</sup> AGM.

They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Regulation 33(1) (d) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The amended provision of Section 139(1) of the Companies Act, 2013, has dispensed with the ratification of appointment of Statutory Auditors each year by the Members.

**d. Internal Auditors:**

The Company has adopted an internal control system, commensurate with its size. The Company had appointed M/s. Krishna & Vishwas LLP as the internal auditors of the Company for FY 2020-21 to complete the internal audit.

Further, the board of directors in their meeting held on August 12, 2021 has proposed to reappoint M/s Krishna & Vishwas LLP, as the Internal Auditor of the Company for the financial year 2021-22. The Company ensures compliance and controls so that the assets and business interests of your Company are adequately safe guarded.

**e. Maintenance of Cost Records:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

**f. Reporting Of Frauds By Statutory Auditors Under Section 143(12):**

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

**5. CORPORATE GOVERNANCE REPORT:**

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms part of this Annual Report.

**6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to Regulation 34 read with Schedule V(B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis report is annexed hereto and marked as “Annexure – IV”.

**7. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The information required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company is provided in “Annexure- V”.

**8. SECRETARIAL:**

**a. Share Capital:**

***Authorised Share Capital***

The Authorised Share Capital of the Company is Rs. 8,00,00,000 divided into 80,00,000 Equity Shares of Rs. 10/- each.

***Issued, Subscribed and Paid up Share capital***

The issued, subscribed and paid-up Share Capital of the Company stood at Rs. 5,96,91,660 as at 31<sup>st</sup> March, 2021 comprising of 59,69,166 Equity Shares of Rs. 10 each fully paid-up. There was no change in Share Capital during the year under review.

**b. Compliance with the provisions of Secretarial Standard 1 and Secretarial Standard 2:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**c. ANNUAL RETURN:**

As provided under Section 92(3) and 134(3)(a) of the Act, read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Amendment Rules, 2020, the Annual Return of your Company in form MGT-7 for the Financial Year 2020-21, shall be hosted on the website of your Company and the web-link of the same is as mentioned below, i.e. <https://www.gpl.in>

**9. OTHER DISCLOSURES:**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. Disclosure of Orders Passed by Regulators or Courts or Tribunal:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**b. Director's Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3)(c) of the Companies Act, 2013:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profit/loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f. the internal financial controls are followed by the Company and such internal financial controls are adequate and were operating effectively.

**c. Disclosure Regarding Internal Complaints Committee:**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There has been no complaint received from any of the employees of the Company during the year under review.

**d. Disclosure Under Section 43(a)(ii) of the Companies Act, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**e. Disclosure Under Section 54(1)(D) Of The Companies Act, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.



**f. Disclosure Under Section 62(1)(B) Of The Companies Act,2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**g. Disclosure Under Section 67(3) Of The Companies Act,2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**h. Certifications/Recertifications:**

Your Company is certified for Standard ISO 9001:2015 & ISO 14001:2015.

i. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year is not applicable;

j. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

**k. Acknowledgements and Appreciation:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board  
**Gujarat Petrosynthese Limited**

**Ms. Urmi N. Prasad**  
Jt. Managing Director  
DIN : 00319482  
Place : Hyderabad.

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN : 00321561  
Place : San Francisco

Date: 12<sup>th</sup> August, 2021

## Annexure I

## Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

## PART "A" : Subsidiaries

(Amt. in '000)

S.No.	Particulars	Particulars
1.	Name of the subsidiary/Joint Venture/Associate Companies	Gujarat Polybutenes Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	Amount in "Rupees"
4.	Share capital	44,900
5.	Reserves and surplus	184,856
6.	Total Assets	2,30,004
7.	Total Liabilities	248
8.	Investments	1,35,943
9.	Turnover	-
10.	Profit before taxation	4,464
11.	Provision for taxation	-
12.	Profit after taxation	9,247
13.	Proposed Dividend	-
14.	% of shareholding	99.99%

Notes :

- Names of subsidiaries which are yet to commence operations: **NIL**
- Names of subsidiaries which have been liquidated or sold during the year: **NIL**

## PART "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures is not applicable as the company does not have an associate or joint venture company.

For and on behalf of the Board  
Gujarat Petrosynthese Limited

**Ms. Urmi N. Prasad**  
Jt. Managing Director  
DIN : 00319482  
Place : Hyderabad.

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN : 00321561  
Place : San Francisco

Date : 12<sup>th</sup> August, 2021

**Annexure II - A**

**SECRETARIAL AUDIT REPORT**

(For the Financial year ended on 31st March, 2021)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Gujarat Petrosynthese Ltd.,  
24, II main, Doddanekkundi Industrial Area, Mahadevapura,  
Bengaluru - 560048

Dear sirs

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Gujarat Petrosynthese Ltd.** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31<sup>st</sup> March, 2021**, according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. - As reported to us there were no FDI, ODI and ECB transactions in the Company during the financial year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company did not issue any security during the financial year under review.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issued nor listed any debt securities during the financial year under review.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.

- H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.
6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;
1. The Environment (Protection) Act, 1986;
  2. The Air (Prevention and Control of Pollution) Act, 1981;
  3. The Water (Prevention and Control of Pollution) Act, 1974.

We have also examined compliance with the applicable clauses of the following;

- (i) The Mandatory Secretarial Standards (SS1 and SS2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above except to the extent mentioned herein below;

*As per the requirements of Regulation 31(2) of the SEBI (LODR) Regulations, 2015 the 100% share holding of the promoters have not been maintained in demat form.*

### **We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

Based on the Compliance mechanism established by the Company and on the basis of certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Vadodara  
Date : 12<sup>th</sup> August, 2021

**for J J Gandhi & Co.**  
**Practising Company Secretaries**  
**(J J Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**  
**UDIN Number F003519C000772144**

This report is to be read with our letter of even date which is annexed as **Annexure-II-A** and forms an integral part of this report.

Note : Secretarial Audit was conducted considering the Guidelines issued by the Govt. for Pandemic Covid-19.



**ANNEXURE TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Gujarat Petrosynthese Ltd.,  
24, II main, Doddanekkundi Industrial Area, Mahadevapura,  
Bengaluru - 560048

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. The Compliance of applicable financial laws like direct and indirect laws have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Vadodara  
Date : 12<sup>th</sup> August, 2021

**for J J Gandhi & Co.**  
**Practising Company Secretaries**  
**(J J Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**



**Annexure II - B**

**SECRETARIAL AUDIT REPORT**

(For the Financial year ended on 31st March, 2021)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Gujarat Polybutenes Private Limited,  
Ecstasy, 718, 7th Floor,  
City of Joy, J.S.D. Road, Mulund West,  
Mumbai - 400080.

Dear Sir,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Gujarat Polybutenes Private Limited** having CIN U24200MH2002PTC340316 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made herein after;

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31<sup>st</sup> March, 2021**, according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. – As reported to us there were no FDI, ODI and ECB transactions in the Company during the financial year under review.
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company as the Company is unlisted Public Company.

Further, it is noted that the Company has not conducted any business during the financial year 2020-21.

We have also examined compliance with the applicable clauses of the following;

- (i) The Mandatory Secretarial Standards (SS1 and SS2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company as the Company is unlisted Public Company.

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

**We further report that;**

The Board of Directors of the Company is duly constituted with Non-Executive Directors and Nominee Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company has not conducted any business in the financial year under review. The Board of Directors at its meeting held on 30<sup>th</sup> June, 2020, approved the scheme of merger between the Company and its holding Company Gujarat Petrosynthese Limited, which is subject to the to the approval, and sanction of National Company Law Tribunal (NCLT), Mumbai and Bengaluru Bench. The appointed date of the merger is 1<sup>st</sup> July, 2020.

We further report that the Registered office of the Company has been changed from the state of Karnataka to the state of Maharashtra, Mumbai vide Order dated 20/03/2020 of the Regional Director, South Eastern Region, Hyderabad. The said order has been filed on 11/05/2020.

**for J J Gandhi & Co.**  
**Practising Company Secretaries**  
**(J J Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**  
**UDIN Number F003519C000772641**

Place : Vadodara  
Date : 12<sup>th</sup> August, 2021

This report is to be read with our letter of even date which is annexed as **Annexure II-B** and forms an integral part of this report.

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### **ANNEXURE TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Gujarat Polybutenes Private Limited,  
Ecstasy, 718, 7th Floor,  
City of Joy, J.S.D. Road, Mulund West,  
Mumbai - 400080.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. The Compliance of applicable financial laws like direct and indirect laws have not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**for J J Gandhi & Co.**  
**Practising Company Secretaries**  
**(J J Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

Place : Vadodara  
Date : 12<sup>th</sup> August, 2021

## ANNEXURE III

## DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

## (A) Conservation of energy:

Steps taken or impact on conservation of energy	Use of standard quality equipment. Proposals are under consideration for Additional Investment and proposals to implement reduction of energy. Company also strives for reduction in usage of electricity.
Steps taken by the company for utilizing alternate sources of energy	Not Applicable
Capital investment on energy conservation equipments	Not Applicable

## B. TECHNOLOGY ABSORPTION

Efforts made towards technology absorption	Technology obtained from our collaborators has been fully absorbed. Improvements are being continuously made and have resulted in improved efficiency of operation.
Benefits derived like product improvement, cost reduction, product development or import substitution	Various measures for power savings have attributed to cost reduction and reduction in energy consumption.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
<ul style="list-style-type: none"> <li>• Details of technology imported</li> <li>• Year of import</li> <li>• Whether the technology has been fully absorbed</li> <li>• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof</li> </ul>	<p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>
Expenditure incurred on Research and Development	Not Applicable

## C. FOREIGN EXCHANGE EARNING AND OUTGO :

	April 01, 2020 to March 31, 2021 [Current F.Y.] Amount in Rs.	April 01, 2019 to March 31, 2020 [Previous F.Y.] Amount in Rs.
Actual Foreign Exchange earnings	Nil	Nil
Actual Foreign Exchange outgo	Nil	Nil

For and on behalf of the Board Directors

Ms. Urmi N. Prasad  
Jt. Managing Director  
DIN : 00319482  
Place : Hyderabad.

Ms. Charita Thakkar  
Jt. Managing Director  
DIN : 00321561  
Place : San Francisco

Date : 12<sup>th</sup> August, 2021

**ANNEXURE – IV****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Structure and Development**

We are one of the major sources for polymer compounding, coloring, alloying and blending of engineering plastics in south India catering to the demands and needs of our customers for their specific applications.

**Opportunities & Threats**

The polymer alloys and blends unit was set up with the technical collaboration and equity participation of Chenguang Research Institute of Chemical Industry (CRICI). The products of your company have diverse uses and applications in several industries right from automotive, telecommunication and medical to electrical, electronic and home applications.

The Company has loyal pan- India customers and enjoys a good reputation in the industry owing to the consistency, reliability and quality of its products. It has a full-fledged testing laboratory along with the latest equipment. The Company has started providing products to the growing market for e- vehicles and medical equipment. The company has obtained the ISO 9001:2015 and 14001:2015 certification maintaining its pursuit in consistently providing high quality products while observing effective environment management systems.

**Segment/ Product Wise Performance**

Your company is engaged in manufacture of polymer alloys and blends which is considered as a single segment.

Your company has been showing a continuous and steady growth in Turnover over the past few years from 1113 MT in the year 2015 -2016 to 1727 MTs in 2019-2020. During 2020-2021, the company was shut down from March 24, 2020 to May 4th 2020 during the first quarter due the covid 19 lockdown and sold only 88 MTS. The year ended with a sales of 1563 MTs

In the last financial year, the Company has developed 15 new customers and 57 new products.

**Market and Outlook**

The Company is developing import substitution and specialty products to suit the needs of its customers which has helped in increasing the customer base. It is waiting for customer approval for some of the products which will boost the sales.

The Company is targeting a better product mix, operational efficiency and stringent control on the cost in order to increase productivity and operating margins. Continuous efforts are being made for efficient energy and raw material consumption. Your company, barring unforeseen circumstances, expects to further improve the turnover and performance.

**Risks and Concerns**

Some of the raw materials are imported from other countries. The volatility of exchange rate of rupee against US dollar accompanied by the problems in supply chain due to the Covid 19 pandemic could have a significant impact on the supply and cost of raw Material.

However, the company has managed to mitigate the risk to an extent by stocking some quantities of the raw materials.

**Internal Control Systems and their Adequacy**

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation, designing and documentation of Policy on Internal Financial Control have been finalized and implemented which is being reviewed periodically and modified suitably to ensure controls. The internal audit functions are carried out by a separate firm of Chartered Accountants. This is supplemented through an extensive internal audit programme and periodic review by the management and Audit Committee.

**Discussion on Financial Performance with respect to operational performance**

The total revenue from the operations for the year ended March 31, 2021 amounts to Rs. 19.35 Crore as against Rs. 20.21 Crore in the previous financial year. The Company is taking efforts to reduce consumption, energy cost and wastage & get higher yield to achieve maximum profits.

**Human Resources**

Human Resources are always the most important and valuable asset to the Company. The Company has 32 permanent employees as on 31st March, 2021 at factory and office level. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance and customer focus. The Human Resource Department had arranged a number of training programs on Safety and Emergency preparedness and Awareness and Environmental policy training.

**Key Financial Ratios**

<b>Particulars of Ratio</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Debtors Turnover	9.21	9.88
Inventory Turnover	14.28	23.99
Interest Coverage Ratio	-	-
Current Ratio	5.83	6.86
Debt Equity Ratio	-	-
Operating Profit Margin (%)	(5.57)	(5.22)
Net Profit Margin (%)	25.92	7.38

**Return on Net Worth**

The return on net worth has escalated to 18.5 % as against 6.75 % in the previous year due to exceptional gain by the Company.

**Cautionary Statement**

Statements in the Management Discussion & Analysis Report describing the Company’s expectations, opinion, and predictions may please be considered as “forward looking statements” only. Actual results could differ from those expressed or implied. Company’s operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors.

For and on behalf of the Board of Directors

**Ms. Urmi N. Prasad**  
 Jt. Managing Director  
 DIN : 00319482  
 Place : Hyderabad.

**Ms. Charita Thakkar**  
 Jt. Managing Director  
 DIN : 00321561  
 Place : San Francisco

Date : 12<sup>th</sup> August, 2021

## ANNEXURE V

(Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014)

1. The percentage increase in remuneration of the executive Directors, Chief Financial Officer and Company Secretary during the Financial Year 2020-2021, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:

Sr. No.	Name	Designation	% increase in the remuneration for Financial Year 20-2021	Ratio of remuneration of Director to median remuneration of employees
1.	Ms. Urmi Nuthakki Prasad	Joint Managing Director and Chief Financial Officer	No increase	7.31:1
2.	Ms. Charita Thakkar	Joint Managing Director	No increase	6.73:1
3.	Ms. Pratiksha Parmar	Company Secretary	No increase	0.72:1

2. The median remuneration of employees during the Financial Year 2020-21 was Rs. 3,53,774/-
3. The percentage increase in the median remuneration of employees during the financial year 2020-21 was 5%.
4. There were **32 Permanent Employees** on the rolls of the Company as on 31st March, 2021.
5. During the financial year 2020-21, there was a no change in the managerial remuneration w.r.t the managerial personnel for the financial year 2020-21 as compared to remuneration paid in previous year (2019-20).
6. During the financial year 2020-21, an average percentile increase of 5-6% in the salaries of employees (other than the managerial personnel) as compared to the previous financial year managerial remuneration.
7. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.
8. **List of top 10 employees in terms of remuneration drawn.**

Sr. No.	Name of the Employee	Designation	Remuneration (in Rs.)	Nature of Employment	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification	If the employee is a relative of Director or Manager
1	Mr. Pradeep Kumar T.K	Administration Mnaager	14,85,133.00	Permanent	17-04-1996	53	Leela Computer	BSC+ PGDCA centre	NO
2	Ms. Hema.K	Manager Accounts	11,24,741.00	Permanent	06-11-2000	48	Bhandari Spinning Mills Ltd	B.COM	NO
3	Mr. Sunil Kumar S M	Manager Operations	9,82,444.00	Permanent	06-02-2017	39	Lumax Auto Technology	DME + BE	NO
4	Mr. Venkata subbaiah S	Manager Business Development	7,90,136.00	Permanent	11-06-2012	49	Bill Forge Pvt Ltd Enginner	Dipolma In Mechanical	NO
5	Mr. A P Govindaraju	Asst Manager Maintainance	7,50,992.00	Permanent	19-08-2013	51	Quad Tooling Technologies Pvt ltd	I.T.I. Electrical	NO
6	Mr.Udaya G	Asst Manager Production	7,50,992.00	Permanent	18-04-2005	46	San Motors	Diploma in Polymer Technology	NO
7	Ms. Mohini A Rajput	Accountant	5,47,980.00	Permanent	01-04-2007	48	Bright Star Componnets Pvt ltd	B.COM	NO
8	Ms. Kanchana G	Accountant	4,84,933.00	Permanent	02-11-2001	40	NA	B.COM	NO
9	Mr. C.S. Chidananda Murthy	Accountant	4,52,677.00	Permanent	22-10-2018	48	Rama & Co	B.COM	NO
10	Mr. Borendra Parida	Shift Supervisor	4,36,822.00	Permanent	01-12-1997	43	Periwal Plastics Pvt Ltd	7th Std	NO

For and on behalf of the Board of Directors

**Ms. Urmi N. Prasad**  
Jt. Managing Director  
DIN : 00319482  
Place : Hyderabad.

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN : 00321561  
Place : San Francisco

Date : 12<sup>th</sup> August, 2021

## REPORT ON CORPORATE GOVERNANCE

### 1. The Company's Philosophy on Corporate Governance:

Gujarat Petrosynthese Limited (hereinafter referred to as 'GPL' or 'Company'), believes that Corporate Governance is an essential element of business, which helps the Company to fulfil its responsibilities to all its stakeholders. Gujarat Petrosynthese Limited is committed to adopting best global practices in Governance and Disclosure. GPL believes that highest standards of Corporate Governance are essential to enhance long term value of the Company for its stakeholders and practices the same at all levels of the organization. Ethical business conduct, integrity and commitment to values, which enhance and retain stakeholders' trust are the traits of your Company's Corporate Governance. Good Governance practices stem from the culture and mindset of the organization.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below:

### 2. Board of Directors:

#### a. Board Structure

The Company's Board of Directors comprises of both Independent and Non-Independent Directors. The number of Independent Directors comprises of more than 50% of the total strength of the Board. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

The management of the Company is entrusted in the hands of the Key Management Personnel of the Company who function under the supervision and control of the Board which is headed by the Independent Chairman and Joint Managing Directors. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' value are met.

Ms. Charita Thakkar and Ms. Urmi N. Prasad are the Joint Managing Director and promoters of the Company and are related to each other. None of the other Directors are related to each other, other than as stated above.

Mr. Rajesh Shirish Parikh, Mr. Raghu Venkataraman, Mr. Moreshwar Digambar Garde are the Non-executive Independent Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, all the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and the Listing Regulations and they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended. They have also given the on-line self-assessment proficiency test and cleared the same within the timelines as prescribed by MCA, to whomever it was applicable. Further, based on the declarations received from the Independent Directors, in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

At the 43rd AGM of the Company held on September 29, 2020, in terms of Regulation 17(1A) the Company has taken members approval by passing a special resolution for continuation of directorship of Mr. Moreshwar Digambar Garde and Mr. Raghu Ventakaraman as the Non-executive Independent directors of the Company till the expiry of their existing term even after having completed 75 years of age.

Your Company has formulated and adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse to benefit from fresh perspectives, new ideas and broad experience.

Details of the Director seeking re-appointment at the Annual General Meeting have been mentioned in the Notice of the Annual General Meeting.

## Composition of Board of Directors as on March 31, 2021:

Category	No. of Director
Independent Director	3
Joint Managing Director	2
Total	5

## b. Board meetings held and Directors' attendance record

Sr. No.	Name of Directors	Category of Director	No of Shares held as on 31-03-2021	No. of Board meetings attended during FY 2020-21 (out of total 4 meetings held throughout the year)	No. of Directorship in Public Companies as on 31-3-2021*	No. of Board Committee Membership held in Public Companies as on 31-3-2021**		Attendance at last AGM held on September 29, 2020
						Chairman	Member	
1	Mr. Raghu Ventakaraman	Non Executive Independent Director & Chairperson	-	4	3	-	2	Yes
2	Ms. Charita Thakkar	Joint Managing Director – Promoter	6,05,272	4	2	-	-	Yes
3	Ms. Urmi N. Prasad	Joint Managing Director – Promoter	4,07,466	4	4	-	1	Yes
4	Mr. Moreshwar Digambar Garde	Independent Director	-	4	2	1	1	Yes
5	Mr. Rajesh Shirish Parikh	Independent Director	142	4	1	1	2	Yes

\* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 companies (having charitable objects etc.) and includes directorship in Gujarat Petrosynthese Ltd.

\*\* In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of only Audit Committee and Stakeholder Relationship Committee of all Public Limited Companies, whether listed or not, has been considered including that of Gujarat Petrosynthese Ltd.

# Mr. Rameshchandra Thakkar ceased to be a Non-Executive director and chairperson of the company with effect from May 16, 2020 due to his sad demise.



**c. Other directorship positions held in listed entities including this listed entity by Directors and the category**

Sr. No.	Name of Director	Names of listed entities in which Directorship held	Category of Directorship
1.	Urmi N. Prasad	Gujarat Petrosynthese Limited	Joint Managing Director
2	Charita Thakkar	Gujarat Petrosynthese Limited	Joint Managing Director
3	Rajesh Parikh	Gujarat Petrosynthese Limited	Independent Director
4	Raghu Ventakaraman	Gujarat Petrosynthese Limited	Independent Director
5	Moreshwar Digambar Garde	Gujarat Petrosynthese Limited	Independent Director

During the year under review, four meetings of the Board were held in Mumbai through Video Conferencing on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	June 30, 2020	5	5
2.	August 20, 2020	5	5
3.	November 10, 2020	5	5
4.	February 12, 2021	5	5

The maximum gap between two Board Meetings held during the year was not more than 120 days, except for first Board Meeting which was held on June 30, 2020 due to Ministry of Corporate Affairs ('MCA') vide its general circular 11/2020 dated March 24, 2020 extending the gap between board meetings by additional 60 days.

All the Board Meetings in FY 2020-21 were held through Video Conferencing/ Other Audio Visual means as per the relaxations and exemptions provided by MCA due to the ongoing lockdown because of COVID-19 pandemic. The agenda along with the notes and required documents were sent at least seven days before the date of the Board Meeting(s) to the Directors through electronic mode in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations.

The Forty Third (43rd) Annual General Meeting was held on September 29, 2020.

Pursuant to requirements of Regulation 26 of the Listing Regulations, none of the Company's Directors is a member of more than 10 committees or Chairman of more than 5 committees across all Public companies in which he/she is a Director.

**d. Major functions of the Board**

The Company has clearly defined the roles, functions, responsibility, and accountability of the Board of Directors. In addition to its primary role of monitoring corporate performance, the major functions of the Board comprise:

- Approving corporate philosophy;
- Formulating strategic and business plan;
- Reviewing and approving financial plans and budgets;
- Monitoring corporate performance against strategic and business plans;
- Review of Business risk issues;
- Ensuring ethical behaviour and compliance with laws and regulations;
- Reviewing and approving borrowing limits.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, the performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

**e. Familiarization Programme**

During the financial year 2020-21, the provisions of corporate governance were not applicable to the Company. Hence, the Company has not uploaded the familiarization programs details on website of the Company for FY 2020-21. However, the Company periodically provides information to independent directors to enable them to understand the business of the Company and shall also comply with the provisions with effect from FY 2021-22.

**f. Key Skills, Expertise and Competencies of the Board:**

The Board comprises qualified Members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/ competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

Sr. No	Particulars	Urmi Prasad	Charita Thakkar	Moreshwar Garde	Raghu Venkataraman	Rajesh Parikh
1	Industry Knowledge / Expertise	✓	✓		✓	
2	Operational Knowledge / Expertise	✓	✓		✓	
3	Leadership Attributes	✓	✓	✓	✓	✓
4	Strategic Planning	✓	✓	✓	✓	✓
5	Risk Management	✓	✓	✓		
6	Financial	✓	✓	✓	✓	✓
7	Stakeholder Engagement	✓	✓			✓
8	Legal / Regulatory Expertise			✓		✓
9	Human Resources	✓	✓	✓	✓	✓

The absence of a mark against a Board Member's name does not necessarily mean the Director does not possess the corresponding skill, expertise or competence.

**g. Independent Directors' Meeting**

During the year under review, the Independent Directors met on February 12, 2021, inter alia to discuss and Review Performance of:

- I. Non-Independent Directors,
- II. the Board as a whole,
- III. Chairman of the Company and
- IV. assessed the quality, quantity and time liness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties

All the three Independent Directors were present at the meeting. Pursuant to the requirements of the Listing Regulations and Schedule IV of the Companies Act, 2013 on Code of Conduct of the Independent Directors, the Independent Directors had reviewed and evaluated the performance of Non-Independent Directors and the Board as a whole and the same was found satisfactory. Further, pursuant to the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended, the Independent Directors have also furnished a declaration to the effect that they have included their names in the Database maintained by the Indian Institute of Corporate Affairs.

**3. Audit Committee:**

The total strength of the Audit Committee is 3 out of which, all the members fall under the Independent Category. The norms require 2/3rd of the members to be Independent Directors. The regulations require 2/3rd of the members to be Independent Directors and the Company has complied with the same.

Due to the sad demise of Mr. Rameshchandra Thakkar, the Board members re-constituted the Audit Committee in their meeting held on 30th June, 2020.

The composition of the re-constituted Audit Committee and the details of meetings attended by the Members during the year are given below:

Name of Members	Category	No. of Meetings attended during the financial year 2020-21 out of total 4 committee meetings held during the year
Mr. Moreshwar Garde, Chairman	Independent Director	4
Mr. Raghu Venkataraman	Independent Director	4
Mr. Rajesh Parikh	Independent Director	4

During the year four Audit Committee Meetings were held, the dates of which are as follows:

June 30, 2020, August 20, 2020, November 10, 2020 and February 12, 2021.

The requisite quorum was present at the meetings.

Audit Committee Meetings are also attended by the Joint Managing Directors, Chief Financial Officer, Company Secretary and Statutory Auditor. The Company Secretary acts as the Secretary of the Audit Committee.

The Board of Directors has appointed **M/s. Krishna & Vishwas LLP** as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company. The periodical reports of the said internal auditors were regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. All the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and SEBI Regulations.

The Audit Committee also receives the report on compliance under the Code of Conduct for Prohibition of Insider Trading Regulations, 2015. Further Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle Blower Policy are also placed before the Committee.

The scope of the activities of the Audit Committee is as set out in Regulation 18 of the SEBI (LODR) Regulations read with Section 177 of the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto.

The terms of reference of the Audit Committee are broadly as follows:

- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Reviewing with the management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
- c) Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- e) To engage consultants who can analyze / review the internal practices and give a report thereon to the audit committee from time to time in respect of the Company's Financial Reporting and controls thereto;

- f) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- g) To recommend the appointment and remuneration of the Secretarial Auditor.
- h) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- i) Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
- j) Examination of the financial statement and the auditors' report thereon;
- k) Approval or any subsequent modification of transactions of the Company with related parties;
- l) Scrutiny of inter-corporate loans and investments;
- m) Valuation of undertakings or assets of the company, wherever it is necessary;
- n) Evaluation of internal financial controls and risk management systems;
- o) To review the Internal Control over Financial Reporting.
- p) To review the functioning of the Whistle blower mechanism
- q) Monitoring the end use of funds raised through public offers and related matters.
- r) To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the amendments made thereto from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
- s) To review the annual declaration made by the Promoters and Promoter group companies regarding encumbrance, whether directly or indirectly, on shares of the Company pursuant to the provisions of SEBI (Substantial Acquisition of Shares and Takeover), Regulations, 2011, as amended.

The Audit Committee also assures the Board about the adequate internal control procedures and financial disclosures commensurate with the size of the Company and in conformity with the requirements of the Listing Regulations.

#### **4. Stakeholders Relationship Committee**

The Company has constituted the Stakeholders Relationship Committee ('SRC') in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

The total strength of the SRC is 3 members, out of which majority of the members are Non-Executive Independent Directors of the Company. During the year under review, no changes took place in the composition of the Committee.

Mr. Rajesh Parikh was present at the Company's Annual General Meeting held on 29th September 2020.

The terms of reference of the Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

- a. To consider and resolve the grievances of security holders of the Company including Investors' complaints;
- b. Approval of transfer or transmission of shares, debentures or any other securities;
- c. Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time.;
- d. Performance of such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.;
- e. Effective implementation of whistle blower mechanism offered to all the Stake holders to report any concerns about illegal or unethical practices;
- f. Redressal of complaints regarding the non-receipt of declared dividends, balance sheets of the Company, etc.;
- g. Issuance of duplicate certificates and new certificates on split/consolidation/renewal etc.

**The Composition of the Committee as on March 31, 2021 is as follows**

Name of Members	Category
Mr. Rajesh. S. Parikh, Chairperson	Non-Executive Independent Director
Ms. Urmi N. Prasad, Member	Joint Managing Director
Mr. Raghu Venkatraman, Member	Independent Director

During the year, four Meetings of the Stakeholder Relationship Committee were held, the dates of which are as follows:

June 30, 2020, August 20, 2020, November 10, 2020, February 12, 2021.

The Committee reviews the complaints received by the Company from its investors and the action taken by the management to sort out these complaints.

As reported in the Corporate Governance Report of the previous Financial Year, the Company has no pending complaints during the year under review.

The Company received **Nil complaints** from shareholders in Financial Year 2020-21.

The Company Secretary acts as the Secretary of the Committee.

**Name, designation, and address of the Compliance Officer:**

Ms. Pratiksha Parmar  
 Company Secretary & Compliance Officer  
 7/22, BB Rai Complex, Gopal Ganj,  
 Sagar ( MP) - 470001

**5. Nomination & Remuneration Committee**
**A. Composition and Scope**

The Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors and KMPs. The Committee also anchored the performance evaluation of the Individual Directors.

In view of the amended provisions of Section 178 of the Companies Act, 2013, the performance of Board, its committees and each Director (excluding the director being evaluated) has been evaluated by the Board on the basis of engagement, leadership, analysis, decision making, communication, governance, interest of stakeholders etc.

The total strength of the NRC is 3 members, out of which all the members are Non-Executive Independent Directors of the Company. The regulations require at least 50% of the members to be Independent Directors and the Company has complied with the same.

Due to the sad demise of Mr. Rameshchandra Thakkar, the Board members have re-constituted the Nomination & Remuneration Committee by passing the circular resolution as on 23rd June, 2020 wherein the re-constituted committee is as follows:

Name of Members during the Year	Category	No. of meetings attended
Mr. Moreshwar Garde, Chairman	Independent Director	3
Mr. Rajesh Parikh	Independent Director	3
Mr. Raghu Venkataraman	Independent Director	3

Ms. Pratiksha Parmar acts as the Secretary to the committee.

During the year, 3 NRC Meetings were held on 20th August 2020, 10th November 2020 and 12th February 2021

The scope of the activities of the NRC is as set out in Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013 as amended. They are as follows:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b. To formulate criteria for evaluation of Independent Directors and the Board.
- c. To determine the composition of the Board based on the need and requirements of the Company from time to time;
- d. To Identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- e. To recommend to the Board the appointment and removal of Directors and Senior Management.
- f. To Recommend to the Board a policy in relation to the remuneration for the Directors, Key Managerial Personnel and other employees;
- g. To Carry out evaluation of performance of each Director;
- h. To devise a policy on Board diversity, composition, size.
- i. Succession planning for replacing Key Executives and overseeing.
- j. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- k. To carry out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time.
- l. Perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

**B. Remuneration of Directors**

(Rupees)

Name of the Director	Salary, Allowances / Perquisites & Performance Bonus,
Ms. Urmi N. Prasad, Joint Managing Director	25,86,000
Ms. Charita Thakkar, Joint Managing Director	23,82,000

**Commission / Sitting Fees to Non-Executive Directors for the financial year 2020-21 for attending Board and Committee Meetings.**

(Rupees)

Name of the Director	Sitting Fees	Commission	Total
Mr. Rajesh Parikh	135,000	-	135,000
Mr. MoreshwarGarde	110,000	-	110,000
Mr. Raghu Venkataraman	135,000	-	135,000
<b>Total</b>	<b>380,000</b>	<b>-</b>	<b>380,000</b>

The Company does not have any Employee Stock Option Scheme for grant of stock options to the directors of the Company.

Apart from the above, the Company does not have any other Committees for which the details are required to be given.

## 6. General Body Meetings

Given below are the details of Annual General Meetings for the previous three financial years:

Year	Date and time of the Annual General Meeting.	Location	Number and Nature of Special Resolutions passed, if any*
2017-18	Friday, September 21, 2018 at 03.00 P.M.	II main, Doddanekkundi Industrial Area, Bangalore 560048	a. Re-appointment of Mr. M.D.Garde as an Independent Director of the Company; b. Re-appointment of Mr. V. Raghu as an Independent Director of the Company
2018-19	Wednesday, August 14, 2019 at 03.00 P.M.	II main, Doddanekkundi Industrial Area, Bangalore 560048	a. Re-appointment of Ms. Urmi N. Prasad as Joint Managing Director of the Company; b. Re-appointment of Ms. Charita Thakkar as Joint Managing Director of the Company; c. Continuation of Directorship of Mr. R.M.Thakkar (00248949) as a Chairman & non executive Director
2019-20	Tuesday, September 29, 2020 at 12.30 P.M.	II main, Doddanekkundi Industrial Area, Bangalore 560048 (Deemed place of Annual General meeting)	a. To consider the continuation of Directorship of Mr. Moreshwar Digambar Garde, Independent Director of the Company, who will attain the age of Seventy-five (75) in this Financial Year; b. To consider the continuation of Directorship of Mr. Raghu Ventakaraman, Independent Director of the Company, who will attain the age of Seventy-five (75) in September, 2021

\*The Company has also passed the ordinary resolutions as required under the Act and according to the requirements, over and above the special resolutions quoted above.

No business was required to be transacted through Postal Ballot at the above meetings or during the year FY 2020-21 and none is required to be transacted through postal ballot at the ensuing Annual General Meeting.

## 7. Means of communication

The Board takes on record the audited / unaudited yearly/ quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated July 05, 2016 issued by SEBI within prescribed time limit from the closure of the quarter / year and announces the results to all the stock exchanges where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI in the Financial Express (English) and Kannada Prabha (Kannada) within 48 hours of the conclusion of the meeting of the Board in which they are approved.

- i. The quarterly, half-yearly and annual results of the Company are submitted to the Statutory Auditors of the Company for a limited review and the report of the Auditors is also filed with all stock exchanges after it is approved by the Board of Directors.
- ii. The quarterly results are not sent to each shareholder as shareholders are intimated through press.
- iii. The Company's website [www.gpl.in](http://www.gpl.in) provides information about the Company to its existing and prospective stakeholders. The quarterly results are displayed on the Company's website along with other relevant information.



## Gujarat Petrosynthese Limited

- iv. The Company has created a separate e-mail address viz. [secretarial@gujaratpetrosynthese.com](mailto:secretarial@gujaratpetrosynthese.com) to receive complaints and grievances of the investors.

### 8. General Shareholder Information

#### I. 44th Annual General Meeting:

Day and Date	: Friday, September 17, 2021
Time	: 11.00 A.M.
Deemed Venue	: II main, Doddanekkundi Industrial Area, Bangalore 560048 (Deemed Place of Venue)

The Company is conducting the Annual General Meeting (AGM) through VC/OVAM pursuant to the MCA Circulars dated May 5, 2020 and January 13, 2021.

#### II. Financial Year of the Company

The financial year covers the period 1 April 2020 to 31 March 2021.

Financial reporting for FY 2021-22 (Indicative)

Quarter ending on June 2020	:	Within 45 days from end of the quarter
Half year ending on September 2020	:	Within 45 days from end of the quarter
Quarter ending on December 2020	:	Within 45 days from end of the quarter
Year ending on March 2021	:	Within 60 days from end of the quarter
Annual General Meeting (2021-22)	:	Before September 30, 2022

#### III. Dividend Payment Date:

No dividend on Equity Shares is proposed to be declared at the forthcoming Annual General Meeting.

#### IV. Listing of Equity Shares on Stock Exchanges and Stock Code

Equity shares of the Company are listed on:

Name of the Stock Exchange	Stock Code
BSE Limited PhirozeJeejeebhoy Towers Dalal Street Mumbai- 400001	506858

The Company has paid the Listing Fees to Bombay Stock Exchange Limited for FY 2021-22.

Corporate Identification Number - L23209KA1977PLC043357

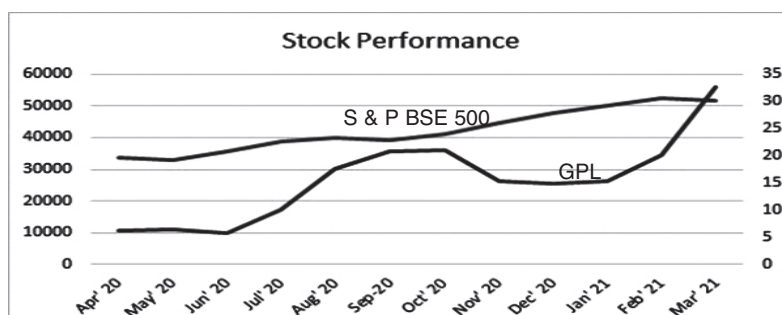


**V. Stock market data:**

The monthly high / low quotation of shares traded on the Bombay Stock Exchange is as follows:

(Figures in Rs.)

Bombay Stock Exchange Ltd. (BSE)		
Month	High	Low
April, 2020	6.15	5.30
May, 2020	6.41	6.00
June, 2020	5.71	5.43
July, 2020	10.15	5.70
August, 2020	17.64	10.65
September 2020	20.85	17.95
October, 2020	21.00	13.20
November, 2020	15.43	14.00
December, 2020	15.00	12.40
January, 2021	15.33	11.99
February, 2021	20.11	11.69
March, 2021	32.60	21.10

**VI. STOCK PERFORMANCE VS S&P BSE 500**

**VII. Registrar and Share Transfer Agents (RTA):**

The Company has appointed Bigshare Services Pvt.Ltd (SEBI Registration Number INR000001385) as RTA of the Company.

Address for Investor correspondence

**Bigshare Services Pvt. Ltd**

Bharat Tin Works Building, 1st Floor, Opp. Vasant

Oasis, Next to Keys Hotel, Makwana Road,

Andheri East , Mumbai – 400059, India

Telephone No. : 022 – 6263 8236

Email: investor@bigshareonline.com

Shareholders are requested to quote their Folio No./DP ID & Client ID, E-mail address, if any, telephone number and full address while corresponding with the Company and its RTA.

**VIII. Share Transfer system:**

In terms of Regulation 40(1) of SEBI (LODR) Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities. Hence, the Company has stopped accepting the share transfers in physical mode w.e.f. from the above mentioned date.

Share transfers and related operations for the Company are processed by the Company's RTA viz., Bigshare Services Pvt. Ltd, Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted.

**IX. Distribution of shareholding:****a. Distribution of shareholding by Size as on March 31, 2021:**

Sl.No	Shareholding of Nominal Value	No. of share holders	% of Shareholders	No. of shares held	% of shareholding
1	1 - 5000	17930	96.6890	14,04,617	23.5312
2	5001 - 10000	406	2.1894	2,85,402	4.7813
3	10001 - 20000	140	0.7550	2,00,686	3.3620
4	20001 - 30000	25	0.1348	59,668	0.9996
5	30001 - 40000	14	0.0755	46,424	0.7777
6	40001 - 50000	7	0.0377	31,242	0.5234
7	50001 - 100000	10	0.0539	65,042	1.0896
8	100001 & ABOVE	12	0.0647	38,76,085	64.9351
	<b>Total:</b>	<b>18544</b>	<b>100.00</b>	<b>59,69,166</b>	<b>100.00</b>

**B. CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2021**

Sr.No.	Category	No. of Shares of Rs 10 each	% of Shareholding
1	Promoter & Promoter Group	29,63,429	49.65
2	Financial Institutions	259	0.00
3	Bodies Corporate	31,511	0.53
4	Foreign Institutional Investors	60,000	1.00
5	Insurance Companies	8,15,113	13.66
6	Clearing Members	2677	0.04
7	Mutual Funds	11,146	0.19
8	Non-Resident Indians	3,95,848	6.63
9	Public	16,88,875	28.29
10	Trusts	308	0.01
	<b>TOTAL</b>	<b>59,69,166</b>	<b>100</b>

**X. BREAK-UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON 31<sup>ST</sup> MARCH, 2021**

Description	No. of Shareholders	Shares	% to Equity
Physical	16643	1803715	30.22
NSDL	1251	4014462	67.25
CDSL	650	150989	2.53
<b>TOTAL</b>	<b>18544</b>	<b>5969166</b>	<b>100</b>

**XI. Outstanding ADRs/GDRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.**

The Company has not issued any ADRs/GDRs/Warrants or any Convertible instruments.

**XII. Commodity Price Risk or Foreign Exchange Risk and Hedging activities:**

During the year Company has not entered into any transaction that may have foreign exchange risk.

**XIII. Plant location:**

Bengaluru : No. 24, II Main, Phase-I, Doddanekkundi Industrial Area, Mahadevapura Post Bengaluru, Karnataka - 560 048, India

**XIV. Address for Correspondence:**

**Bengaluru :**  
No. 24, II Main, Phase-I,  
Doddanekkundi Industrial Area,  
Mahadevapura Post  
Bengaluru, Karnataka - 560 048, India

**Mumbai:**  
Ecstasy,718,7th Floor, City of Joy,  
J S D Road, Mulund West, Mumbai 400080

**9. Others:**

**A. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:**

The Company does not have any related party transaction, which may have potential conflict with the larger interests of the Company. The disclosures of transactions with the related parties entered by the Company in the normal course of business are given in the Notes to Financial Statements.

**B. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years:**

There were no instances of non-compliance of any matter related to the capital markets during the last three years and the Company has complied with the requirements of regulatory authorities on capital markets.

**C. Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of the Listing Regulations, the Company has formulated a Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Chairperson of the Audit Committee. The Whistle Blower Policy is displayed on the Company's website <https://www.gpl.in/admin/uploads/Vigil%20Mechanism%20Policy.pdf>

No employee and or other person has been denied access to the Chairman of the Audit Committee or Managing Director.

**D. Details of compliance with mandatory requirements:**

All the mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations have been complied with by the Company.

**E. Policy on Subsidiary Companies:**

The Company has adopted the policy of subsidiary companies with specific reference to materially listed and unlisted subsidiary companies and the policy to be followed in such eventualities. As a matter of information, as on date, the only wholly owned subsidiary company viz. Gujarat Polybutenes Private Limited is falling under the category of Materially Unlisted Subsidiary Company in terms of the definition under Regulation 24 of the Listing Regulations. The Policy for determining the material subsidiaries is available at <https://www.gpl.in>.

**F. Policy on Related Party Transactions:**

In terms of Section 188 of the Companies Act, 2013 read with the Regulation 23 of Listing Regulations, the Company had formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. During the year under review, the said Policy was amended to reflect the latest amendments in the Companies Act, 2013 and the rules made thereunder.

The Policy is intended to ensure that there is proper approval and reporting of transactions between the Company and its related parties. The Policy, after carrying out the necessary modifications in line with the amendments made from time to time, is placed on the website of the Company viz., <https://www.gpl.in>.

**G. Details of Utilization of funds:**

The Company has not raised any funds through preferential allotment or Qualified Institutional Placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations.

**H. UNCLAIMED SHARES**

Disclosure in Respect of Equity Shares Transferred in the 'Gujarat Petrosynthese Limited Unclaimed Suspense Account' is as under:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2020	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2021	NIL	NIL

**I. Certificate from a Practicing Company Secretary on disqualification of Directors:**

The Company has obtained a Certificate from J.J. Gandhi & Co., Practicing Company Secretaries to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

**J. Recommendations of the Committees:**

During the year under review, there have been no instances whereby the Board of Directors of the Company has not accepted the recommendations made by the Audit Committee / Nominations and Remuneration Committee / Corporate Social Responsibility Committee on any matter which is mandatorily required.

**K. Fees paid to the Statutory Auditors:**

Total fees incurred by the Company including its subsidiaries, on a consolidated basis to the Statutory Auditors and all entities in their network / firm / network entity of which they are a part, is Rs. 380,000 (Three Lakh Eighty Thousand Only)

**L. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The disclosures for the Financial Year 2019-20 are as under: -

A	Number of complaints filed during the Financial Year	Nil
B	Number of complaints disposed of during the Financial Year	Nil
C	Number of complaints pending as on the end of the Financial Year	Nil



### 10. Discretionary Disclosures:

The status concerning compliance by your Company with discretionary requirements as listed out in Part E of Schedule II of SEBI Listing Regulations is as under::

#### a. Shareholders' Rights:

As the quarterly and half yearly, financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

#### b. Audit Qualifications

The Company's financial statements for the financial year 2020-21 do not contain any audit qualification.

#### c. Separate posts of Chairman and CEO:

The Company presently is having a separate post of the Chairman and the Managing Director.

#### d. Reporting of Internal Auditor

The Internal Auditors of the Company make presentation to the Audit Committee on their reports as per the approved audit programmes by the Audit Committee at the beginning of the year on a quarterly basis.

#### e. The Board

A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.

#### f. Chief Executive Officer & Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer of the Company give annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and the said certificate is contained in this Annual report

The Chief Executive Officer and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the Listing regulations.

For and on behalf of the Board of Directors

**Ms. Urmi N. Prasad**  
Jt. Managing Director  
DIN : 00319482  
Place : Hyderabad.

Date : 12<sup>th</sup> August, 2021

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### Declaration on adherence to the Code of Conduct

To,

#### The Members of Gujarat Petrosynthese Ltd.

I Urmi Prasad, Joint Managing Director & CFO of the company hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliance with the Company's Code of Conduct for the Board of Directors and Senior Management Personnel, during the year ended March 31, 2021.

For and on behalf of the Board of Directors

**Ms. Urmi N. Prasad**  
Jt. Managing Director  
DIN : 00319482  
Place : Hyderabad.

Date : 12<sup>th</sup> August, 2021



**Certificate on Corporate Governance**

To,  
The Members,  
**Gujarat Petrosynthese Limited**  
24, II main,  
Doddanekkundi Industrial Area, Phase I,  
Mahadevpura, Bangalore 560048

We have examined the compliance of the conditions of Corporate Governance by **Gujarat Petrosynthese Limited** having CIN L23209KA1977PLC043357 (hereinafter referred to as the Company), for the financial year ended **31<sup>st</sup> March, 2021** as prescribed in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and the implementation process adopted by the Company for ensuring compliance of the conditions of Corporate Governance. This Certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information given to us, and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**for J. J. Gandhi & Co.  
Practising Company Secretaries**

**(J. J. Gandhi)  
Proprietor**

**FCS No. 3519 and CP No. 2515  
UDIN number F003519C000772408**

Place : Vadodara  
Date : 12<sup>th</sup> August, 2021



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
**Gujarat Petrosynthese Limited**  
24, II main,  
Doddanekkundi Industrial Area, Phase I,  
Mahadevpura,  
Bangalore 560048

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Gujarat Petrosynthese Limited**, having CIN L23209KA1977PLC043357 and having Registered Office at 24, II main, Doddanekkundi Industrial Area, Phase I, Mahadevpura, Bangalore 560048 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Ms Urmi Nuthakki Prasad	00319482	01/04/1993
2.	Ms. Charita Thakkar	00321561	28/09/1990
3.	Mr. Moreshwar Garde Digambar	00689103	31/10/2007
4.	Mr. Raghu Venkataraman	02012383	25/05/2013
5.	Mr. Rajesh Shirish Parikh	08258755	19/10/2018

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

**for J. J. Gandhi & Co.**  
**Practising Company Secretaries**

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**  
**UDIN Number F003519C000772529**

Place : Vadodara  
Date : 12<sup>th</sup> August, 2021

## INDEPENDENT AUDITORS' REPORTS

To the Members of  
Gujarat Petrosynthese Limited

### Report on the Standalone Financial Statements

#### Opinion

We have audited the Financial Statements of **Gujarat Petrosynthese Limited** ("the Company"), which comprise of the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- (b) in the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the Profit for the year ended on that date;
- (c) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- (d) in the case of the Cash Flow Statement, of the 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
<p><i>Review of the value of stock-in-trade &amp; investments held by the Company as on 31st March 2021</i></p>	<p><b>Principal Audit Procedures</b> <i>The assessment of various procedures adopted by the management which includes i) Ascertaining the value of investments and stock-in-trade held as at 31st March, 2021. ii) Verification of amount invested, current value of investments, regularity of receipt of income on those investments and its fair classification and presentation in the audited financial statements. iii) Assessing the appropriateness of value of stock-in-trade disclosed in the financial statements.</i></p>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's Report including Annexures to the said Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash



flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 over financial reporting 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:
    - i. The Company does not have any pending litigations which would impact its financial position in financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no dues which were required to be transferred to Investor Education and Protection Fund by the Company.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner  
Membership No: 031626

Place : Mumbai  
Date : 11<sup>th</sup> June, 2021

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**ANNEXURE – 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GUJARAT PETROSYNTHESE LIMITED**

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, to the extent applicable.

1. In respect of its fixed assets:
  - a) The Company, on the basis of available information, has maintained proper records showing full particulars including quantitative details and situations of fixed assets;
  - b) The Management of the Company has physically verified the fixed assets at reasonable intervals. The discrepancies, if any noticed during such verification have been suitably adjusted in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2.
  - a) According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management during the year and no material discrepancies have been noticed.
  - b) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and the nature of the business.
3. According to the information and explanations given to us and on the basis of our examination of books of account, the Company has not given unsecured loan to Company covered in the register maintained under section 189. Accordingly, reporting under clause (iii) of the order is not applicable to the Company.
4. 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 and investments made and the Company has not provided any loan, guaranty or security.



## Gujarat Petrosynthese Limited

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5. According to the information and explanation given to us, the Company has not accepted any deposits as per the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the Company's Products to which the said rules are made applicable, 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 records with a view to determine whether they are accurate or complete.
7.
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date it became payable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and any other statutory dues which have not been deposited on account of any dispute
8. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company on the basis.
9. In our opinion and on the basis of information and explanations given to us, the Company has not raised 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.
10. 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.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in accordance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Financial Statements as required by applicable Ind AS.
14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to 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. Therefore paragraph 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45- IA of Reserve Bank of India Act, 1934.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner  
Membership No: 031626

Place : Mumbai  
Date : 11<sup>th</sup> June, 2021

**ANNEXURE – ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GUJARAT PETROSYNTHESE LIMITED****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 over financial reporting of Gujarat Petrosynthese Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For **Doyal and Lohia**  
Chartered Accountants  
Firm Reg. No. 10220S

**(Anil Lohia)**  
Partner  
Membership No: 031626

Place : Mumbai  
Date : 11<sup>th</sup> June, 2021

## BALANCE SHEET AS AT 31st MARCH, 2021

(₹ in thousands)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b>A ASSETS</b>			
<b>I Non-Current Assets</b>			
Property, plant and equipment	3	20,035	21,435
Financial Assets:			
Investments	4	152,512	96,418
Loans	5	1,539	1,525
Other financial assets	6	-	16,700
Assets Held for Sale	7	8,466	4,426
<b>Total Non-Current Assets</b>		<b>182,552</b>	<b>140,504</b>
<b>II Current Assetse</b>			
Inventories	8	6,945	8,481
Financial Assets:			
Loans	9	10	10
Trade receivables	10	23,998	18,009
Cash and cash equivalents	11	68,614	60,299
Other financial assets	12	5,935	5,577
Other current assets	13	1,263	1,691
<b>Total Current Assets</b>		<b>106,765</b>	<b>94,067</b>
<b>TOTAL ASSETS</b>		<b>289,315</b>	<b>234,571</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity share capital	14	59,692	59,692
Other equity	15	211,305	161,170
<b>Shareholders Fund</b>		<b>270,997</b>	<b>220,862</b>
<b>Liabilities</b>			
<b>II Current Liabilities</b>			
Financial Liabilities :			
Trade payables	16	14,950	10,379
Other financial liabilities	17	1,849	2,690
Short Term Provisions	18	1,200	301
Other Current liabilities	19	319	339
<b>Total Current Liabilities</b>		<b>18,318</b>	<b>13,709</b>
<b>Total Equity and Liabilities</b>		<b>289,315</b>	<b>234,571</b>
Significant accounting policies	1 to 2		
The accompanying notes form an integral part of the Financial Statements	3 to 33		

As per our report of even date

For and on behalf the Board of Directors

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 102200W

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482  
Place : Hyderabad

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN: 00321561  
Place : San Francisco

**Anil Lohia**(Partner)  
Membership No. 31626

**Ms. Pratiksha Parmar**  
Company Secretary  
Place : Sagar, Madhya Pradesh

PLACE : Mumbai

DATE : 11-06-2021

DATE : 11-06-2021

DATE : 11-06-2021

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in thousands)

Particulars	Note No.	For the year ended As on 31.03.2021	For the year ended As on 31.03.2020
<b>INCOME</b>			
I Revenue from operations	20	193,439	202,054
II Other income	21	6,334	4,451
<b>III Total income (I+II)</b>		<b>199,773</b>	<b>206,505</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	22	158,152	165,271
Changes in Inventories of Finished & WIP Products	23	1,556	(1,938)
Employee benefits expense	24	26,213	26,919
Finance costs	25	-	7
Depreciation	3	1,775	2,512
Other expenses	26	18,284	22,349
<b>Total expenses (IV)</b>		<b>205,980</b>	<b>215,120</b>
<b>V Profit/(loss) before exceptional item and tax (III-IV)</b>		<b>(6,207)</b>	<b>(8,615)</b>
<b>VI Exceptional Items</b>	27	55,798	23,186
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>49,591</b>	<b>14,571</b>
<b>VIII Tax Expense:</b>			
(1) Current tax		3,497	-
Less : MAT Credit available to utilise		-	-
(2) MAT Credit available to utilise pertaining to previous year		-	-
(3) Deferred tax		(4,041)	(340)
(4) Earlier year taxes		-	-
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>50,135</b>	<b>14,911</b>
<b>X OTHER COMPREHENSIVE INCOME /(EXPENSE)- (OCI):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
1. Re-measurement gains / (losses) on defined benefit plans		-	-
3. Income tax effect on above		-	-
<b>Total other comprehensive income (OCI) for the year, net of tax expense</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR (IX+X)</b>		<b>50,135</b>	<b>14,911</b>
Earnings per equity shares (Face Value of Rs.10/- each)			
Basic and Diluted earnings per share	28	8.40	2.50
Significant accounting policies	1 to 2		
The accompanying notes form an integral part of the Financial Statements	3 to 33		

As per our report of even date

For and on behalf the Board of Directors

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 102200W

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482  
Place : Hyderabad

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN: 00321561  
Place : San Francisco

**Anil Lohia**(Partner)  
Membership No. 31626

**Ms. Pratiksha Parmar**  
Company Secretary  
Place : Sagor, Madhya Pradesh

PLACE : Mumbai

DATE : 11-06-2021

DATE : 11-06-2021

DATE : 11-06-2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

₹ in thousands)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b>14. EQUITY SHARE CAPITAL</b>			
Balance at the beginning of the year		59,692	59,692
Changes in equity share capital during the year		-	-
Balance at the end of the year		<u>59,692</u>	<u>59,692</u>

**15. OTHER EQUITY**

Particulars	Reserves and Surplus				Total other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at 1 April 2019</b>	1,750	20,000	135,446	(10,937)	146,259
Profit/(loss) for the year				14,911	14,911
Other comprehensive income/(expense)				-	-
Total comprehensive income/(expense)	-	-	-	14,911	14,911
<b>Balance as at 31 March 2020</b>	<b>1,750</b>	<b>20,000</b>	<b>135,446</b>	<b>3,974</b>	<b>161,170</b>
Profit/(loss) for the year				50,135	50,135
Other comprehensive income/(loss)				-	-
Total comprehensive income/(expense)	-	-	-	<b>50,135</b>	<b>50,135</b>
<b>Balance as at 31 March 2021</b>	<b>1,750</b>	<b>20,000</b>	<b>135,446</b>	<b>54,109</b>	<b>211,305</b>

**CAPITAL RESERVE**

Pertains to share application money forfeited in the cases where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

**SECURITIES PREMIUM RESERVE**

Securities premium is used to record the premium on issue of shares. This reserve can be utilised in accordance with the provisions of the Act.

**GENERAL RESERVE**

General Reserve represents amounts transferred from Retained Earnings in earlier years. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

**Significant Accounting Policies - Note 1****The accompanying notes form an integral part of the Financial Statements**

As per our report of even date

**For Dayal and Lohia**  
Chartered Accountants  
Firm Regn. No. 102200W

**Anil Lohia**  
(Partner)  
Membership No. 31626

PLACE : Mumbai  
DATE : 11-06-2021

For and on behalf the Board of Directors

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482  
Place : Hyderabad

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN: 00321561  
Place : San Francisco

**Ms. Pratiksha Parmar**  
Company Secretary  
Place : Sagar, Madhya Pradesh

DATE : 11-06-2021

DATE : 11-06-2021

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

Rs. In Thousands

Particulars	As at 31st March, 2021		As at 31st March, 2020	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit/(Loss) before tax		49,591		14,571
<b>Adjustments for :</b>				
<b>Add:</b>				
Depreciation	1,775		2,512	
MAT Written off	-		1,054	
Interest Expense	-	1,775	7	3,573
<b>Less:</b>				
Profit/Loss on sale of Investment	(112)		(24,112)	
Profit/Loss on sale of Assets	-		-	
Fair Value masurement of Investment	(1,585)		(46)	
Interest Income	(4,307)	(6,004)	(4,251)	(28,409)
		<b>45,362</b>		<b>(10,264)</b>
<b>Adjustments for :</b>				
Increase /(Decrease) of Other Financial Liabilities	(842)		(1,087)	
Increase /(Decrease) of Current Liabilities	880		(245)	
Decrease / (Increase) of Financial Assets	(327)		31,235	
Decrease / (Increase) of Non-Financial Assets	428		(1,251)	
Decrease / (Increase) of Trade Receivables	(5,989)		4,893	
Decrease / (Increase) of Trade Payables	4,571		(5,615)	
Decrease / (Increase) of Inventories	1,536		(3,344)	
		257		24,586
<b>Cash Generated from Operations</b>		<b>45,620</b>		<b>14,323</b>
Income Tax Paid (Net of refund received)		(3,597)		-
<b>Net cash from Operating Activities</b>	(A)	<b>42,022</b>		<b>14,323</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(376)		(2,613)	
Sale of Fixed Asset	19,467		5	
Redemption of Preference shares of Gujarat Polybutenes Private Limited	-		28,000	
Redemption of REC Bonds	-		4,700	
Sale of Investment of Subsidiary	-		34,140	
Sale of Mutual Funds	20,405		11,986	
Purchase of Mutual Fund	(71,188)		(48,000)	
Investment in REC Bonds	(5,000)		-	
Investment in Fixed deposits	(1,324)		-	
Interest Income	4,307	(33,709)	4,251	32,469
<b>Net cash used in Investing activities</b>	(B)	(33,709)		32,469
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Short Term Borrowings	-		-	(5)
Interest Paid on borrowings	-		-	(7)
<b>Net cash from Financing Activities</b>	(C)	-		<b>(12)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		8,313		46,777
<b>CASH &amp; CASH EQUIVALENTS AS AT 01.04.2020 (Opening Balance)</b>		60,300		13,523
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.03.2021 (CLOSING)</b>		68,614		60,300
Significant accounting policies	1 to 3			
The accompanying notes form an integral part of the Financial Statements	3 to 33			

As per our report of even date

For and on behalf the Board of Directors

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 102200W

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482  
Place : Hyderabad

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN: 00321561  
Place : San Francisco

**Anil Lohia**(Partner)  
Membership No. 31626

**Ms. Pratiksha Parmar**  
Company Secretary  
Place : Sagar, Madhya Pradesh

PLACE : Mumbai

DATE : 11-06-2021

DATE : 11-06-2021

DATE : 11-06-2021



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021****CORPORATE INFORMATION**

GUJARAT PETROSYNTHESIS LIMITED ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at No. 24, II Main Phase I, Donnanekundi Industrial Area Mahadevpura Post Bengaluru 546048 Karnataka, India. The equity shares of the Company are listed on BSE Limited. The Company is primarily engaged in the business of plastic polymers and blends.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(i) Basis of preparation:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

**(ii) Fair value measurement**

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(iii) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when all significant risk and rewards of ownership in goods are transferred to customers and recovery of consideration from customer is probable and revenue can be estimated reliably. Revenue is recognized net of trade discounts and indirect taxes.

Revenue from rendering services is recognized when performance of agreed contractual task is completed.

Interest income is recognized on accrual basis on time proportion basis using effective interest rate.

Dividend income is accounted when right to receive is established.

**(iv) Property, Plant and Equipment:****Recognition and measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

**Subsequent expenditures:**

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation:**

Depreciation is provided on all property, plant and equipment on straight-line method in the manner and useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletion is provided on pro-rata basis with reference to the date of addition/deletion as the case may be.

Company has adopted cost model for all class of items of Property Plant and Equipment.

**(v) Impairment of Non-Financial Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable

amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss..

**(vi) Assets taken on Lease:**

**Operating Lease**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease deposits given are financial instruments (financial assets) and need to be measured at fair value on initial recognition. The difference between the fair value and the value of deposits is considered as prepaid rental expenses and recognized over the lease term on a straight line basis. Unwinding of discount is treated as interest income for deposit given and is accrued as per the effective interest rate method.

**(vii) 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 and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets**

**Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purpose of subsequent measurement, the financial assets are classified as under:

**i) Financial assets at amortised cost**

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

**iii) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

**iv) Equity instruments**

All equity instruments are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Impairment of financial assets**

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

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 Expected Credit Loss at each reporting date, right from its initial recognition.

**De-recognition**

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities****• Initial recognition and measurement**

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

**• Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

**• Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**• Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. 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 recognized in the Statement of Profit and Loss.

**• Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(viii) Inventories:**

Raw Materials and consumables are valued at cost on First in First out (FIFO) basis or net realizable value whichever is lower. Raw material and consumables are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

Work in progress is valued at cost basis or net realizable value whichever is lower. They are not written down below cost if the finished products are expected to be sold at or above cost.

Finished goods are valued at lower of cost or net realizable value. The cost is computed on specific identification basis

Stores and spares are charged to revenue in the year of purchase.

Consumables are charged to revenue on actual consumption basis.

**(ix) Taxes:**

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset 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 asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**(x) Employee benefits:**

**Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Defined contribution plans:**

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

**Defined benefit plans:**

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period.

The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India. The annual service cost on basis of valuation received from LIC, the amount is paid to LIC of India and debited to Profit and Loss Account.

**Long Term Compensated Absences**

The liability of leave encashment of employees is covered with LIC. On basis of Actuarial Valuations, the present value of liability is accounted and paid to the LIC of India.

**(xi) Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the period in which these are incurred.

**(xii) Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xiii) Provisions & Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(xiv) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xv) Dividend**

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

**(xvi) Foreign Exchange Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions where these are not covered by forward contracts. Liabilities in foreign currencies as on the date of balance sheet are converted at the exchange rate prevailing on that date.

**2. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

**i. Recognition and measurement of defined benefit obligations**

The cost of defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**ii. Fair value measurement of financial instruments**

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

**iii. Deferred taxes**

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

**NOTE 3 - PROPERTY, PLANT AND EQUIPMENT** (₹ in thousands)

Particulars	Gross Block			Depreciation			Net Block			
	As at 01-04-2020	Additions	Deductions	For the year ended 31-03-2021	As at 01-04-2020	For the year ended 31-03-2021	Deductions	For the year ended 31-03-2021	As at 31-03-2021	As at 31-03-2020
Leasehold Land	15,527	-	15,527	-	-	-	-	-	-	15,527
Freehold Land	4,419	-	-	4,419	-	-	-	-	4,419	4,419
Factory Buildings	13,824	-	3,940	9,884	9,642	2,765	2,765	7,207	2,677	4,182
Laboratory Equipment	2,303	-	-	2,303	2,303	-	-	2,303	0	0
Vehicle	9,511	-	-	9,511	6,458	-	496	6,954	2,557	3,052
Office Equipment	2,693	77	-	2,770	2,403	-	83	2,485	285	291
Furniture & Fixtures	2,322	-	-	2,322	2,101	-	3	2,104	218	222
Computer	1,988	105	-	2,093	1,924	-	28	1,951	141	64
Mobile	369	-	-	369	361	-	2	363	5	8
Plant & Machinery	47,855	194	-	48,049	37,484	-	834	38,318	9,732	10,372
Electrical Installation	2,422	-	-	2,422	2,422	-	-	2,422	-	-
Jigs and Moulds	403	-	-	403	403	-	-	403	-	-
<b>Total</b>	<b>103,636</b>	<b>376</b>	<b>19,467</b>	<b>84,545</b>	<b>65,501</b>	<b>2,765</b>	<b>1,775</b>	<b>64,510</b>	<b>20,035</b>	<b>38,135</b>

Less : Classified under held for sale (Leasehold land and Part of Factory Buildings)  
Fixed Assets Block

-  
20,035

16,700  
21,435

## 4. NON-CURRENT INVESTMENTS

Details of Investments - (valued at cost, unless stated otherwise)

(₹ in thousands)

Sr. No.	Particulars	Subsidiary	Face Value fully Paid	No. of Shares / Bonds		Value ('000)	
				31.03.2021	31.03.2020	31.03.2021	31.03.2020
I	Investments in Equity Instruments Unquoted						
	Investments valued at Cost						
	Gujarat Polybutenes Pvt. Ltd	Subsidiary	10	4,489,999	4,489,999	57,400	57,400
	GPL Finance and Investment Ltd	Others	10	9,940	9,940	99	99
II	Investment in Government Bonds Unquoted						
	Investments valued at Amortized Cost						
	Rural Electrification Corporation Bonds	Others	10,000	500	-	5,000	-
	<b>Total Non Current Investments</b>					<b>62,499</b>	<b>57,499</b>
III	Investments in Mutual Funds Quoted						
	Investments valued at Fair Value through Profit and Loss						
	SBI Liquid Fund			28,102	12,584.93	90,013	38,919
	<b>Total Current Investments</b>					<b>90,013</b>	<b>38,919</b>

	31.03.2021	31.03.2020
<b>Aggregate market value of quoted investments</b>		
Current	90,013	38,919
<b>Aggregate carrying value of unquoted investments</b>		
Non-Current	62,499	57,499
<b>Aggregate amount of impairment in value of investments</b>		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>5 : LOANS (NON-CURRENT)</b> (Unsecured, considered good)		
Security Deposits	1,539	1,525
	<b>1,539</b>	<b>1,525</b>
<b>6 Assets Held for Sale</b>		
Leasehold Land	-	15,527
Building	-	1,173
	-	<b>16,700</b>
<b>7 Deferred tax Liability (Net)</b>		
Deferred Tax Liabilities :		
On Property Plant and Equipment	2,669	-1,447
On Fair Value of Investments	76	76
Deferred Tax Asset :		
On Provision	-	5,797
On Carried forward losses	8,466	4,426
<b>a) Movement in deferred tax balances</b>		
Movement in deferred tax during the year ended March 31, 2021	Opening balance as at 01.04.2020	Recognized in Profit and Loss INR ('000)
Property, plant and equipment	-1,447	-4,116
Unused tax credit/losses	5,797	-
Provision	-	75
On Fair Value of Investments	76	-
<b>Net deferred tax liability (net)</b>	<b>4,426</b>	<b>-4,041</b>
<b>Movement in deferred tax during the year ended March 31, 2020</b>	Opening balance as at 01.04.2019	Recognized in Profit and Loss INR ('000)
Property, plant and equipment	1,594	-148
Unused tax credit/losses	-5,679	-117
On Fair Value of Investments	-	-76
<b>Net deferred tax liability (net)</b>	<b>-4,085</b>	<b>-340</b>
<b>8 Inventories</b>		
Raw Materials and Consumables*	5,139	5,119
Finished Goods and Work in Progress*	1,806	3,362
*(Mode of Valuation is specified in Note 1 (viii) of Significant Accounting Policies)	<b>6,945</b>	<b>8,481</b>
<b>9 Loans ( Current)</b>		
(Unsecured, considered good)		
Loans to Employees	10	10
	10	10
<b>10 Trade Receivables</b>		
Unsecures and considered good		
Trade Receivables for more than six months	472	851
Trade Receivable for less than six months	23,526	17,158
	<b>23,998</b>	<b>18,009</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>11 Cash and Cash Equivalents</b>		
Cash in Hand	76	48
Bank Balance		
Balance in bank	9,810	9,316
Deposits having Maturity less than 3 Months	58,728	50,935
	<b>68,614</b>	<b>60,299</b>
<b>12 Other Financial Asset (Current)</b>		
Other Receivables	190	146
Other Bank Balance	-	1
Interest Receivables	3,125	2,910
Advance Income Tax (net of provisions)	2,620	2,520
	<b>5,935</b>	<b>5,577</b>
<b>13 Other Assets (Current)</b>		
Prepaid Expenses	424	422
Indirect Taxes Credit Recoverable	839	1,269
	<b>1,263</b>	<b>1,691</b>

Particulars	31.03.2021	31.03.2020
<b>14. EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
80,00,000 (31 March 2021 - 80,00,000)		
Equity Shares of ₹10/- each	80,000	80,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
59,69,166 (31 March 2021- 59,69,166)		
Equity shares of ₹10/- each	59,692	59,692
<b>Total issued, subscribed and fully paid up share capital</b>	<b>59,692</b>	<b>59,692</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	31.03.2021		31.03.2020	
	Equity Shares		Equity Shares	
	Number	Value ('000)	Number	Value ('000)
Shares outstanding at the beginning of the year	59,69,166	59,692	59,69,166	59,692
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>59,69,166</b>	<b>59,692</b>	<b>59,69,166</b>	<b>59,692</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**b. Terms/rights attached to the equity shares**

The Company has one class of equity shares having a par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**c. Details of the shareholders holding more than 5% shares in the Company**

Name of Shareholder	31.03.2021		31.03.2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
YASHASHREE COMMERCIAL SERVICES PRIVATE LIMITED	800,000	13.4	800,000	13.4
LIFE INSURANCE CORPORATION OF INDIA	538,498	9.02	538,498	9.02
CHARITA THAKKAR	605,272	12.6	485,417	8.13
MULTICHEM PRIVATE LIMITED	471,272	7.9	465,090	7.79
URSULA RAMESHCHANDRA THAKKAR	352,906	5.91	352,906	5.91
N RAJENDRA PRASAD	319,564	5.35	319,564	5.35
URMI N PRASAD	407,466	6.83	-	-

Particulars	31.03.2021	31.03.2020
<b>15. OTHER EQUITY</b>		
<b>AUTHORISED</b>		
Opening balance	1,750	1,750
Addition during the year	-	-
Closing balance	1,750	1,750
<b>SECURITIES PREMIUM ACCOUNT</b>		
Opening balance	20,000	20,000
Addition/(utilisation) during the year	-	-
Closing balance	20,000	20,000
<b>GENERAL RESERVE</b>		
Opening balance	129,208	129,208
Addition/(utilisation) during the year	-	-
Closing balance	129,208	129,208
<b>RETAINED EARNINGS</b>		
Profit / (Loss ) for the year	10,213	(4,698)
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurement of defined benefit obligation (net of tax)	-	-
Profit for the year transferred to General Reserves	-	-
Closing balance	60,347	10,213
<b>Total other equity</b>	<b>211,305</b>	<b>161,171</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**CAPITAL RESERVE**

Pertains to share application money forfeited in the case where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

**SECURITIES PREMIUM RESERVE**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

**GENERAL RESERVE**

General Reserve represents amounts transferred from Retained Earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

Particulars	31.03.2021	31.03.2020
<b>16 Trade payables</b>		
Trade Payables to Micro Small Medium Enterprise	460	460
Trade Payables to others Refer Note 36)	14,490	9,918
	<b>14,950</b>	<b>10,379</b>
<b>17 Other financial liabilities (Current)</b>		
Other Payables	1,849	2,689
	<b>1,849</b>	<b>2,689</b>
<b>18 Provisions (Short Term)</b>		
Provision for Employee Benefits :		
For Exgratia	1,200	-
For Gratuity	-	301
	<b>1,200</b>	<b>301</b>
<b>19 Other current liabilities</b>		
Statutory Dues Payables	319	339
	<b>319</b>	<b>339</b>
<b>20 Revenue From Operations</b>		
Sale of Goods	193,439	200,358
Sale of Services	-	1,696
	<b>193,439</b>	<b>202,054</b>
<b>21 Other Income</b>		
Interest income on financial assets:		
Interest Received from Banks	4,153	3,702
Interest Received from Others	154	548
Profit/(loss) on Sale of Current Investment	112	-128
Fair Value measurement of Investments	55,798	46
Profit/loss on sale of Fixed Assets	-	100
Specimen Testing Charges	18	38
Miscellaneous Income	313	145
	<b>62,132</b>	<b>4,451</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	31.03.2021	31.03.2020
<b>22 Cost of Materials Consumed</b>		
Opening Stock of Raw Materials	5,119	3,713
Purchase of Raw Materials	158,172	166,676
Less : Closing Stock of Raw Materials	5,139	5,119
	<b>158,152</b>	<b>165,271</b>
<b>23 Changes in Inventory</b>		
Opening Stock of Finished Goods and Working in Progress	3,362	1,424
Less: Closing Stock of Finished Goods and Work in Progress	1,806	3,362
	<b>1,556</b>	<b>-1,938</b>
<b>24 Employee Benefit Expenses</b>		
Salaries & Wages	23,000	24,524
Contribution to provident and other funds	1,150	1,993
Gratuity Expenses	264	304
Exgratia expenses	1,200	-
Leave Encashment Expenses	296	420
Staff welfare expenses	304	403
	<b>26,213</b>	<b>26,919</b>
<b>25 Finance Costs</b>		
Interest to Bank	-	7
<b>Total finance costs</b>	<b>-</b>	<b>7</b>
<b>26 Other Expenses</b>		
Bank Charges	14	26
Computer Expenses	132	81
Director's Sitting Fees	380	325
Demat Charges	4	0
Donations	1	11
<b>Auditor's Remuneration</b>	-	-
Audit Fees	155	155
Tax Audit Fees	25	25
Fees and Subscription Expenses	642	446
Foreign Travelling Expenses	-	469
Freight Inward Expenses	1,116	1,106
Freight Outward Expenses	597	736
General Expenses	1,473	1,583
Insurance Expenses	525	395
Legal and Professional Fees	3,149	2,801
Meeting Expense	12	133
Postage & Courier Expenses	80	326
Power and Fuel Expenses	5,837	6,956
Printing and Stationery Expenses	136	624
Rates & Taxes	383	417
Rental Expenses	750	1,320
Repair & Maintenance - Building	-	9
Repair & Maintenance - Other	1,099	1,993
Security Expenses	734	716
Sundry Balances Written Off	2	-
Telephone Expense & Mobile Expense	229	268
Travelling and Convoyance Expenses	81	451
Vehicle Maintenance Expenses	699	977
	<b>18,284</b>	<b>22,349</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	2020-21	2019-20
<b>27 Exception Items</b>		
MAT Written off	-	-1,054
Profit on sale of Assets	55,798	
Profit on Sale of Investment of Subsidiary	-	24,240
	<b>55,798</b>	<b>23,186</b>

\*\* Exceptional items in FY 20-21 pertains to sale of Marol property and for FY 19-20 pertain to Sale of shares of Subsidiary.

**28 EARNINGS PER SHARE** EPS is calculated by dividing the profit / (loss) attributable to the equity share holders by weighted average number of equity shares outstanding during the year."

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive

Particulars	2020-21	2019-20
1. Profit after Tax (In '000)	50,135	14,911
2. Weighted average number of shares outstanding during the year	5,969,166	5,969,166
3. Face value of shares	10	10
4. Basic / Diluted EPS	8.40	2.50

**29. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT**
**a) Accounting classification**

The carrying value of financial instruments by categories are as follows:

Particulars	31.03.2021				31.03.2020			
	At cost	FVTOCL	FVTPL	Amortised cost	At cost	FVTOCL	FVTPL	Amortised cost
<b>Financial Assets</b>								
Investments in subsidiary	57,499				57,400			
Investments in Bonds				5,000				-
Investments in Mutual Funds			90,013				38,919	
Loans				1,549				1,535
Trade receivable				23,998				18,009
Cash and cash equivalents				68,614				60,299
Other financial assets				5,935				5,577
	<b>57,499</b>	-	<b>90,013</b>	<b>105,095</b>	<b>57,400</b>	-	<b>38,919</b>	<b>85,420</b>
<b>Financial Liabilities</b>								
Borrowings	-	-		-	-			-
Trade payables	-	-		14,950	-			10,379
Other financial liabilities	-	-		1,849	-			2,690
	-	-		<b>16,799</b>	-	-		<b>13,069</b>

**b) Fair value hierarchy and Method of valuation**

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	31.03.2021			31.03.2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in Mutual Funds	90,013	-	-	38,919	-	-

- a. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed mutual funds that have quoted price. The fair value of equity instruments which are traded is valued using the closing price as at the reporting period.

**c) RISK MANAGEMENT FRAMEWORK**

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company also holds FVTPL investments. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**d) Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

- i) Credit Risk      ii) Liquidity Risk      iii) Market Risk

**i) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given to related parties and others

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage, this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition and ageing of account receivables.

No impairment is observed on the carrying value of trade receivables

**Other Financial Assets**

Credit risk from balances with banks, loans, investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties.

**ii) Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

INR ('000)

	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
March 31, 2021						
<b>Financial liabilities</b>						
Borrowings	-	-	-			
Trade payables	14,950	14,950	14,950			
Other Financial Liabilities	1,849	1,849	1,849			
	16,799	16,799	16,799	-	-	-
	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
March 31, 2021						
<b>Financial liabilities</b>						
Borrowings	-	-	-			
Trade payables	10,379	10,379	10,379			
Other Financial Liabilities	2,690	2,690	2,690			
	13,069	13,069	13,069	-	-	-

**iii) Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rate is not material as the Company borrowing from banks are very minimal

**Commodity price risk**

Company is exposed to fluctuation in prices of its inputs. The company, to offset the effect of changes in prices of inputs, has a process to revise its selling price accordingly.

**30. CAPITAL MANAGEMENT**

Company Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

The Company's net debt to equity ratio is as follows:

		March 31,2021	April 01,2020
Borrowing		-	-
Cash & cash equivalents		(68,614)	(60,299)
Net Debt (restricted to zero, if cash and cash equivalents are greater than borrowings)			
Total equity		270,997	220,862
Debt/Equity ratio		0.00%	0.00%

**31. EMPLOYEE BENEFITS**
**I) Defined Contribution Plans**

- Provident fund
- Superannuation fund and Pension scheme,1995
- Employer's contribution to Employees State Insurance

**II) Defined Benefit Plans**
**GRATUITY**

- The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India.
- Company have created two different plans for their employees of different offices, termed as Plan A and Plan B
- Life Insurance Corporation of India provides valuation on basis of Projected Unit Credit Method.
- Disclosures are made to extent of informations received from LIC of India :

Membership Data:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Number of Members	19	18	7	8
Average Age	43.84	43.72	49.14	49.13
Average Monthly Salary	17,791	17,963	45,706	40,575
Average Past Service	13.79	13.27	12.00	13.13

Acturial Assumptions:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age
Discount Rate	7.5% p.a	7.5% p.a	7.5% p.a	7.5% p.a
Salary Escalation	6%	6%	6%	6%



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Results of Valuation:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Present Value of Past Service Benefit	2,715,034	2,433,205	2,174,007	2,118,820
Current Service Cost	172,886	160,410	35,344	37,481
<b>PV of Defined Benefit Obligation</b>	<b>2,887,920</b>	<b>2,593,615</b>	<b>2,209,351</b>	<b>2,156,301</b>
<b>Fund Value</b>	<b>2,887,920</b>	<b>2,593,615</b>	<b>2,209,351</b>	<b>2,156,301</b>

Amount Recognized in Balance Sheet:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Present value of defined benefit obligation at end of the year	2,887,920	2,593,615	2,209,351	2,156,301
Fair value of plan assets at end of the year	2,887,920	2,593,615	2,209,351	2,156,301
Net liability / (asset) recognized in the Balance Sheet	-	-	-	-

**Expenses recognised in statement of Profit and Loss:**

	Plan A	
	2020-21	2019-20
Grauity Expense recognised (including Provision)	263,838	304,396

In absence of information from LIC regarding quantification for different components of changes in defined benefit obligation and fund assets, disclosures pertaining to movement in defined benefit obligation and fair value of Plan Assets is not provided. Also, No actuarial gain / loss is recognised separately in Other Comprehensive Income in absence of information.

**32. Related party disclosure**

(i) List of Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:

(a) Subsidiary	Gujarat Polybutenes Private Limited
(b) Key management personnel and their relatives	Mrs. Urmi N. Prasad - Joint Managing Director Mrs. Charita Thakkar - Joint Managing Director
(c) Non Executive/Independent Directors	Mr. Rajesh Parikh Mr. M.D Garde Mr. V. Raghu
(d) Where persons mentioned in (b) exercise significant influence	Multichem Private Limited Guardian Finance Ltd Yashashree Commercial Services Private Limited

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**(ii) Transactions with related parties**

Type of related party	Description of the nature of transactions	Volume of Transactions during 2020-21	Volume of Transactions during 2019-20	Balance as on 31.03.2021 Receivable/ (Payable)	Balance as on 31.03.2020 Receivable/ (Payable)	Balance as on 01.04.2020 Receivable/ (Payable)
		(Rs.in "000")	(Rs.in "000")	(Rs.in "000")	(Rs.in "000")	(Rs.in "000")
(a) Subsidiary		-	-	-	-	-
(i) Gujarat Polybutenes Private Limited	Loan given /(repaid)-net Expense reimbursement on behalf	- 38	- 631	- -	- 38	- -
(ii) GPL Finance and Investments Limited	Expense reimbursement	-	2	-	-	-
(b) Key management personnel and their relatives	<b>Director's Remuneration and Perks***</b>	-	-	-	-	-
	Mrs. Urmi N. Prasad	2,586	2,613	-	-	-
	Mrs. Charita Thakkar	2,382	2,391	-	-	-
(c) Non Executive/ Independent Directors	<b>Sitting fees</b>	-	-	-	-	-
	Late Mr. R.M. Thakkar	-	70	-	-	-
	Mr. Rajesh Parikh	135	80	-	-	-
	Mr. M.D Garde	110	90	-	-	-
	Mr. V. Raghu	135	85	-	-	-
(d) Where persons mentioned in (b) exercise significant influence						
i) Reimbursement of expenses received	Multichem Private Limited	-	50	-	-	-
	Guardian Finance Ltd	-	1	-	-	-

\*\*\* Contribution towards gratuity and leave encashment is not added as it is not determinable each employee wise

33. Previous year figures have been regrouped , reclassified and restated as per Ind AS and Schedule III of Companies Act, 2013.

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS

To the Members of Gujarat Polybutenes Pvt. Ltd.

### Report on the Financial Statements:

#### Opinion

We have audited the Financial Statements of **Gujarat Polybutenes Private Limited** ("the Company"), which comprise of the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- (b) in the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the Profit for the year ended on that date;
- (c) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- (d) in the case of the Cash Flow Statement, of the 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

#### Emphasis of Matters:

We draw attention to the following matters in the notes to the financial statements

Note 22: Relating to uncertainty of outcome of the Appeals filed with Income Tax.

Note 23: Relating to Non-Provision of Deferred Tax Asset / Liability.

Our opinion is not modified in respect of these matters

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
<i>Review of the investments held by the Company as on 31st March 2021</i>	<b>Principal Audit Procedures</b> <i>The assessment of various procedures adopted by the management which includes i) Ascertaining the value of investments as at 31st March, 2021. ii) Verification of amount invested, current value of investments, regularity of receipt of income on those investments and its fair classification and presentation in the audited financial statements.</i>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Draft Board's Report including Annexures to the said Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "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:



## Gujarat Polybutenes Private Limited

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- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 over financial reporting 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in Note22 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no dues which were required to be transferred to Investor Education and Protection Fund by the Company.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner  
Membership No: 031626

Place : Mumbai  
Date : 11<sup>th</sup> June, 2021

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### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

#### ANNEXURE – 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Gujarat Polybutenes Private Limited

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, to the extent applicable.

1. In respect of its fixed assets:
  - a) The Company, on the basis of available information, has maintained proper records showing full particulars including quantitative details and situations of fixed assets;
  - b) The Management of the Company has physically verified the fixed assets at reasonable intervals. The discrepancies, if any noticed during such verification have been suitably adjusted in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. a) According to the information and explanations given to us, there are no inventories at the end of the year.
3. According to the information and explanations given to us and on the basis of our examination of books of account, the Company has not given unsecured loan to Company covered in the register maintained under section 189. Accordingly, reporting under clause (iii) of the order is not applicable to the Company.
4. 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 and investments made and the Company has not provided any loan, guaranty or security.
5. According to the information and explanation given to us, the Company has not accepted any deposits as per the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. According to the information and explanation given to us, the Central government has not prescribed the maintenance of cost records by the Company under sec 148(1) of the Companies Act, 2013.

## Gujarat Polybutenes Private Limited

7. a) According to the records of the Company and information and explanation given to us, Company had not to pay any undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and any other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date it became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and any other statutory dues which have not been deposited on account of any dispute except following:

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax department	Penalty	19.42 Lakhs	F.Y. 2014-15	CIT(A)-16, Mumbai

8. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company on the basis.
9. In our opinion and on the basis of information and explanations given to us, the Company has not raised 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.
10. 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.
11. According to the information and explanations give to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided for the during the year.
12. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in accordance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Financial Statements as required by applicable Ind AS.
14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to 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. Therefore paragraph 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45- IA of Reserve Bank of India Act, 1934.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner  
Membership No: 031626

Place : Mumbai  
Date : 11<sup>th</sup> June, 2021

### ANNEXURE – 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GUJARAT POLYBUTENES PRIVATE LIMITED

#### 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 over financial reporting of Gujarat Polybutenes Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Place : Mumbai  
Date : 11<sup>th</sup> June, 2021

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner  
Membership No: 031626

## BALANCE SHEET AS ON 31ST MARCH, 2021

(in "000")

Particulars	Note No	As at 31.03.2021	As at 31.03.2020
<b>A) ASSETS :</b>			
<b>I) NON-CURRENT ASSETS :</b>			
Property, Plant & Equipments	2	267	267
Financial Assets			
Investments	3	135,943	125,919
Loans	4	2,243	2,243
<b>Total Non Current Assets</b>		<b>138,453</b>	<b>128,429</b>
<b>II) Current Assets</b>			
Financial Assets			
Loans	5	857	857
Cash & Cash equivalents	6	622	737
Other Financial Assets	7	88,552	86,806
Other Current Assets	8	1,520	3,968
<b>Total Current Assets</b>		<b>91,551</b>	<b>92,368</b>
<b>Total Assets</b>		<b>230,004</b>	<b>220,797</b>
<b>B) Equity &amp; Liabilities</b>			
<b>1) Equity</b>			
Equity Share Capital	9	44,900	44,900
Other Equity	10	184,856	175,609
<b>Total Equity &amp; Liabilities</b>		<b>229,756</b>	<b>220,509</b>
<b>II Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables	11	171	177
Other Financial Liabilities	12	56	77
Other Current Liabilities	13	21	34
<b>Total Current Liabilities</b>		<b>248</b>	<b>288</b>
<b>Total Equity and Liabilities</b>		<b>230,004</b>	<b>220,797</b>
Significant accounting policies	1		
The accompanying notes form an integral part of the Financial Statements	2-26		

As per our report of even date

For and on behalf the Board of Directors

**For Dayal and Lohia**

Chartered Accountants

Firm Regn. No. 102200W

**Anil Lohia**

(Partner)

Membership No. 31626

PLACE : Mumbai

DATE : 11-06-2021

**Charita Thakkar**

Director

DIN No. 00321561

Place : San Francisco

Date : 11/06/2021

**Urmi. N. Prasad**

Director

DIN No. 00319482

Place : Hyderabad

Date : 11/06/2021



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2021

(in "000")

Particulars	Note No.	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>I Revenue from operations</b>	<b>14</b>	-	<b>739</b>
<b>II Other income</b>	<b>15</b>	<b>5,930</b>	<b>7,975</b>
<b>III Total income (I+II)</b>		<b>5,930</b>	<b>8,714</b>
<b>IV EXPENSES</b>			
Changes in Inventories of Finished & WIP Products	16	-	995
Employee benefits expense	17	36	207
Other expenses	18	1,449	1,188
Total Expenses		1,485	2,390
<b>V Profit/(loss) before exceptional item and tax (III-IV)</b>		<b>4,445</b>	<b>6,324</b>
<b>VI Exceptional Items</b>		<b>19</b>	<b>18</b>
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>4,464</b>	<b>6,306</b>
<b>VIII Tax Expense:</b>			
(1) Current tax		-	960
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>4,464</b>	<b>5,346</b>
<b>X OTHER COMPREHENSIVE INCOME/(EXPENSE)- (OCI):</b>		-	-
a) Items that will not be classified to Profit or Loss		-	-
b) Items that may be classified to Profit or Loss		4,783	5,600
<b>XI TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR (IX+X)</b>		<b>9,247</b>	<b>10,946</b>
Earning per equity share			
(a) Basic		2.06	2.44
(b) Diluted		2.06	2.44
Significant accounting policies	1		
The accompanying notes form an integral part of the Financial Statements	2-26		

As per our report of even date

For and on behalf the Board of Directors

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 102200W**Anil Lohia**(Partner)  
Membership No. 31626PLACE : Mumbai  
DATE : 11-06-2021**Charita Thakkar**Director  
DIN No. 00321561Place : San Francisco  
Date : 11/06/2021**Urmi. N. Prasad**Director  
DIN No. 00319482Place : Hyderabad  
Date : 11/06/2021

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**
**Note 9 Equity Share Capital**

(in “000”)

SHARE HOLDER'S FUNDS	As on 31-03-2021	As on 31-03-2020
<b>a) Equity Share Capital</b>		
<u>Authorised</u> 6000000 ( 31st March 2020- 600000) Equity Shares of Rs.10/- each 4000000 shares 5% non cummulative redemable preference share of Rs. 10/- each	60,000 40,000	60,000 40,000
<b>Total Authorised Capital (A)</b>	<b>100,000</b>	<b>100,000</b>
<b>Equity shares Issued, Subscribed &amp; Paid up</b> 44,90,000 (31st March 2020- 4490000) Equity Shares of Rs.10/-each fully paid	44,900	44,900
<b>Total issued, subscribed and fully paid up share capital</b>	<b>44,900</b>	<b>44,900</b>
<b>a. Reconciliation of the shares outstanding at the beginning and at the end of the year</b>		
<b>GRAND TOTAL</b>	<b>44,900,000</b>	<b>72,900,000</b>

Particulars	31.03.2021 Equity Shares		31.03.2020 Equity Shares	
	Number	Value ('000)	Number	Value ('000)
Shares outstanding at the beginning of the year	4,490	44,900	4,490	44,900
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,490	44,900	4,490	44,900

**b. Terms/rights attached to the equity shares**

The Company has one class of equity shares having a par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**c. Details of the shareholders holding more than 5% shares in the Company**

Name of Shareholder	31.03.2021		31.03.2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat Petrosynthese Limited (GPL) - Holding Company	4,490,000	99.99998	4,490,000	99.99998

\*One share held by Urmi Prasad as nominee of GPL.

**10 OTHER EQUITY**

	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>SECURITIES PREMIUM ACCOUNT</b>		
Opening balance	12,500	12,500
Addition/(utilisation) during the year	-	
Closing balance	<b>12,500</b>	<b>12,500</b>
<b>RETAINED EARNINGS</b>		
Opening balance	157,509	152,163
Profit / (Loss ) for the year	4,464	5,346
Closing balance	<b>161,973</b>	<b>157,509</b>
<b>FVOCI</b>		
Opening balance	5,600	-
Additions during the year	4,783	5,600
Closing balance	10,383	5,600
<b>Total other equity</b>	<b>184,856</b>	<b>175,609</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lacs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit/(Loss) before tax		4,464		6,306
<b>Adjustments for :</b>				
<b>Less:</b>				
Profit/Loss on sale of Investment	0		(1)	
Dividend Income	(36)		(13)	
Interest Income	(6,077)	(6,113)	(7,957)	(7,971)
<b>Operating profit before working capital changes</b>		<b>(1,649)</b>		<b>(1,665)</b>
<b>Adjustments for :</b>				
Increase /(Decrease) of Other Financial Liabilities	(21)		38	
Increase /(Decrease) of Current Liabilities	(13)		(64,646)	
Decrease / (Increase) of Financial Assets	(1,746)		(4,445)	
Decrease / (Increase) of other current Assets	2,448		0	
Decrease / (Increase) of Trade Payables	(6)		(1,406)	
Decrease / (Increase) of Inventories		662	995	(69,464)
<b>Cash Generated from Operations</b>		<b>(987)</b>		<b>(71,129)</b>
Income Tax Paid (Net of refund received)		0		(1,054)
<b>Net cash from Operating Activities</b>		<b>(987)</b>		<b>(72,183)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Fixed deposit Investment	0		500	
Purchase of Mutual Fund	(5,205)		(198,850)	
Interest Income	6,077		7,879	
Redemption of Fixed Deposit Fixed deposits		872	287,666	97,195
<b>Net cash used in Investing activities</b>		<b>872</b>		<b>97,195</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Redemption of Preference Share		0	(28,000)	(28,000)
Net cash from Financing Activities		0		(28,000)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>(115)</b>		<b>(2,988)</b>
<b>CASH &amp; CASH EQUIVALENTS at the beginning of the period</b>		<b>737</b>		<b>3,724</b>
<b>CASH &amp; CASH EQUIVALENTS at the closing of the period</b>		<b>622</b>		<b>737</b>
Significant accounting policies		1		
The accompanying notes form an integral part of the Financial Statements		2-26		

As per our report of even date

For and on behalf the Board of Directors

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 102200W**Anil Lohia**(Partner)  
Membership No. 31626PLACE : Mumbai  
DATE : 11-06-2021**Charita Thakkar**Director  
DIN No. 00321561Place : San Francisco  
Date : 11/06/2021**Urmi. N. Prasad**Director  
DIN No. 00319482Place : Hyderabad  
Date : 11/06/2021

## NOTE '1' - SIGNIFICANT ACCOUNTING POLICIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021

#### CORPORATE INFORMATION

Gujarat Polybutenes Private Limited (Company) is a 100% subsidiary of Gujarat Petrosyntheses Ltd. public limited company incorporated and domicile in India and is listed on BSE Ltd. The registered office address and principal place of business are disclosed in the introduction to the Annual Report.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) **Basis of preparation:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

(ii) **Fair value measurement**

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(iii) **Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when all significant risk and rewards of ownership in goods are transferred to customers and recovery of consideration from customer is probable and revenue can be estimated reliably. Revenue is recognized net of trade discounts and indirect taxes.

Revenue from rendering services is recognized when performance of agreed contractual task is completed.

Interest income is recognized on accrual basis on time proportion basis using effective interest rate.

Dividend income is accounted when right to receive is established.

(iv) **Property, Plant and Equipment:**

**Recognition and measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

**Subsequent expenditures:**

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation:**

The company follows the Written down Value method of Depreciation on pro- rata basis as per the rates prescribed in the Schedule II of the Companies Act, 2013, except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement

Company has adopted cost model for all class of items of Property Plant and Equipment.

Assets class	Depreciation
Furniture & Fixtures	8 Years
Office equipments	5 Years
Computer	5 Years

(v) **Impairment of Non-Financial Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss..

(vi) **Assets taken on Lease:**

**Operating Lease**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease deposits given are financial instruments (financial assets) and need to be measured at fair value on initial recognition. The difference between the fair value and the value of deposits is considered as prepaid rental expenses and recognized over the lease term on a straight line basis. Unwinding of discount is treated as interest income for deposit given and is accrued as per the effective interest rate method.

(vii) **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 and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets**

**Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purpose of subsequent measurement, the financial assets are classified as under:

i) **Financial assets at amortised cost**

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

**iii) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

**iv) Equity instruments**

All equity instruments are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Impairment of financial assets**

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

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 Expected Credit Loss at each reporting date, right from its initial recognition.

**De-recognition**

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities****• Initial recognition and measurement**

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

**• Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

**• Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

- **Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. 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 recognized in the Statement of Profit and Loss.

- **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(viii) Inventories:**

Raw Materials and consumables are valued at cost on First in First out (FIFO) basis or net realizable value whichever is lower. Raw material and consumables are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

Work in progress is valued at cost basis or net realizable value whichever is lower. They are not written down below cost if the finished products are expected to be sold at or above cost.

Finished goods are valued at lower of cost or net realizable value. The cost is computed on specific identification basis

Stores and spares are charged to revenue in the year of purchase.

Consumables are charged to revenue on actual consumption basis.

**(ix) Taxes:**

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i. **Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii. **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset 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 asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.



**(x) Employee benefits:****Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Defined contribution plans:**

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

**Defined benefit plans:**

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period.

The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India. The annual service cost on basis of valuation received from LIC, the amount is paid to LIC of India and debited to Profit and Loss Account.

**Long Term Compensated Absences**

The liability of leave encashment of employees is covered with LIC. On basis of Actuarial Valuations, the present value of liability is accounted and paid to the LIC of India.

**(xi) Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the period in which these are incurred.

**(xii) Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xiii) Provisions & Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(xiv) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xv) Dividend**

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

**(xvi) Foreign Exchange Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions where these are not covered by forward contracts. Liabilities in foreign currencies as on the date of balance sheet are converted at the exchange rate prevailing on that date.

**NOTE -'2' : Property, Plant & Equipment**  
(Figures in ₹)

Particulars	Gross Block		*Depreciation		Net Block	
	As at 01-04-2021	Additions	Deductions	For the 31-03-2021	As at 01-04-2021	As at 31-03-2021
Office Equipment	3,721	-	-	3,721	3,531	190
Furniture & Fixtures	1,073	-	-	1,073	1,036	37
Computer	969	-	-	969	929	40
<b>Total</b>	<b>5,763</b>	<b>-</b>	<b>-</b>	<b>5,763</b>	<b>5,496</b>	<b>267</b>

## NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2021

## (3) NON-CURRENT INVESTMENTS

Details of Investments - (valued at cost, unless stated otherwise)

Sr. No.	Particulars	Nature	Face value - fully paid	No. of Shares / Bonds		INR ('000)	
				31.03.2021	31.03.2020	31.03.2021	31.03.2020
I	Investments in Mutual Funds <b>Quoted</b> Investments valued at Fair Value through Other Comprehensive Income Bank of Baroda Pioneer Advantage Plan A (Growth) ICICI Mutual Fund SBI Liquid Fund <b>Total Non Current Investments</b>						
				723	723	1,125	886
				5,239	4,991	529	493
				42,081	40,257	134,289	124,540
				<b>135,943</b>	<b>125,919</b>	<b>135,943</b>	<b>125,919</b>
						31.03.2021	31.03.2020
	Aggregate market value of quoted investments Non-Current					135,943	125,919

## 4 LOANS (NON-CURRENT)

(in "000")

	31.03.2021	31.03.2020
Deposit with GEB / MGVCL	2,172	2,172
Deposit with GIDC	71	71
<b>TOTAL</b>	<b>2,243</b>	<b>2,243</b>

## 5 LOANS CURRENT

(in "000")

	31.03.2021	31.03.2020
Central Excise LUT Deposit	10	10
Deposit with Income Tax	400	400
Deposit with Sales Tax department	447	447
<b>TOTAL</b>	<b>857</b>	<b>857</b>

**NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2021**
**6 CASH & CASH EQUIVALENTS :**

(in "000")

	31.03.2021	31.03.2020
Cash on Hand	13	32
Balance with banks	609	705
<b>TOTAL</b>	<b>622</b>	<b>737</b>

**7 OTHER FINANCIAL ASSETS**

(in "000")

	31.03.2021	31.03.2020
Other Receivables	135	323
Interest Receivables	4,926	5,196
Deposits with banks	82,236	80,032
Advance Income Tax (net of provisions)	1,255	1,255
<b>TOTAL</b>	<b>88,552</b>	<b>86,806</b>

**8 OTHER FINANCIAL ASSETS**

	31.03.2021	31.03.2020
Indirect Taxes Credit Recoverable	338	305
TDS Receivable	1,182	3,663
<b>TOTAL</b>	<b>1,520</b>	<b>3,968</b>

**11 TRADE PAYABLES :**

	31.03.2021	31.03.2020
Accounts payable	171	177
Advances from customers	-	-
<b>TOTAL</b>	<b>171</b>	<b>177</b>

**12 OTHER FINANCIAL LIABILITIES :**

	31.03.2021	31.03.2020
From Holding Company - GPL	-	38
Other Payables	56	39
<b>TOTAL</b>	<b>56</b>	<b>77</b>

**NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2021****13 OTHER CURRENT LIABILITIES :**

(in "000")

	31.03.2021	31.03.2020
Security deposits payable	17	17
TDS payable	4	17
<b>TOTAL</b>	<b>21</b>	<b>34</b>

**14 REVENUE FROM OPERATIONS**

	31.03.2021	31.03.2020
Domestic Sale of Products including excise duty	-	739
<b>TOTAL</b>	<b>-</b>	<b>739</b>

**15 OTHER INCOME**

	31.03.2021	31.03.2020
Interest Income	6,077	7,189
Interest on Income Tax Refund A.Y. 2018-19	-	4
Interest on Income Tax Refund A.Y. 2017-18	-	74
Dividend on Mutual Fund	36	13
Realised Gain on sale of Mutual Fund	-	1
Interest Recd from Sales Tax Dept FY 2013-14	-	690
Debit/Credit W/off	(188)	4
Profit on Investment Redeemed	5	-
<b>TOTAL</b>	<b>5,930</b>	<b>7,975</b>

**16 CHANGES IN INVENTORIES OF FINISHED GOODS AND WIP**

	31.03.2021	31.03.2020
<b>OPENING INVENTORY</b>		
Finished Products	-	995
	-	995
<b>Less : CLOSING INVENTORY</b>		
Finished Products	-	-
<b>TOTAL</b>	<b>-</b>	<b>995</b>

**17 EMPLOYEE BENEFITS EXPENSES**

	31.03.2021	31.03.2020
Salary & Wages	36	206
Staff Welfare Expenses	-	1
<b>TOTAL</b>	<b>36</b>	<b>207</b>

## NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2021

## 18 OTHER EXPENSES

(in "000")

	31.03.2021	31.03.2020
Bank Charges	14	15
Advertisement	-	30
Power & Fuel Charges	-	1
Computer Expenses	3	3
Conveyance Expenses	44	4
Legal and Professional Charges	525	522
Office Expenses	2	5
Office & Factory Exp.	-	4
Postage & Courier	1	10
Printing & Stationery	8	1
Retainership Fees	108	360
Repairs & Maintenance others	-	2
Travelling Expense	-	34
Excess Provision for IT AY 2019-20	631	-
Rent Paid	-	10
Auditor's Remuneration	-	-
Statutory Audit	50	50
Other services	-	25
Fees & Subscription	16	9
Board Meeting Expense	3	35
Miscellaneous Expenses	39	12
ROC Expenses	4	56
Penalty-VAT & TDS	1	-
<b>TOTAL</b>	<b>1,449</b>	<b>1,188</b>

## 19 EARNINGS PER SHARE

EPS is calculated by dividing the profit / (loss) attributable to the equity share holders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

Particulars	31.03.2021	31.03.2020
1. Profit after Tax (In '000)	9,247	10,946
2. Weighted average number of shares outstanding during the year	4,490	4,490
3. Face value of shares	10	10
4. Basic / Diluted EPS	2.06	2.44

20. Financial Instrument - Fair Value and Risk management:

Particulars	31.03.2021				31.03.2020			
	At cost	FVTOCI	FVTPL	Amortised cost	At cost	FVTOCI	FVTPL	Amortised cost
Financial Assets								
Investments in Mutual Funds		135,943	-			125,919	-	
Loans			3,100				3,100	
Cash and cash equivalents				622				737
Other financial assets				88,552				86,806
	-	135,943	-	92,274	-	125,919	-	90,643
<b>Financial Liabilities</b>								
Trade payables	-	-		171	-	-		177
Other financial liabilities	-	-		56	-	-		77
	-	-	-	227	-	-	-	254

b) Fair value hierarchy and Method of valuation

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments.

	INR ('000)					
	31.03.2021			31.03.2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in Mutual Funds	135,943	-	-	125,919	-	-

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed mutual funds that have quoted price. The fair value of equity instruments which are traded is valued using the closing price as at the reporting period

C) Risk management framework

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company also holds FVTPL investments. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

D) Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- i) Credit Risk
- ii) Liquidity Risk
- iii) Market Risk

i) **Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given to related parties and others

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage, this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition and ageing of account receivables.

No impairment is observed on the carrying value of trade receivables.

### Other Financial Assets

Credit risk from balances with banks, loans, investments is managed by Company's finance department.

**Investments of surplus funds are made only with approved counterparties.**

#### ii) Liquidity Risk:

Risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans.

March 31, 2021

#### Exposure to liquidity risk

(Figures in '000)

The following are the remaining contractual maturities of financial liabilities at the reporting

Particulars of liabilities	Carrying Amt.	Contractual cash flows				
		Total year	With in 1	1-2 years	2-5 years 5 years	More than
<b>Financial liabilities</b>						
Trade payables	171	171	171	-	-	-
Other Financial Liabilities	56	56	56			
	227	227	227	-	-	-

March 31, 2020

Particulars of liabilities	Carrying Amt.	Contractual cash flows				
		Total year	With in 1	1-2 years	2-5 years 5 years	More than
<b>Financial liabilities</b>						
Trade payables	177		177	177		
Other Financial Liabilities	77		77	77		
	254		254	254	-	

#### iii) Market Risk:

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

##### a) Currency risk:

Risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

##### b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rate is not material as the Company borrowing from banks are very minimal.

##### c) Commodity price risk

Company is exposed to fluctuation in prices of its inputs. The company in effect of changes in prices of inputs, have a process to revise its selling price accordingly.



**21. Capital management:**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows:

Particulars	March, 2021	March, 2020
Cash & cash equivalents	622	737
Net Debt (restricted to zero, if cash and cash equivalents are greater than borrowings)	-	-
Total equity	622	737
Debt/Equity ratio	0.00%	0.00%

**22. Contingent Liabilities**

The company has received Income Tax Assessment order for A.Y. 2014-15. The loss claimed as per ROI of Rs. 2,02,07,941/- has been reduced due to disallowance of depreciation of Rs. 33,32,341/- and addition on account of non reconciliation of interest of Rs. 23,81,548/-. Therefore, loss has been reduced to Rs. 1,44,94,052/- . Since, Final figure is loss determined, no demand of tax is raised. We have been informed that the company has belatedly filed an appeal against the said assessment order. The penalty proceedings have been completed u/s 271(1)(c) of the IT Act levying penalty of Rs. 19,42,150/-. The part payment of Rs. 4,00,000/- is made against penalty demand till decision of appeal. No provision is made for the said liability.

**23. Deferred Tax Assets/Liabilities**

Particular	As at	As at
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Rs.'000	Rs.'000
Balance as on 01.04.2019	328	328
Add: Tax impact of differences between books	-	-
Depreciation in the Financial Statements	-	-
and depreciation as per Income Tax,	-	-
<b>Total</b>	<b>328</b>	<b>328</b>

\*No provision of deferred tax has been made due to virtual uncertainty of business activity and non use of other fixed assets.

**24. Additional disclosure pursuant to Schedule –III**

Details of Turnover	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Qty(tons)	Amt.	Qty(tons)	Amt.
Polybutene	-	-	22.39	739



## Gujarat Polybutenes Private Limited

### 25. Related party disclosure

(i) List of Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:

- |  |                                |
|--|--------------------------------|
| (a) Gujarat Petrosynthese Ltd                    | Holding Company                |
| (b) Key management personnel and their relatives | Ms. Urmi N. Prasad - Director  |
|  | Ms. Charita Thakkar - Director |

### (ii) Transactions with related parties

Type of related party	Description of the nature of transactions	Volume of Transactions during 2020-21	Volume of Transactions during 2019-20	Balance as on 31.03.21 Receivable/ (Payable)	Balance as on 31.03.20 Receivable/ (Payable)	Balance as on 01.04.20 Receivable/ (Payable)
			NIL			

\*No transactions were carried out with related key management personnel during the year

26. Previous year figures have been regrouped , reclassified and restated as per Ind AS and Schedule III of Companies Act, 2013

As per our report of even date

**For Dayal and Lohia**

Chartered Accountants

Firm Regn. No. 102200W

**Anil Lohia**

(Partner)

Membership No. 31626

PLACE : Mumbai

DATE : 11-06-2021

For and on behalf the Board of Directors

**Charita Thakkar**

Director

DIN No. 00321561

Place : San Francisco

Date : 11/06/2021

**Urmi. N. Prasad**

Director

DIN No. 00319482

Place : Hyderabad

Date : 11/06/2021

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GUJARAT PETROSYNTHESES LIMITED

To  
The Members of  
Gujarat Petrosynthese Limited

Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of **Gujarat Petrosynthese Limited** ('the Company') and its subsidiary (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, the Consolidated Statement of Profit and Loss (including total Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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,

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2021;
- b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
- c) in the case of the Consolidated Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- d) in the case of the Consolidated Cash Flow Statement, of the consolidated 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 Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
<p><i>Review of the value of stock-in-trade &amp; investments held by the Company as on 31st March 2021</i></p>	<p><b>Principal Audit Procedures</b>  <i>The assessment of various procedures adopted by the management which includes</i></p> <ol style="list-style-type: none"> <li><i>i) Ascertaining the value of investments and stock-in-trade held as at 31st March, 2021.</i></li> <li><i>ii) Verification of amount invested, current value of investments, regularity of receipt of income on those investments and it's fair classification and presentation in the audited financial statements.</i></li> <li><i>iii) Assessing the appropriateness of value of stock-in-trade disclosed in the financial statements.</i></li> </ol>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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 Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting the 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 internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

**Auditor's Responsibility for the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

### **Other Matters**

In respect of the subsidiary, Gujarat Polybutenes Private Limited, whose financial statements have been audited by us, the consolidated financial statements include Subsidiary's net assets of Rs. 230,004 thousand and Total Comprehensive Income of Rs. 9,247 thousand as considered in the consolidated financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors;
  - c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;

- e. On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary Companies incorporated in India, none of the directors of the Group is disqualified as on 31<sup>st</sup> March, 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 over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- 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:
  - i) The consolidated financial statements does not have any pending litigations which will impact on the consolidated financial position of the Group;
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For **Dayal and Lohia**  
**Chartered Accountants**  
Firm Reg. No. 102200W

(Anil Lohia)  
Partner  
Membership No:031626

Place : Mumbai.  
Date : 11th June, 2021

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**ANNEXURE – ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT PETROSYNTHESE LIMITED AND ITS SUBSIDIARY COMPANY**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31<sup>st</sup> March 2021, we have audited the internal financial controls over financial reporting of **Gujarat Petrosynthese Limited** (“the Company”) and its Subsidiary Company, which are Companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its subsidiary Company, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 respective 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the



## Gujarat Petrosynthese Limited

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Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (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 Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company and its Subsidiary Company, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Dayal and Lohia**  
**Chartered Accountants**  
Firm Reg. No. 102200W

(Anil Lohia)  
Partner  
Membership No:031626

Place: Mumbai.  
Date : 11th June, 2021

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021**

(₹ in thousands)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b>A ASSETS</b>			
<b>I Non-Current Assets</b>			
Property, plant and equipment	3	20,301	21,702
Financial Assets:			
Investments	4	231,055	164,937
Loans	5	3,782	3,768
Assets Held for Sale	6	-	16,700
Deffered tax Assets	7	8,466	4,426
<b>Total Non-Current Assets</b>		<b>263,604</b>	<b>211,533</b>
<b>II Current Assets</b>			
Inventories	8	6,945	8,481
Financial Assets:			
Loans	9	867	867
Trade receivables	10	23,998	18,009
Cash and cash equivalents	11	69,235	61,036
Other financial assets	12	94,488	92,345
Other current assets	13	2,783	5,660
<b>Total Current Assets</b>		<b>198,314</b>	<b>186,396</b>
<b>TOTAL ASSETS</b>		<b>461,918</b>	<b>397,927</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity share capital	14	59,692	59,692
Other equity	15	383,659	324,276
<b>Total Equity</b>		<b>443,351</b>	<b>383,968</b>
Liabilities			
<b>II Current Liabilities</b>			
Financial Liabilities :			
Trade payables	16	15,121	10,556
Other financial liabilities	17	1,905	2,729
Short Term Provisions	18	1,200	301
Other current liabilities	19	341	373
<b>Total Current Liabilities</b>		<b>18,567</b>	<b>13,959</b>
<b>Total Liabilities</b>		<b>18,567</b>	<b>13,959</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>461,918</b>	<b>397,927</b>
Significant accounting policies	1 to 2		
The accompanying notes form an integral part of the Financial Statements	3 to 33		

As per our report of even date

**For Dayal and Lohia**  
Chartered Accountants  
Firm Regn. No. 102200W

**Anil Lohia**  
(Partner)  
Membership No.31626

PLACE : Mumbai  
DATE : 11/06/2021

For and on behalf the Board of Directors

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482  
Place : Hyderabad

**Charita Thakkar**  
Jt. Managing Director  
DIN : 00321561  
Place : San Francisco

**Ms. Pratiksha Parmar**  
Company Secretary  
Place : Sagar, Madhya Pradesh

DATE : 11/06/2021

DATE : 11/06/2021



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021**
**(₹ in thousands)**

Particulars	Note No.	For the year ended As on 31.03.2021	For the year ended As on 31.03.2020
<b>INCOME</b>			
I Revenue from operations	20	193,439	202,793
II Other income	21	12,264	12,552
<b>III Total income (I+II)</b>		<b>205,703</b>	<b>215,345</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	22	158,152	165,271
Changes in Inventories of Finished & WIP Products	23	1,556	(943)
Employee benefits expense	24	26,249	27,125
Finance costs	25	-	7
Depreciation	3	1,775	2,512
Other expenses	26	19,733	23,537
<b>Total expenses (IV)</b>		<b>207,465</b>	<b>217,509</b>
<b>V Profit/(loss) before exceptional item and tax (III-IV)</b>		<b>(1,762)</b>	<b>(2,163)</b>
<b>VI Exceptional Items</b>	27	55,818	23,168
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>54,056</b>	<b>21,005</b>
<b>VIII Tax Expense:</b>			
(1) Current tax		3,497	960
Less : MAT Credit available to utilise		-	-
(2) MAT Credit available to utilise pertaining to previous year		(4,041)	(341)
(3) Deferred tax		-	-
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>54,600</b>	<b>20,385</b>
<b>X OTHER COMPREHENSIVE INCOME/(EXPENSE)- (OCI):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
a) Items that will not be classified to Profit or Loss			
b) Items that may be classified to Profit or Loss		4,783	5,600
<b>Total other comprehensive income (OCI) for the year, net of tax expense</b>		4,783	5,600
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR (IX+X)</b>		<b>59,383</b>	<b>25,984</b>
Earnings per equity shares (Face Value of Rs.10/- each)			
Basic and Diluted earnings per share	28	9.15	3.41
Significant accounting policies			
	1 to 2		
The accompanying notes form an integral part of the Financial Statements			
	3 to 33		

As per our report of even date

**For Dayal and Lohia**  
Chartered Accountants  
Firm Regn. No. 102200W

**Anil Lohia**  
(Partner)  
Membership No.31626

PLACE : Mumbai  
DATE : 11/06/2021

For and on behalf the Board of Directors

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482  
Place : Hyderabad

**Charita Thakkar**  
Jt. Managing Director  
DIN : 00321561  
Place : San Francisco

**Ms. Pratiksha Parmar**  
Company Secretary  
Place : Sagar, Madhya Pradesh

DATE : 11/06/2021

DATE : 11/06/2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in thousands)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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## NOTE 14 : EQUITY SHARE CAPITAL

Balance at the beginning of the year	59,692	59,692
Changes in equity share capital during the year	-	-
Balance at the end of the year	<u>59,692</u>	<u>59,692</u>

## 15. OTHER EQUITY

Particulars	Reserves and Surplus					Total other Equity
	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1 April 2019</b>	1,750	20,000	2,494	129,208	165,112	318,564
Profit/(loss) for the year					20,385	20,228
Other comprehensive income/(expense)					5,600	5,600
Total comprehensive income/(expense)	-	-			25,984	25,827
Transfer to Statutory Reserve				-	(20,111)	(20,116)
<b>Balance as at 31 March 2020</b>	<b>1,750</b>	<b>20,000</b>	<b>2,494</b>	<b>129,208</b>	<b>170,986</b>	<b>324,276</b>
Profit/(loss) for the year					54,600	54,600
Other comprehensive income/(loss)					4,783	4,783
Total comprehensive income/(expense)	-	-			59,383	59,383
<b>Balance as at 31 March 2021</b>	<b>1,750</b>	<b>20,000</b>	<b>2,494</b>	<b>129,208</b>	<b>230,369</b>	<b>383,659</b>

## CAPITAL RESERVE

Pertains to share application money forfeited in the cases where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

## SECURITIES PREMIUM RESERVE

Securities premium is used to record the premium on issue of shares. This reserve can be utilised in accordance with the provisions of the Act.

## GENERAL RESERVE

General Reserve represents amounts transferred from Retained Earnings in earlier years. The reserve can be utilised

in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in

accordance with the rules prescribed in this behalf under the Act.

## Significant Accounting Policies - Note 1 and Note 2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For Dayal and Lohia**  
Chartered Accountants  
Firm Regn. No. 102200W

**Anil Lohia**  
(Partner)  
Membership No.31626

PLACE : Mumbai  
DATE : 11/06/2021

For and on behalf the Board of Directors

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482  
Place : Hyderabad

**Charita Thakkar**  
Jt. Managing Director  
DIN : 00321561  
Place : San Francisco

**Ms. Pratiksha Parmar**  
Company Secretary  
Place : Sagar, Madhya Pradesh

DATE : 11/06/2021

DATE : 11/06/2021

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

Rs. In Thousands

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax	54,056	20,874
<b>Adjustments for :</b>		
<b>Add:</b>		
Depreciation	1,775	2,512
Mat Written off	-	1,054
Interest Expense	-	7
	1,775	3,573
<b>Less:</b>		
Profit/Loss on sale of Investment	(117)	(24,113)
Profit/Loss on sale of Assets	-	(100)
Fair Value masurement of Investment	(1,585)	(46)
Dividend Income	(36)	-
Interest Income	(10,384)	(12,207)
	<u>(12,122)</u>	<u>(36,479)</u>
<b>Operating profit before working capital changes</b>	<b>43,709</b>	<b>(12,032)</b>
<b>Adjustments for :</b>		
Increase /(Decrease) of Financial Liabilities	(824)	(1,093)
Decrease / (Increase) of Other Financial Assets (Non Current)	(14)	3,079
Decrease / (Increase) of Other Financial Assets (Current)	2,128	236,891
Decrease / (Increase) of Other Current Assets	2,877	(1,245)
Increase /(Decrease) of Other Current Liabilities	(32)	(64,921)
Decrease / (Increase) of Trade Receivables	(5,989)	4,893
Increase /(Decrease) of Trade Payables	4,565	(7,018)
Increase /(Decrease) of Provisions	899	-
Decrease / (Increase) of Inventories	1,536	(2,349)
Less : Derecognition working Capital adjustment of former subsidiary	-	(4,990)
	890	163,248
<b>Cash Generated from Operations</b>	<b>44,598</b>	<b>151,216</b>
Income Tax Paid (Net of refund received)	<b>(3,597)</b>	<b>(1,511)</b>
<b>Net cash from Operating Activities</b> (A)	<b>41,001</b>	<b>149,704</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchases of fixed assets	(376)	(2,613)
Sale of Fixed Asset	19,467	103
Redemption of REC Bonds	-	4,700
Purchase of REC bonds	5,000	-
Sale of Investment of Subsidiary	-	34,140
Sale of Mutual Funds	20,405	12,486
Purchase of Mutual Fund	(76,393)	(166,850)
Investment in Fixed deposits	(1,324)	-
Dividend Income	36	-
Interest Income	10,384	(32,801)
	<u>(32,801)</u>	<u>12,130</u>
<b>Net cash used in Investing activities</b> (B)	<b>(105,904)</b>	<b>359,809</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Short term Borrowings	-	(5)
Interest Paid on Borrowings	-	(7)
Net cash from Financing Activities	(C)	(12)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>8,200</b>	<b>43,788</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 01.04.2020 (Opening Balance)</b>	<b>61,035</b>	<b>18,237</b>
<b>Less : Derecognition Cash &amp; Cash Equivalents of former subsidiary</b>	<b>-</b>	<b>(990)</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.03.2021 (CLOSING)</b>	<b>69,236</b>	<b>61,035</b>
Significant accounting policies	1 to 2	
The accompanying notes form an integral part of the Financial Statements	3 to 33	

As per our report of even date

**For Dayal and Lohia**  
 Chartered Accountants  
 Firm Regn. No. 102200W

**Anil Lohia**  
 (Partner)  
 Membership No.31626

 PLACE : Mumbai  
 DATE : 11/06/2021

For and on behalf the Board of Directors

**Urmil N. Prasad**  
 Jt. Managing Director & CFO  
 DIN : 00319482  
 Place : Hyderabad

**Charita Thakkar**  
 Jt. Managing Director  
 DIN : 00321561  
 Place : San Francisco

**Ms. Pratiksha Parmar**  
 Company Secretary  
 Place : Sagar, Madhya Pradesh

DATE : 11/06/2021

DATE : 11/06/2021

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****CORPORATE INFORMATION**

Gujarat Petrosynthese Limited (“the Company”) is a public limited company, incorporated and domiciled in India having its registered office at No. 24, II Main Phase I, Doddanekkundi Industrial Area, Mahadevpura Post, Bengaluru – 560 048, Karnataka, India. The equity shares of the Company are listed on BSE Limited. The Company is primarily engaged in the business of plastic polymers and blends.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(i) Basis of preparation:**

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read together with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

**(ii) Principles of consolidation****· Subsidiary**

The Consolidated Financial Statement comprises of Gujarat Petrosynthese Limited (“the Company”) and its subsidiary Gujarat Polybutene Private Limited.

Subsidiary companies are incorporated in India. The Company holds 100% equity in its subsidiary company.

The financial statements of the Company and its subsidiary companies have been on line by line basis added together of like items of assets, liabilities, income and expenses after fully eliminating inter-company balances and inter-company transactions resulting in unrealized profits or losses.

**(iii) Fair value measurement**

The Company’s accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(iv) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when all significant risk and rewards of ownership in goods are transferred to customers and recovery of consideration from customer is probable and revenue can be estimated reliably. Revenue is recognized net of trade discounts and indirect taxes.

Revenue from rendering services is recognized when performance of agreed contractual task is completed.

Interest income is recognized on accrual basis on time proportion basis using effective interest rate.

Dividend income is accounted when right to receive is established.

**(v) Property, Plant and Equipment:****Recognition and measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then

they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

**Subsequent expenditures:**

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation:**

Depreciation is provided on all property, plant and equipment on straight-line method in the manner and useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletion is provided on pro-rata basis with reference to the date of addition/deletion as the case may be.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Company has adopted cost model for all class of items of Property Plant and Equipment.

**(vi) Impairment of Non-Financial Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**(vii) Assets taken on Lease:****Operating Lease**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease deposits given are financial instruments (financial assets) and need to be measured at fair value on initial recognition. The difference between the fair value and the value of deposits is considered as prepaid rental expenses and recognized over the lease term on a straight line basis. Unwinding of discount is treated as interest income for deposit given and is accrued as per the effective interest rate method.

**(viii) 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 and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets****Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purpose of subsequent measurement, the financial assets are classified as under:

**i) Financial assets at amortized cost**

A financial asset is measured at the amortized cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

**iii) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

**iv) Equity instruments**

All equity instruments are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Impairment of financial assets**

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

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 Expected Credit Loss at each reporting date, right from its initial recognition.

**De-recognition**

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities****· Initial recognition and measurement**

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

**· Subsequent measurement**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

**· Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**· Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. 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 recognized in the Statement of Profit and Loss.

**· Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(ix) Inventories:**

Raw Materials and consumables are valued at cost on First in First out (FIFO) basis or net realizable value whichever is lower. Raw material and consumables are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

Work in progress is valued at cost basis or net realizable value whichever is lower. They are not written down below cost if the finished products are expected to be sold at or above cost.

Finished goods are valued at lower of cost or net realizable value. The cost is computed on specific identification basis stores and spares are charged to revenue in the year of purchase.

Consumables are charged to revenue on actual consumption basis.

**(x) Taxes:**

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

**i. Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**ii. Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are

recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset 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 asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

## (xi) Employee benefits:

### Short term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

### Defined contribution plans:

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

### Defined benefit plans:

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period.

The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India. The annual service cost on basis of valuation received from LIC, the amount is paid to LIC of India and debited to Profit and Loss Account.

### Long Term Compensated Absences

The liability of leave encashment of employees is covered with LIC. On basis of Actuarial Valuations, the present value of liability is accounted and paid to the LIC of India.

## (xii) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the period in which these are incurred.

## (xiii) Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## (xiv) Provisions & Contingent Liabilities:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## (xv) Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.



For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xvi) Dividend**

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

**(xvii) Foreign Exchange Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions where these are not covered by forward contracts. Liabilities in foreign currencies as on the date of balance sheet are converted at the exchange rate prevailing on that date.

## 2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

**i. Recognition and measurement of defined benefit obligations**

The cost of defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**ii. Fair value measurement of financial instruments**

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

**iii. Deferred taxes**

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**NOTE 3 - PROPERTY, PLANT AND EQUIPMENT**  
(₹ in thousands)

Particulars	Gross Block			Depreciation		Net Block	
	As at 01-04-2020	Additions	Deductions	For the year ended 31-03-2021	As at 01-04-2020	For the year ended 31-03-2021	As at 31-03-2021
Leasehold Land	15,527	-	15,527	-	-	-	15,527
Freehold Land	4,419	-	-	4,419	-	-	4,419
Factory Buildings	13,824	-	3,940	9,884	9,642	7,207	4,182
Laboratory Equipment	2,303	-	-	2,303	2,303	2,303	0
Vehicle	9,511	-	-	9,511	6,458	6,954	3,052
Office Equipment	6,414	77	-	6,491	5,933	6,016	480
Furniture & Fixtures	3,395	-	-	3,395	3,137	3,140	255
Computer	2,956	105	-	3,061	2,853	2,881	181
Mobile	369	-	-	369	361	363	8
Plant & Machinery	47,855	194	-	48,049	37,484	38,318	9,732
Electrical Installation	2,422	-	-	2,422	2,422	2,422	-
Jigs and Moulds	403	-	-	403	403	403	-
<b>Total</b>	<b>109,398</b>	<b>376</b>	<b>19,467</b>	<b>90,307</b>	<b>70,997</b>	<b>70,007</b>	<b>20,301</b>
<b>Less : Classified under held for sale (Leasehold land and Part of Factory Buildings)</b>							<b>16,700</b>
<b>Fixed Assets Block</b>							<b>20,301</b>
							<b>21,701</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## 4 Non-Current Investments

Details of Investments - (valued at cost, unless stated otherwise)

(₹ in thousands)

Sr. No.	Particulars	Nature	Face Value fully Paid	No. of Shares / Bonds		Value ('000)	
				31.03.2021	31.03.2020	01.04.2021	31.03.2020
I	Investments in Equity Instruments						
	Unquoted						
	Investments valued at Cost	Former					
	GPL Finance and Investment Ltd	Subsidiary	10	9,940	9,940	99	99
II	Investment in Government Bonds						
	Unquoted						
	Investments valued at Amortized Cost	Others					
	Rural Electrification Corporation Bonds		10000	500	-	5,000	-
	<b>Total Non Current Investments</b>					<b>5,099</b>	<b>99</b>
II	Investments in Mutual Funds						
	Quoted						
	Investments valued at Fair Value through Profit and Loss						
	Bank of Baroda Pioneer Advantage Plan A (Growth)						
	SBI Liquid Fund			28,102	12,585	90,013	38,919
	Investments valued at Fair Value through Other Comprehensive Income						
	Bank of Baroda Pioneer Advantage Plan A (Growth)			723	723	1,125	886
	ICICI Mutual Fund			5,182	4,991	529	493
	SBI Liquid Fund			42,176	40,257	134,289	124,540
	Bank of Baroda Pioneer Advantage Plan A (Growth)			-	-	-	-
	<b>Total Current Investments</b>					<b>225,956</b>	<b>164,838</b>
						<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>Aggregate market value of quoted investments</b>						
	Current					225,956	164,838
	<b>Aggregate amount of impairment in value of investments</b>						
	Non-Current					5,099	99

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE 5 : LOANS (NON-CURRENT)</b>		
<b>(Unsecured, considered good)</b>		
Security Deposits	3,782	3,768
	<b>3,782</b>	<b>3,768</b>
<b>6 Assets Held for Sale</b>		
Leasehold Land	-	15,527
Building	-	1,173
	-	<b>16,700</b>
<b>7 Deferred tax Liability (Net)</b>		
Deferred Tax Liabilities :		
On Property Plant and Equipment	2,669	-1,447
On Fair Value of Investments	76	76
Deferred Tax Asset :		
On Provision	-75	-
On Carry forward losses	5,797	5,797
	<b>8,466</b>	<b>4,426</b>
<b>a) Movement in deferred tax balances</b>		
Movement in deferred tax during the year ended March 31, 2021	Opening balance as at 01.04.2021	Recognized in Profit and Loss INR ('000)
Property, plant and equipment	-1,447	-4,116
Unused tax credit/losses	5,797	-
Provision	-	75
On Fair Value of Investments	76	-
<b>Net deferred tax liability (net)</b>	<b>4,426</b>	<b>-4,041</b>
<b>Movement in deferred tax during the year ended March 31, 2020</b>		
	Opening balance as at 01.04.2020	Recognized in Profit and Loss INR ('000)
Property, plant and equipment	1,594	-148
Unused tax credit/losses	-5,679	-117
On Fair Value of Investments	-	-76
<b>Net deferred tax liability (net)</b>	<b>-4,085</b>	<b>-340</b>
<b>8 Inventories</b>		
Raw Materials and Consumables*	5,139	5,119
Finished Goods and Work in Progress*	1,806	3,362
*(Mode of Valuation is specified in Note 1 (viii) of Significant Accounting Policies)	<b>6,945</b>	<b>8,481</b>
<b>9 Loans ( Current)</b>		
(Unsecured, considered good)		
Loans to Employees	867	867
	<b>867</b>	<b>867</b>
<b>10 Trade Receivables</b>		
Unsecured and considered good		
Trade Receivables for more than six months	472	851
Trade Receivable for less than six months	23,526	17,158
	<b>23,998</b>	<b>18,009</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**


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Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>11 Cash and Cash Equivalents</b>		
Cash in Hand	89	80
Bank Balance		
Balance in bank	10,419	10,021
Deposits having Maturity less than 3 Months	58,728	50,935
	<b>69,236</b>	<b>61,036</b>
<b>12 Other Financial Asset (Current)</b>		
Other Receivables	325	431
Other Bank Balance	-	1
Deposits with banks	82,236	80,033
Interest Receivables	8,051	8,105
Advance Income Tax (net of provisions)	3,875	3,775
	<b>94,488</b>	<b>92,345</b>
<b>13 Other Assets (Current)</b>		
Prepaid Expenses	424	422
TDS Receivable	1,182	3,663
Indirect Taxes Credit Recoverable	1,177	1,575
	<b>2,783</b>	<b>5,660</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	31.03.2021	31.03.2020
<b>14. EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
80,00,000 (31 March 2021 - 80,00,000) Equity Shares of ₹10/- each	80,000	80,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
59,69,166 (31 March 2021- 59,69,166) Equity shares Of ₹10/- each	59,692	59,692
<b>Total issued, subscribed and fully paid up share capital</b>	<b>59,692</b>	<b>59,692</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	31.03.2021		31.03.2020	
	Equity Shares		Equity Shares	
	Number	Value ('000)	Number	Value ('000)
Shares outstanding at the beginning of the year	59,69,166	59,692	59,69,166	59,692
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>59,69,166</b>	<b>59,692</b>	<b>59,69,166</b>	<b>59,692</b>

**b. Terms/rights attached to the equity shares**

The Company has one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**c. Details of the shareholders holding more than 5% shares in the Company**

Name of Shareholder	31.03.2021		31.03.2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
YASHASHREE COMMERCIAL SERVICES PRIVATE LIMITED	800,000	13.4	800,000	13.4
LIFE INSURANCE CORPORATION OF INDIA	538,498	9.02	538,498	9.02
CHARITA THAKKAR	485,417	8.13	485,417	8.13
MULTICHEM PRIVATE LIMITED	394,840	6.61	394,840	6.61
URSULA RAMESHCHANDRA THAKKAR	352,906	5.91	352,906	5.91
N RAJENDRA PRASAD	319,564	5.35	319,564	5.35

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	31.03.2021	31.03.2020
<b>15. OTHER EQUITY</b>		
<b>AUTHORISED</b>		
<b>CAPITAL RESERVE</b>		
Opening balance	1,750	1,750
Addition during the year	-	-
Closing balance	1,750	1,750
<b>STATUTORY RESERVE</b>		
Opening balance	2,470	2,494
Addition during the year	-	-24
Closing balance	2,470	2,470
<b>SECURITIES PREMIUM ACCOUNT</b>		
Opening balance	20,000	20,000
Addition/(utilisation) during the year	-	-
Closing balance	20,000	20,000
<b>GENERAL RESERVE</b>		
Opening balance	129,208	129,208
Addition/(utilisation) during the year	-	-
Closing balance	129,208	129,208
<b>RETAINED EARNINGS</b>		
Opening balance	170,986	165,112
Profit/Loss of the year	54,600	20,385
Items of other comprehensive income recognised directly in retained earnings:		
	4,783	5,600
Profit for the year transferred to Statutory reserves	-	(24)
Derecognising retained earning of former subsidiary	-	-
Closing balance	230,369	170,986
<b>Total other equity</b>	<b>383,659</b>	<b>324,276</b>

**CAPITAL RESERVE**

Pertains to share application money forfeited in the case where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

**SECURITIES PREMIUM RESERVE**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

**GENERAL RESERVE**

General Reserve represents amounts transferred from Retained Earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	31.03.2021	31.03.2020
<b>16 Trade payables</b>		
Trade Payables to Micro Small Medium Enterprise	460	460
Trade Payables to others	14,661	10,096
	<b>15,121</b>	<b>10,556</b>
<b>17 Other financial liabilities (Current)</b>		
Other Payables	1,905	2,729
	<b>1,905</b>	<b>2,729</b>
<b>18 Provisions (Short Term)</b>		
Provision for Employee Benefits :		
For Exgratia	1,200	-
For Gratuity	-	301
	<b>1,200</b>	<b>301</b>
<b>19 Other current liabilities</b>		
Statutory Dues Payables	341	373
	<b>341</b>	<b>373</b>
<b>20 Revenue From Operations</b>		
Sale of Goods	193,439	201,097
Sale of Services	-	1,696
	<b>193,439</b>	<b>202,793</b>
<b>21 Other Income</b>		
Interest income on financial assets:		
Interest Received from Banks	10,230	10,892
Interest Received from Others	154	1,238
Interest on Income Tax Refund	-	78
Dividend Income	36	13
Profit on Sale of Current Investment	117	-
Fair Value measurement of Investments	1,585	46
Debit/Credit W/off	-188	4
Sale of Fixed Assets	55,789	98
Profit on sale of asset	-	2
Specimen Testing Charges	18	38
Miscellaneous Income	313	145
	<b>68062</b>	<b>12,552</b>
<b>22 Cost of Materials Consumed</b>		
Opening Stock of Raw Materials	5,119	3,713
Purchase of Raw Materials	158,172	166,676
Less : Closing Stock of Raw Materials	-5,139	-5,119
	<b>158,152</b>	<b>165,271</b>
<b>23 Changes in Inventory</b>		
Opening Stock of Finished Goods and Working in Progress	3,362	2,419
Less: Closing Stock of Finished Goods and Work in Progress	-1,806	3,362
	<b>1,556</b>	<b>-943</b>
<b>24 Employee Benefit Expenses</b>		
Salaries & Wages	23,036	24,005
Contribution to provident and other funds	1,150	1,993
Gratuity Expenses	264	304
Ex gratia expenses	1,200	-
Leave Encashment Expenses	296	420
Staff welfare expenses	304	404
	<b>26,249</b>	<b>27,126</b>
<b>25 Finance Costs</b>		
Interest to Bank	-	7
	-	<b>7</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	2020-21	2019-20
<b>26 Other Expenses</b>		
Bank Charges	28	41
Advertisement	-	30
Computer Expenses	135	84
Director's Sitting Fees	380	325
Demat Charges	4	0
<b>Auditor's Remuneration</b>		
Audit Fees	170	170
Tax Audit Fees	50	50
Other services	40	65
Fees and Subscription Expenses	658	455
Foreign Travelling Expenses	-	469
Freight Inward Expenses	1,116	1,106
Freight Outward Expenses	597	736
Office Expenses	2	5
Office & Factory Exp.	-	4
General Expenses	1,473	1,583
Insurance Expenses	525	395
Legal and Professional Fees	3,782	3,653
Meeting Expense	15	168
Postage & Courier Expenses	81	336
Power and Fuel Expenses	5,837	6,957
Printing and Stationery Expenses	144	625
Rates & Taxes	383	417
Rental Expenses	750	1,330
Repair & Maintenance - Building	-	9
Repair & Maintenance - Other	1,099	1,995
Security Expenses	734	716
Sundry Balances Written Off	2	-
Excess Provision for IT AY 2019-20	631	-
Telephone Expense & Mobile Expense	229	268
Travelling and Conveyance Expenses	125	489
ROC Expenses	4	56
Penalty-VAT & TDS	1	-
Miscellaneous Expenses	39	12
Vehicle Maintenance Expenses	699	977
	<b>19,733</b>	<b>23,537</b>
<b>27 Exception Items</b>		
MAT Written off	-	-1,054
Prior Period Exp	20	-18
Profit on Sale of Current Investment	-	24,240
	<b>20</b>	<b>23,168</b>

\*\* Exceptional items in FY 19-20 pertain to Sale of shares of Subsidiary.

**28 EARNINGS PER SHARE EPS** is calculated by dividing the profit / (loss) attributable to the equity share holders by weighted average number of equity shares outstanding during the year.

For to the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

Particulars	2020-21	2019-20
1. Profit after Tax (In '000)	54,600	20,385
2. Weighted average number of shares outstanding during the year	5,969,166	5,969,166
3. Face value of shares	10	10
4. Basic / Diluted EPS	9.15	3.41

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## 29. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

## a) Accounting classification

The carrying value of financial instruments by categories are as follows:

Particulars	31.03.2021				31.03.2020			
	At cost	FVTOCI	FVTPL	Amortised cost	At cost	FVTOCI	FVTPL	Amortised cost
<b>Financial Assets</b>								
Investments in Bonds				5,000				5,000
<b>Investments in Mutual Funds</b>		<b>135,943</b>	<b>90,013</b>			<b>1,379</b>	-	
Loans				4,649				4,635
Trade receivable				23,998				18,009
Cash and cash equivalents				69,236				61,036
Other financial assets				94,488				92,345
	-	135,943	90,013	197,370	-	1,379	-	176,024
<b>Financial Liabilities</b>								
Borrowings			-	-			-	
Trade payables			15,121	-		10,556		
Other financial liabilities			1,905	-		2,729		
	-	-	<b>17,026</b>	-	-	<b>13,285</b>		

## b) Fair value hierarchy and Method of valuation

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments.

Particulars	31.03.2021			31.03.2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in Mutual Funds	225,956	-	-	1,379	-	-

- a. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed mutual funds that have quoted price. The fair value of equity instruments which are traded is valued using the closing price as at the reporting period.

## c) RISK MANAGEMENT FRAMEWORK

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company also holds FVTPL investments. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

## d) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- i) Credit Risk      ii) Liquidity Risk      iii) Market Risk

## i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given to related parties and others

The carrying amount of following financial assets represents the maximum credit exposure:

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage, this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition and ageing of account receivables.

No impairment is observed on the carrying value of trade receivables.

**Other Financial Assets**

Credit risk from balances with banks, loans, investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties.

**ii) Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

INR ('000)

	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
March 31, 2020						
<b>Financial liabilities</b>						
Trade payables	15,121	15,121	15,121	-	-	-
Other Financial Liabilities	1,905	1,905	1,905	-	-	-
	<b>17,026</b>	<b>17,026</b>	<b>17,026</b>	-	-	-
March 31, 2019						
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Trade payables	10,556	10,556	10,556	-	-	-
Other Financial Liabilities	2,729	2,729	2,729	-	-	-
	<b>13,285</b>	<b>13,285</b>	<b>13,285</b>	-	-	-

**iii) Market Risk**

Market prices risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rate is not material as the Company borrowing from banks are very minimal

**Commodity price risk**

Company is exposed to fluctuation in prices of its inputs. The company in effect of changes in prices of inputs, have a process to revise its selling price accordingly.

**30. CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows:

		<b>March 31,2021</b>	<b>April 01,2020</b>
Borrowing		-	-
Cash & cash equivalents		(69,236)	(61,036)
Net Debt (restricted to zero, if cash and cash equivalents are greater than borrowings)			
Total equity		270,997	220,862
Debt/Equity ratio		0.00%	0.00%

**31. EMPLOYEE BENEFITS**
**I) Defined Contribution Plans**

- a) Provident fund
- b) Superannuation fund and Pension scheme,1995
- c) Employer's contribution to Employees State Insurance

**II) Defined Benefit Plans**
**GRATUITY**

- a. The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India.
- b. Company have created two different plans for their employees of different offices, termed as Plan A and Plan B.
- c. Life Insurance Corporation of India provides valuation on basis of Projected Unit Credit Method.
- d. Disclosures are made to extent of informations received from LIC of India :

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Membership Data:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Number of Members	19	18	7	8
Average Age	43.84	43.72	49.14	49
Average Monthly Salary	17,791	17,963	45,706	40,575
Average Past Service	13.79	13.27	12.00	13.13

Actuarial Assumptions:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age
Discount Rate	7.5% p.a	7.5% p.a	7.5% p.a	7.5% p.a
Salary Escalation	6%	6%	6%	6%

Results of Valuation:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Present Value of Past Service Benefit	2,715,034	2,433,205	2,174,007	2,118,820
Current Service Cost	172,886	160,410	35,344	37,481
<b>PV of Defined Benefit Obligation</b>	<b>2,887,920</b>	<b>2,593,615</b>	<b>2,209,351</b>	<b>2,156,301</b>
<b>Fund Value</b>	<b>2,887,920</b>	<b>2,593,615</b>	<b>2,209,351</b>	<b>2,156,301</b>

Amount Recognized in Balance Sheet:	Plan A		Plan B	
	2020-21	2019-20	2020-21	2019-20
Present value of defined benefit obligation at end of the year	2,887,920	2,593,615	2,209,351	2,156,301
Fair value of plan assets at end of the year	2,887,920	2,593,615	2,209,351	2,156,301
Net liability / (asset) recognized in the Balance Sheet	-	-	-	-

## Expenses recognised in statement of Profit and Loss:

	Plan A	
	2020-21	2019-20
Gravity Expense recognised (including Provision)	263,838	304,396

In absence of information from LIC regarding quantification for different components of changes in defined benefit obligation and fund assets, disclosures pertaining to movement in defined benefit obligation and fair value of Plan Assets is not provided. Also, No actuarial gain / loss is recognised separately in Other Comprehensive Income in absence of information.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## 32. Related party disclosure

(i) List of Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:

(a) Subsidiary	Gujarat Polybutenes Private Limited
(b) Key management personnel and their relatives	Mrs. Urmi N. Prasad - Joint Managing Director Mrs. Charita Thakkar - Joint Managing Director
(c) Non Executive/Independent Directors	Mr. Rajesh Parikh Mr. M.D Garde Mr. V. Raghu
(d) Where persons mentioned in (b) exercise significant influence	Multichem Private Limited Guardian Finance Ltd Yashashree Commercial Services Pvt Ltd

## (ii) Transactions with related parties

Type of related party	Description of the nature of transactions	Volume of Transactions during 2020-21 (Rs.in "000")	Volume of Transactions during 2019-20 (Rs.in "000")	Balance as on 31.03.2021 Receivable/ (Payable) (Rs.in "000")	Balance as on 31.03.2020 Receivable/ (Payable) (Rs.in "000")	Balance as on 01.04.2020 Receivable/ (Payable) (Rs.in "000")
(a) Subsidiary		-	-	-	-	-
(i) Gujarat Polybutenes Private Limited on behalf	Loan given //(repaid)-net Expense reimbursement 38	631	-	38	-	-
(ii) GPL Finance and Investments Limited	Expense reimbursement	-	2	-	-	-
(b) Key management personnel and their relatives	<b>Director's Remuneration and Perks***</b> Mrs. Urmi N. Prasad Mrs. Charita Thakkar	- 2,586 2,382	- 2,613 2,391	- - -	- - -	- - -
(c) Non Executive/ Independent Directors	<b>Sitting fees</b> Late Mr. R.M. Thakkar Mr. Rajesh Parikh Mr. M.D Garde Mr. V. Raghu	- 70 135 110 135	- - - - -	- - - - -	- - - - -	- - - - -
(d) Where persons mentioned in (b) exercise significant influence						
i) Reimbursement of expenses received	Multichem Private Limited Guardian Finance Ltd	- -	50 1	- -	- -	- -

\*\*\* Contribution towards gratuity and leave encashment is not added as it is not determinable each employee wise

33. Previous year figures have been regrouped , reclassified and restated as per Ind AS and Schedule III of Companies Act, 2013.



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