



## ANNUAL REPORT 2019-20



**GOO**DLUCK INDIA LIMITED

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# CORPORATE INFORMATION

**Chairman**  
M C Garg

**Non Executive Independent Director**  
IC Agasti, Rahul Goel,  
V K Tyagi, Rashmi Garg

**Company Secretary**  
Abhishek Agrawal

**Registered Office:**  
509, Arunachal Building, Barakhamba Road,  
Connaught Place, New Delhi-110001  
Ph. +91-11-23725686

**Registrar & Share Transfer Agent:**  
Mas Services Ltd.,  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase-II, New Delhi-110020  
Ph. +91-11-26387281-83

**Units :**  
**Goodlick Industries**  
A-51, Industrial Area, Sikandrabad,  
Dist. Bulandshahar - 203205 (U.P.) India

**Goodluck Engineering Co.**  
Khasra No. 2839, Gram Dhoom Manikpur,  
G.T. Road, Gautam Budh Nagar,  
Dadri, (U.P.) INDIA

**Goodluck Metallica**  
Survey No. 495, Vill. Sikra, Talluka -  
Bhachau, Dist. - Kutch, Gujarat. INDIA

**Whole Time Director**  
R C Garg & Nitin Garg

**Statutory Auditor**  
Vipin Kumar & Company

**Chief Financial Officer**  
Sanjay Bansal

**Corporate Office:**  
Goodluck House, II F, 166-167, Nehru Nagar,  
Ambedkar Road, Ghaziabad (India) - 201001  
Ph. +91-120-4196600, 4196700

**Factory**  
A-42/45, Industrial Area, Sikandrabad,  
Dist. Bulandshahar (U.P.) India

**Goodluck Industries -II**  
A-59, Industrial Area, Sikandrabad,  
Dist. Bulandshahar (U.P.) India

**Goodluck Steel Tubes Works-2**  
D-2,3,4, UPSIDC, Gopalpur Industrial Area,  
Khata No. 5/17, 73/18, 75/9, Village  
Rajarampur, Sikandrabad (U.P.) INDIA





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***GROWTH***  
***WITH***  
***PERFECTION***

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# Corporate Information

## BANKERS



**State Bank of India**  
THE BANKER TO EVERY INDIAN



**HDFC BANK**



**बैंक ऑफ़ बड़ौदा**  
**Bank of Baroda**



**AXIS BANK**



**kotak**  
Kotak Mahindra Bank



IDFC LIMITED



**RBL BANK**



# Thrust Sector

Infra



Defence



Auto





**Pipe**



**Oil & Gas**



**Forging**





**MAHESH CHANDRA GARG**

CHAIRMAN

# Chairman Speech

**Hello Friends,**

Hope you all are doing well and taking care and precaution of yourself, your family and adhering all guidelines & Instructions issued by government to perform your social duties in order to curb the further spread of Pandemic Covid-19.

It is an unprecedented time and unpredictable situation, which has never seen before and not experienced by any one. Every day new studies and new challenges are coming out and all are learning and trying to handle it in innovative ways. It is not only the challenging situation for health sector but every person is facing hardship and the pandemic has hit economy and the Industries across all spectrums very hard. Be it a street vendor or an Industrialist all are trying to find new ways and methods to cope up with the new situation. As the experts of its own field are of the view that the Covid-19 will stay for a longer period, we must all understand that current situation will not improve itself and we have to learn living in the new normal. I personally find a very positive thing among all the negativity nowadays pouring in from the entire corner that, we all have become tech prone or are trying to become tech prone, either in handling day to day chores or handling business matters. I strongly believe that this new developing strength will act as a new growth engine for the Indian Economy and will make us able to bring the business back on the fast track.

Coming to the performance of the Company during the Financial Year 2019-20, year gone by had been very challenging due to demand slowdown and pressure on margin. Following the clarion call given by our Honorable Prime Minister for the nationwide lockdown and the various advisories / directives / guidelines issued by local, State and Central Governments considering the Pandemic, the manufacturing operations in all of our plants had been suspended. This ended with severe disruption in the production activities in the last fortnight of the financial year which also affected the yearly performance of the Company. Now after slowly lifting up the ban on economic activities by the Government, we have also restarted our manufacturing facilities and other business activities and from June onwards we have been able to achieve about 85% capacity utilization. The domestic demand is still sluggish but it is the export market demand which made the company floating after unprecedented lockdown. However due to slower demand, margins are again under pressure.

Economic situation in the country is still very challenging. Different verticals are having different kind of stresses. Overall economy is very difficult and unprecedented and difficult to give any guidance. However, Company expects to remain buoyant on the bottom line by having strict control on expenses and achieving efficient management of inventory and debtors.

In spite of all the challenges and adverse situation I am happy to share with you that we have been able to receive formal approval of vendor's registration from Maruti Suzuki for which company has been trying hard for a long time. It will provide good traction. We have also established component manufacturing facility in Auto Tube Division, which will improve our margin once Auto sector achieve full demand potential. Also we have been registered as vendor by Pratt & Whitney USA for Aero space supplier from our forging division. This is a landmark achievement and assurance of bright future of the Company. The Company is preparing to keep itself ahead of the curve with respect to the new technologies that are coming up and at the same time develop new products and processes for the customers in both the auto and the industrial space. We plan to undertake expansion of forging capacity to cater aerospace requirement in the near future.

The Company strives to maintain a cordial relationship and healthy atmosphere with its employees at all levels. Human resources are considered the most important and valuable asset of the Company. The Company has been taking various precautionary measures to ensure the safety and health of the employees, stakeholders and their families, at all its offices and manufacturing locations. The focus is on to create a healthy and safe working environment for all of its employees in view of the current pandemic and motivate them to deliver their best in the current challenging situation so that without compromising with health and safety of the employees the company can achieve its target.

At the end, I would like to express my gratitude to all employees for their dedication & hard work and by the end of this fiscal we hope to achieve growth and thereafter your company is assured of bright future.

Stay Healthy & Safe.

Thanks and regards  
**Mahesh Chandra Garg**  
Chairman

# Director's Report

## Dear Shareholders,

The Board of Directors of your Company takes pleasure in presenting 34th Annual Report and audited accounts on the business and operations of your Company for the financial year ended 31st March, 2020.

(Rs. In Cr.)

Particulars	2019-20	2018-19
Gross Turnover	1633.81	1656.83
Earnings before interest, tax & depreciation	131.45	128.50
Finance cost	60.17	60.76
Depreciation	26.34	23.64
Profit before tax	44.93	44.11
Profit after tax	33.87	30.58
Earning per Share (in Rs.)	14.73	13.29

## 1. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year, Goodluck India Limited is reporting its financial statements for the financial year ended March 31, 2020, forming part of this Annual Report, in compliance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs. In the financial year 2019-20, the Gross turnover from Operations is 1633.81 crore as against Rs. 1656.83 crore in the previous year. Though the turnover marginally reduced in the financial year 2019-20, the overall sales in quantity wise has been increased by more than 8%. The reduction in turnover was due to reduction in sales price during the financial year 2019-20. Due to better sales price realization, the EBIT has been increased from Rs. 128.50 crore to Rs. 131.45 crore in the current financial year. The Profit after tax stood at Rs. 33.88 crore during the year against the previous year of Rs. 30.59 crore. The EPS has registered a growth of around 10% in the current financial year as comparison of previous financial year. The last quarter of the financial year was disturbed due to spread of COVID-19 globally which affected the global demand and in the month of March many countries in the world declared lockdown suddenly to prevent the spread of COVID-19. In India too business was disturbed in the month of March and there was a complete lockdown in the late march which effected the performance of the Company.

## 2. Dividends

Keeping in view of the Company's fund requirement to cater enhanced level of activities, your Board of Directors

has decided not to recommend any dividend for the financial year 2019-20.

## 3. Corporate Governance And Additional Information To Shareholders

The company is committed to maintain high standards of corporate governance. A separate report on corporate governance, pursuant to regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided with a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations, including the management discussion and analysis, and shareholders' information forms a part of this report.

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Management and CFO of the Company have given appropriate certifications, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee to the Board of Directors.

Details of the depository system and listing of shares and Registrar & Share Transfer Agent are given in the section Shareholder information, which forms a part of the Corporate Governance Report.

## 4. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo undertaken



by the Company along with the information in are given in **Annexure 'A'** to the Directors' Report.

## 5. Directors And Key Management Personnel

Mr. Nitin Garg, Whole Time Director is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible offer himself for re-appointment.

## 6. Number of Meetings of the Board and Its Committees

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2019-20 are mentioned under the Corporate Governance Report which forms a part of this report.

## 7. Statutory Auditors

At the Company's 33rd AGM held on September 30, 2019, M/s Vipin Kumar & Co. (Firm Registration No-002123C), Chartered Accountants, has been appointed as the Statutory Auditor of the Company for a term of 5 years to hold office until the conclusion of the 38th Annual General Meeting.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark.

No fraud has been reported by the Auditor under section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

## 8. Secretarial Auditor

The Board has appointed M/s Ravi S Sharma & Associates, Practicing Company Secretary (FCS – 7336), to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure 'B'** to this Report.

## 9. Cost Auditor

The Board of Directors of your Company, on the recommendations made by the Audit Committee has approved the appointment of S. R. Kapur, Practicing Cost Accountant, (M. No. 4926) as the Cost Auditor of your Company to conduct the audit of cost records for the financial year 2020-21. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing 34th Annual General Meeting.

Your Company has received consent from S. R. Kapur, Practicing Cost Accountant, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2020-21 along with a certificate confirming their independence and arm's length relationship.

## 10. Auditor's Reports

The Statutory Auditor's Report to the Shareholders together with Accounts for the year ended 31st March, 2020 and notes thereon are attached, which are self-explanatory. The observations of Statutory Auditors and Secretarial Auditors in their report, read with the relevant Notes to Accounts are self-explanatory and therefore, do not require any further explanation.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force). The Auditors' Report for the financial year ended 31st March, 2020, does not contain any qualification, reservation or adverse remark.

## 11. Management Discussion And Analysis

The Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's businesses, internal controls and their adequacy, risk & concerns, risk management systems and other material developments etc. during the financial year 2019-20.

## 12. Public Deposits

Your Company has not invited or accepted any fixed deposits during the year as per the provisions of Section 73(2) of the Companies Act, 2013, and the rules made there under and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

## 13. Internal Financial Controls

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## 14. Subsidiaries/Joint Ventures/Associate Companies

A separate section on the performance and financial position of the subsidiary company in Form AOC- I is part of the report and is annexed herewith as **Annexure 'C'**.

As per the SEBI Listing Regulations, a policy on material subsidiaries as approved by the Board of Directors, may be accessed on the Company's website [www.](http://www.)

goodluckindia.com.

#### 15. Independent Directors Declaration

During the financial year 2019-20, the Board of the Company consists of Mr. Vijender Kr. Tyagi, Mr. Ishwar C Agasti, Mr. Rahul Goel, and Mrs. Rashmi Garg as independent Directors. These Directors have confirmed that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the Rules thereunder.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

#### 16. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has adopted a policy on prevention, Prohibition and redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy has been formed to prohibit, prevent or deter the commission of the acts of sexual harassment at workplace and to provide the procedure for redressal of complaints pertaining to sexual harassment. The Company is an equal employment opportunity provider and is committed for creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity.

During the Financial Year 2019-20, the Company has not received any complaints of sexual harassment. The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

#### 17. Risk Management Policy

In compliance with the requirement of the Companies Act, 2013 the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy.

The objective of any risk identification and assessment process is to evaluate the combination of likelihood and level of negative impacts from an event. The three main components of risk assessment are business risk, service/operational risk and external risk.

The Company manages the risk in line with current

risk management best practices. This facilitates the achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making and compliance with applicable laws and regulations.

#### 18. Change In The Nature Of Business

In pursuance to Rule 8(5) of Companies (Accounts) Rules, 2014, there is no change in the nature of business of Company.

#### 19. Material Orders

In pursuance to the Hon'ble National Company Law Tribunal, New Delhi order dated 20.02.2020 approving the Scheme of amalgamation in regard to merging of "Swachh Industries Limited" ("transferor Company") with Goodluck India Limited (transferee Company), Swachh industries Limited was a wholly owned subsidiary of Goodluck India Limited.

#### 20. Particulars of Loans Given, Investments Made, Guarantees Given and Securities Provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statements.

#### 21. Familiarisation Programme for Board Members

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at the link <https://www.goodluckindia.com>.

#### 22. The Policy On Related Party Transactions

All Contracts/transactions/arrangements entered into by the Company during the financial year with the Related Parties were in ordinary course of business and on an arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

All transactions with related parties were reviewed and approved by the Audit Committee. Omnibus approval is obtained for un-foreseen transactions. Subsequently on a quarterly basis the transactions are presented to the Audit Committee, specifying the nature, value and terms and conditions of the same.

The Company has made transactions with related par-

ties pursuant to Section 188 of Companies Act, 2013. The particulars of material contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2 is annexed herewith as **Annexure 'D'**.

The Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which has been uploaded on the Company's website at the weblink: <https://www.goodluckindia.com>.

### **23. Policy On Appointment and Remuneration To Be Paid To Directors, Key Managerial Personnel (KMP) And Other Employees And Criteria Formulated By The Committee For Determining Qualification, Attributes, Independence Of A Director**

The Board has adopted a policy, on Remuneration to be paid to Directors, Key Managerial Personnel and other employees and Criteria for Appointment of Directors. The objective of the policy is to define the criteria for qualification, qualities and characteristics for the Board as a whole and to ensure that Executive/Non-Executive Directors and Key Managerial Personnel are sufficiently compensated for their performance.

#### **Policy on appointment of Directors**

The Composition and strength of the Board of Directors ("the Board") of the Company is subject to the provisions of the Companies Act, 2013, Listing Regulations and Articles of the Association of the Company. The Nomination and Remuneration Committee is responsible for evaluating the qualifications of each candidate to be appointed as Director on the Board. In general, it is expected from a Director to possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business or in the area of his expertise and to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

#### **Remuneration Policy**

Non-Executive Independent Directors may receive sitting fees for attending the Meeting of the Board and Committees thereof. The Executive Directors and other employees are paid remuneration by way of salary, perquisites, allowances and variable pay. Perquisites and retirement benefits are paid as per the Company policy. The remuneration of Executive Directors, as recommended by the Nomination and Remuneration Committee, is approved and further recommended by Board of Directors to the Members for approval. Remuneration and annual pay of Executive Directors and

employees is determined keeping in view the industry benchmark and the relative performance of the Company.

#### **Criteria for Determining Qualifications, Positive Attributes & Independence of Director**

A director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business or in the area of his expertise.

A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

Directors should be free to present their view point independently, Company has also adopted to conduct the separate meeting of the independent Directors, which will ensure that the independent directors of the Company can review the performance of the Board and Chairman. Moreover the Directors should meet the other requirements of the Companies Act, 2013 and Regulation 16(1) (b) of Listing Regulations concerning independence of directors. A complete Remuneration Policy is available Company's website at the weblink: <https://www.goodluckindia.com>.

### **24. Evaluation of the Board's Performance**

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. During the year, Board evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and the Peer evaluation of the Directors. The exercise was carried out through a structured evaluation to evaluate the performance of individual directors including the Board Chairman along with the Chairman of the Nomination and remuneration Committee of the Company. The evaluation process focused on various aspects of the functioning of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.



The performance of the Board was evaluated on the basis of the criteria such as the Board composition and structure, effectiveness of Board process, information and functioning etc. The performance of the committees was evaluated on the basis of the criteria such as the composition of the committees, effectiveness of committee meetings, etc. The Board and Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of individual director to the Board and committee meetings like preparedness on the issue to be discussed meaningful and constructive contribution and inputs in meetings, etc.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

In the coming year, the Board intends to enhance focus on diversity of the Board through the process of induction of members having industry expertise, strategic plan, exploring the new drivers of growth and further enhancing engagement with investors.

## 25. Corporate Social Responsibility Initiatives

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure 'E'**. The CSR Policy may be accessed on the Company's website at the weblink: <https://www.goodluckindia.com>.

## 26. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

## 27. Vigil Mechanism

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about genuine concerns or grievances, unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc. The detail vigil mechanism may be accessed on the Company's website at the weblink: <https://www.goodluckindia.com>.

## 28. Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is attached as **Annexure 'F'**.

## 29. Particulars Of Employees

Particulars of employees and the ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as **Annexure 'G'**.

## 30. Payment of Listing Fees

Annual listing fee for the year 2020-21 has been paid by the Company to the stock exchanges where the company is listed, i.e., BSE Ltd. and National Stock Exchange Limited.

## 31. Material Changes And Commitments Affecting The Financial Position Of The Company After 31st March 2020

During the year, there was no change in the general nature of business of your Company. Except as disclosed elsewhere in this Report, no material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report. No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future. Your Company has not made any provision of money for the purchase of, or subscription for, shares of your Company or its holding company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required. No fraud took place in the Company during the year and hence, no such reporting was made to the Audit Committee and the Board under Rule 13(3) of the Companies (Audit and Auditors) Rules, 2014.

## 32. Directors Responsibility Statement

As stipulated in Section 134(3) (c) of Companies Act, 2013, your Directors subscribe to the "Directors Responsibility Statement" and confirm as under:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- That the directors have selected such accounting

policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of Financial Year 2019-20 and of the Profit & Loss A/c of the Company for that period.

- c. That the directors have taken proper and sufficient care of 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. That the directors have prepared the annual accounts on a going concern basis.
- e. The directors, in case of a listed company, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- f. The directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 33. Appreciation

Your Directors wish to thank and acknowledge with gratitude for assistance and co-operation received from the financial institutions, banks, government authorities, customer, vendors, and members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the company.

On behalf of the Board of Directors

**M. C. GARG**  
Chairman

Date: 15th July, 2020  
Place: Ghaziabad

## ANNEXURE A

### CONSERVATION OF ENERGY

Your company has always been conscious of the need to conserve energy and has always attempted various measures for the same wherever possible to achieve reduction in the cost of production and continually improving its operational performance. There is a continuous effort in moving towards a more application oriented approach to manufacturing the products and adopting an approach of continual improvement of process. The plants also managed to achieve substantial process improvements that resulted in lowers rejections, rework and therefore in higher yields.

The company has taken various measures on suggestion of experts in the areas where reduction of fuel and oil conservation is possible.

The detail regarding present energy consumption including captive generation is furnished below:

Power and Fuel Consumption		2019-20	2018-19
<b>1. Electricity</b>			
(a)	Purchased		
	Unit (in thousands) KWH	45475.07	39529.64
	Total Amount (Rs. In Lakh)	3406.59	2904.54
	Rate/unit (Rs.)	7.49	7.35
(b)	Own Generation		
	Through Diesel Generator		
	Unit (in thousands)	840.23	976.30
	Units per ltr.of diesel oil	3.25	3.40
	Cost/units	17.91	18.75

### TECHNOLOGY ABSORPTION

We believe in continual improvement in our designs and products for ensuring full customer satisfaction. Innovation in process control, product development, cost reduction and quality improvement are being made on continuous basis as per the requirements of the market. The technology being used for the manufacture of steel products is developed by in- house efforts and is at par with industry norms.

**FOREIGN EXCHANGE EARNING AND OUT GO**

During the year under review, the total foreign exchange earnings and outgo of the company are as follows:

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Out go (CIF value of Imports)	4245.61	7068.93
Out go (Expenditure)	751.42	811.80
Earnings (F.O.B. value of Exports)	42492.36	45899.37

**ANNEXURE B**

To,  
The Members of,

**Goodluck India Limited,**  
509, Arunachal Building, Barakhamba Road,  
Connaught Place, New Delhi -110001.

Our Secretarial Audit Report of even date, for the financial year 2019-20 is to be read along with this letter.

**Management`s Responsibility**

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

**Auditor`s Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.
3. We believe that audit evidence and information obtained from the Company`s management is adequate and appropriate for us to provide a basis for our opinion.
4. Whatever required, we have obtained the management`s representation about the Compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books and accounts of the Company.

For, **RAVI S SHARMA & ASSOCIATES**  
Company Secretaries  
Firm Reg. No-I2008DE626400

**Ravi. S. Sharma**  
M. No. - F7336  
COP No-8007

Place: New Delhi  
Date : July, 15th, 2020



Form No, MR-3

**SECRETARIAL AUDIT REPORT**

(FOR THE FINANCIAL YEAR ENDED ON 31.03.2020)

[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 of,

**Goodluck India Limited**

509, Arunachal Building, Barakhamba Road,  
Connaught Place, New Delhi -110001.

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **Goodluck India Limited (CIN: L74899DL1986PLC050910)** (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 my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period Covering the financial year ended on 31st March, 2020 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Goodluck India Limited ("The Company")** for the financial year ended on 31st March, 2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable. Further, there were no compliances required relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the period under review;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

- 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;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable to the Company during Audit Period**
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable to the Company during Audit Period**
- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable to the Company during Audit Period**
- h. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not Applicable to the Company during Audit Period**
- i. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- j. The Memorandum and Articles of Association.

VI. The Management has identified the following laws as specifically applicable to the Company:

- I. The Indian Boiler Act, 1923
- II. The Hazardous wastes (Management & Handling) Rules, 1989
- III. The Explosive Act, 1884

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

- i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1), General Meetings (SS-2) and Dividend (SS-3) issued by The Institute of Company Secre-

taries of India. However, the stricter applicability of the Secretarial Standard is to be observed by the Company.

- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per representation and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) The 33rd Annual General Meeting held on 30th September 2019;
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) Appointment and remuneration of Auditors and Cost Auditors;
- m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate

certificates of shares;

- n) Declaration and payment of dividends; **NA**
- o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) Borrowings and registration, modification and satisfaction of charges wherever applicable; investment of the Company's funds including investments and loans to others;
- q) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- r) Directors' report;
- s) Contracts, common seal, registered office and publication of name of the Company; and
- t) Generally, all other applicable provisions of the Act and the Rules made under the Act.

**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 period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that the Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization/rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

We further report that the Company has complied with the

provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

**We further report that:**

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

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

- The Board of Directors at their meeting held on July, 31, 2019 has considered and approved Scheme of amalgamation under section 230 & 232 of the Companies Act, 2013 of wholly owned subsidiary **Swachh Industries Ltd** (the transferor company) with Goodluck India Limited (the transferee company).

- Hon'ble National Company Law Tribunal, Principal Bench, New Delhi vide its Order dated 21st August, 2019, inter alia, directed for convening of EGM of Shareholders, secured creditors and unsecured creditors which was convened and held on 2nd November, 2019 at New Delhi;
- The Company has passed a Postal Ballot Resolution on September, 19, 2019 to issue 1500000 warrants convertible into equal number of equity shares to persons belong to promoters group on preferential basis.
- Hon'ble National Company Law Tribunal, Principal Bench, New Delhi sanctioned the Scheme of Amalgamation vide order dated February, 20th, 2020 and the Company has filed the Order of NCLT in E-form INC-28 with ROC of NCT of Delhi on March, 11th, 2020 for completion of Amalgamation of Swachh Industries Ltd (the transferor company) in Goodluck India Ltd (the transferee company) .

For, **RAVI S SHARMA & ASSOCIATES**  
Company Secretaries  
Firm Reg. No-I2008DE626400

Place: New Delhi  
Date : July, 15th, 2020

**Ravi. S. Sharma**  
M. No. - F7336  
COP No-8007  
UDIN: F007336B000449602



## Form AOC-1

(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/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details		
1.	Name of the subsidiary	GLS Engineering India Limited	GLS Metallica India Limited	GLS Steel India Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
4.	Share capital (Rs.)	100,000.00	100,000.00	100,000.00
5.	Reserves & surplus (Rs.)	(55,109.00)	(60,534.00)	(54,277.00)
6.	Total assets (Rs.)	1,58,891.00	1,53,766.00	1,60,023.00
7.	Total Liabilities (Rs.)	1,14,000.00	1,14,300.00	1,14,300.00
8.	Investments (Rs.)	NIL	NIL	NIL
9.	Turnover (Rs.)	NIL	NIL	NIL
10.	Profit before taxation (Rs.)	(22,356.00)	(27,919.00)	(21,203.00)
11.	Provision for taxation (Rs.)	NIL	NIL	NIL
12.	Profit after taxation (Rs.)	(22,356.00)	(27,919.00)	(21,203.00)
13.	Proposed Dividend (Rs.)	NIL	NIL	NIL
14.	% of shareholding	100%	100%	100%

## Notes:

- A. Names of subsidiaries which are yet to commence operations: GLS Engineering India Limited, GLS Metallica India Limited, GLS Steel India Limited.
- B. Names of subsidiaries which have been liquidated or sold during the year : NIL\*
- \*During the year, Swachh Industries Limited has been merged with the Goodluck India Limited w.e.f 11.03.2020 and Swachh Industries Limited was a Wholly Owned Subsidiary of Goodluck India Limited.
2. Part "B" of Form AOC I relates to detail of Associates and Joint Ventures is not been incorporated as there is no associates and joint Ventures of the Company.

On behalf of the Board of Directors  
For **Goodluck India Limited**

(M.C. GARG)  
Chairman  
DIN: 00292437

(R. C. GARG)  
Director  
DIN: 00298129

Place: Ghaziabad  
Date: 15th July, 2020

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C.F.O.

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

**Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

**2. Details of material contracts or arrangements or transactions at Arm's length basis**

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

The company has not entered into any related party contract or arrangement or transaction which is material. "Material Related Party Transactions" means a contract or arrangement or transaction as defined as material in Listing Regulations or any other law or regulation including any amendment or modification thereof, as may be applicable.

**On behalf of the Board of Directors**

Date: 15th July, 2020  
Place: Ghaziabad

**M. C. GARG**  
Chairman

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-2020**

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

The policy encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the 'CSR Policy 2015'. This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars,

and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time. The CSR policy – 2015 of Goodluck will supersede all the earlier policies relating to CSR. The main objective of Goodluck CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the society. Goodluck will act as a good Corporate Citizen, subscribing to the principles of global compact for implementation. The detailed CSR Policy may be accessed on the Company's website at the weblink: <https://www.goodluckindia.com>.

2. The Composition of the CSR Committee:

S. No.	Name of Director	Category	
1.	Mr. Vijender Kr. Tyagi	Non Executive Independent Director	Chairman
2.	Mr. Nitin Garg	Whole Time Director	Member
3.	Mr. R. C. Garg	Whole Time Director	Member

3. Average net profit of the Company for last three financial years: Rs. 3152.26 Lacs
4. Prescribed CSR Expenditure (two percent of the amount mentioned in item 3 above) : Rs. 63.05 Lacs
5. Details of CSR spent during the financial year:
  - i) Total amount to be spent for the financial year: Rs. 58.87 Lacs
  - ii) Amount unspent, if any: Rs. 4.18 Lacs
  - iii) Manner in which the amount spent during the financial year is detailed below:

(Rs. In Lacs)

S. No	CSR Project or activity	Sector in which project is covered	Projects or programmes 1) Local area or other 2) Specify the state and district where project or program was undertaken	Amount Outlay (Budget) Project Or Program Wise	Amount Spent On The Project Or Programs Sub-Head: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure Upto The Reporting Period	Amount Spent: Direct Or Through Implementing Agency
1.	Medical Relief	Healthcare	Ghaziabad	25.00	3.46	25.54	Through Agency
2.	Animal welfare	Animal Welfare	Kutch, Gujarat	45.00	8.20	34.61	Through Agency
3.	Facilities for Senior Citizens/ Women	Social Welfare	Ghaziabad	10.00	10.30	17.76	Through Agency
4.	Promoting Healthcare	Sanitation and safe drinking water	Gujarat	50.00	35.90	35.90	Through Agency
5.	Promoting sports	Recognised sports	Ghaziabad/ Kutch-Gujarat	5.00	1.00	1.21	Through Agency
	<b>TOTAL</b>			<b>135.00</b>	<b>58.86</b>	<b>115.02</b>	

All the activities have been undertaken with the agencies active in the relevant field.



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

Goodluck considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Good-luck CSR initiatives are on the focus areas approved by the CSR Committee and Board benefitting the community. The company has completed some CSR programs this year and has also initiated some new

programmes. For this reason, during the year, the Com-pany's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory re-quirements

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**M C Garg**  
Director

**V K Tyagi**  
Chairman CSR Committee

Place: Ghaziabad  
Date: 15th July, 2020

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

CIN	L74899DL1986PLC050910
Registration Date	06.11.1986
Name of the Company	GOODLUCK INDIA LIMITED (formerly Good Luck Steel Tubes Limited)
Category/Sub-category of the Company	PUBLIC
Address of the Registered office & contact details	509, ARUNACHAL BUILDING, BARAKHAMBHA ROAD, CON- NAUGHT PLACE, NEW DELHI-110001
Whether listed company	YES
Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAS SERVICES LTD. T-34, 2nd FLOOR, OKHLA INDUSTRIAL AREA, PHASE-II NEW DELHI-110020

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	ERW & CDW PIPES	24106	53.90%
2.	SHEETS	24105	14.62%
3.	STRUCTURES	25119	14.37%
4.	FORGING	25910	17.11%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1.	Swachh Industries Ltd.* 509, Arunachal Building, Barakhamba Road, Connaught Place, New Delhi-110001	U28999DL2017PLC314251	Subsidiary	100%	u/s 2(87) (ii) of the Companies Act, 2013.
2.	GLS Engineering India Limited 509, Arunachal Building, Barakhamba Road, Connaught Place, New Delhi-110001	U28994DL2018PLC331625	Subsidiary	100%	u/s 2(87) (ii) of the Companies Act, 2013.
3.	GLS Metallica India Limited 509, Arunachal Building, Barakhamba Road, Connaught Place, New Delhi-110001	U28999DL2018PLC331612	Subsidiary	100%	u/s 2(87) (ii) of the Companies Act, 2013.
4.	GLS Steel India Limited 509, Arunachal Building, Barakhamba Road, Connaught Place, New Delhi-110001	U28999DL2018PLC331652	Subsidiary	100%	u/s 2(87) (ii) of the Companies Act, 2013.

\*Swachh Industries Limited, wholly owned subsidiary of Goodluck India Limited merged with the Company w.e.f 11.03.2020.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	14305108	0	14305108	62.18	14396491	0	14396491	62.58	0.40
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	14305108	0	14305108	62.18	14396491	0	14396491	62.58	0.40
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	13802	0	13802	0.06	1	0	1	0	(0.06)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Foreign Portfolio Investors)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	13802	0	13802	0.06	1	0	1	0	(0.06)
2. Non-Institutions									
a) Bodies Corp.	865579	1000	866579	3.77	1066944	1000	1067944	4.64	0.87
i) Indian	0	0	0	0	0	0	0	0	0.00
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	6528786	243005	6771791	29.43	6592504	222005	6814509	29.62	0.19
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	298328	0	298328	1.30	205000	0	205000	0.89	(0.41)
c) NBFCs Registered with RBI	500	0	500	0.00	0	0	0	0.00	0.00
d) Others (specify)									
Non Resident Indians	142583	143500	286083	1.24	140372	143500	283872	1.23	(0.01)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0.00
Clearing Members	274804	0	274804	1.19	41083	0	41083	0.18	(1.01)
Trusts	0	0	0	0.00	0	0	0	0	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0.00
IEPF	189255	0	189255	0.82	197350	0	197350	0.86	0.04
Sub-total (B)(2):-	8299835	387505	8687340	37.76	8243253	366505	8609758	37.42	(0.34)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8313637	387505	8701142	37.82	8243254	366505	8609759	37.42	(0.4)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	22618745	387505	23006250	100	22639745	366505	23006250	100	N.A



## B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MANISH GARG AND SONS HUF.	127708	0.56	0	127708	0.56	0	0.00
2	SUNIL KUMAR GARG	232977	1.01	0	232977	1.01	0	0.00
3	SUSHIL KUMAR GARG	214870	0.93	0	214870	0.93	0	0.00
4	SAPNA GARG	334247	1.45	0	334247	1.45	0	0.00
5	ASHISH GARG	124000	0.54	0	124000	0.54	0	0.00
6	RAJIV GARG	637750	2.77	0	637750	2.77	0	0.00
7	REENA GARG	186294	0.81	0	186294	0.81	0	0.00
8	SHYAM AGRAWAL	143706	0.62	0	143706	0.62	0	0.00
9	ANKITA AGARWAL	373314	1.62	0	373314	1.62	0	0.00
10	MAHESH CHAND GARG	377250	1.64	0	377250	1.64	0	0.00
11	MANISH GARG	711707	3.09	0	727327	3.16	0	0.07
12	NITIN GARG	1486750	6.46	0	1486750	6.46	0	0.00
13	MITHLESH GARG	690000	3.00	0	690000	3.00	0	0.00
14	UMESH GARG	481768	2.09	0	481768	2.09	0	0.00
15	PUSHPA GARG	784537	3.41	0	788300	3.43	0	0.02
16	SARAS GARG	314500	1.37	0	314500	1.37	0	0.00
17	RAJAT GARG	291920	1.27	0	291920	1.27	0	0.00
18	SUDHA GARG	350000	1.52	0	350000	1.52	0	0.00
19	ANJU GARG	393936	1.71	0	393936	1.71	0	0.00
20	M C GARG AND SONS HUF.	172500	0.75	0	172500	0.75	0	0.00
21	ANIL KUMAR AND SONS HUF.	39000	0.17	0	39000	0.17	0	0.00
22	ASHISH GARG AND SONS HUF.	78938	0.34	0	78938	0.34	0	0.00
23	MUNNI LAL AND SONS HUF.	234092	1.02	0	234092	1.02	0	0.00
24	R C GARG AND SONS HUF.	642167	2.79	0	680167	2.96	0	0.17
25	SUSHIL KUMAR & SONS HUF.	81415	0.35	0	81415	0.35	0	0.00
26	RAM AGARWAL AND SONS.	50	0	0	50	0	0	0.00
27	SUNIL KUMAR AND SONS HUF.	131750	0.57	0	131750	0.57	0	0.00
28	KANAK LATA	286375	1.24	0	320375	1.39	0	0.15
29	NEETA GARG	615770	2.68	0	615770	2.68	0	0.00
30	SHIKHA GARG	379250	1.65	0	379250	1.65	0	0.00
31	RAM AGARWAL	728956	3.17	0	728956	3.17	0	0.00
32	ARCHANA AGARWAL	538365	2.34	0	538365	2.34	0	0.00
33	REKHA RANI	511750	2.22	0	511750	2.22	0	0.00
34	SAVITRI DEVI	312875	1.36	0	312875	1.36	0	0.00
35	RAMESH CHANDRA GARG	570250	2.48	0	570250	2.48	0	0.00
36	TUSHAR GARG	288000	1.25	0	288000	1.25	0	0.00
37	DHRUV AGGARWAL	75000	0.33	0	75000	0.33	0	0.00
38	PARUL GARG	120000	0.52	0	120000	0.52	0	0.00
39	RADHIKA GARG	120000	0.52	0	120000	0.52	0	0.00
40	RITU GARG	121371	0.53	0	121371	0.53	0	0.00

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14305108	62.18	14396491	62.58
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	Name of the shareholder	Date of purchase/sale	No. of shares	Allotment /transfer / bonus/ sweat equity etc	
1.	Kanak Lata	13/03/2020	34000	Market Purchase	
2	Pushpa Garg	16/03/2020	34000	Market Purchase	
3	Manish Garg	16/03/2020	38000	Market Purchase	
4	R C Garg Karta of R C Garg & Sons HUF	17/03/2020	25000	Market Purchase	
5	R C Garg Karta of R C Garg & Sons HUF	23/03/2020	13000	Market Purchase	
At the end of the year		14396491			

**D) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	Name	Shareholding		Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of Shares at the beginning (01-04-19)	% of total shares of the Company			No. of Shares	% of total shares of the Company
1.	Asia Pacific Fin Services Mauritius Limited	67500	0.29	0	-	67500	0.29
2.	Globe Capital Market Limited	37806	0.16	324309	Buy/Sell	362115	1.57
3.	Integrated Financial services Limited	175000	0.76	100000	BUY/Sell	75000	0.32
4.	Master Capital Services Limited	303	0.00	82564	Buy/Sell	82867	0.36
5.	Ashok Kumar Reddy Varidhi Reddy	61743	0.27	4280	Buy/Sell	66023	0.29
6.	Vishvanath Indi	88109	0.38	7934	Buy/Sell	80175	0.35
7.	Shree Ballabh Bhaiya	150000	0.65	55000	Buy/Sell	205000	0.89
8.	Sanjay Pandey	76000	0.33	0	-	76000	0.33
9.	Praveen Madan Borana Huf	37519	0.16	32481	Buy/Sell	70000	0.30
10.	Ketankumar Ratilal Patel	68500	0.29	0	-	68500	0.29

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of Shares at the beginning (01-04-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	MAHESH CHANDRA GARG	377250	1.64	N.A.	N.A.	N.A.	377250	1.64
2.	RAMESH CHANDRA GARG	570250	2.48	N.A.	N.A.	N.A.	570250	2.48
3.	NITIN GARG	1486750	6.46	N.A.	N.A.	N.A.	1486750	6.46
4.	ISWAR CHANDRA AGASTI	0	0	N.A.	N.A.	N.A.	0	0
5.	VIJENDER KUMAR TYAGI	0	0	N.A.	N.A.	N.A.	0	0
6.	RAHUL GOEL	0	0	N.A.	N.A.	N.A.	0	0
7.	RASHMI GARG	0	0	N.A.	N.A.	N.A.	0	0
8.	SANJAY BANSAL	0	0	N.A.	N.A.	N.A.	0	0
9.	ABHISHEK AGRAWAL	0	0	N.A.	N.A.	N.A.	0	0

**V) INDEBTEDNESS - INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT (Rs. In lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	47475.15	2797.33	0	50272.47
ii) Interest due but not paid	57.18	209.99	0	267.17
iii) Interest accrued but not due	0	0	0	-
<b>Total (i+ii+iii)</b>	<b>47532.33</b>	<b>3007.32</b>	<b>0</b>	<b>50539.65</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
* Addition	31624.54	91.51	0	31716.05
* Reduction	28064.12	3291.95	0	31356.06
Net Change	3560.42	(3200.43)	0	359.98
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	50822.26	(184.60)*	0	50637.65
ii) Interest due but not paid	270.49	(8.51)	0	261.98
iii) Interest accrued but not due	0	0	0	-
<b>Total (i+ii+iii)</b>	<b>51092.75</b>	<b>(193.1)</b>	<b>0</b>	<b>50899.63</b>

\*Due to Consolidation of Accounts upon the Amalgamation of Swachh Industries Limited with Goodluck India Limited.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager (p.a.)			Total Amount
		M.C. Garg	R.C. Garg	Nitin Garg	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	70,50,000	70,50,000	41,12,500	1,82,12,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600	39,600	1,18,800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	N.A	N.A	N.A.	N.A
3	Sweat Equity	N.A	N.A	N.A.	N.A
4	Commission - as % of profit - others, specify...	N.A	N.A	N.A.	N.A
5	Others, please specify	N.A	N.A	N.A.	N.A
	Total (A)	70,89,600	70,89,600	41,52,100	1,83,31,300
	Ceiling as per the Act	Rs. 462.17 lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

**B) Remuneration to other directors**

Sr No.	Particulars of Remuneration	Name of Directors				Total Amount
		Rashmi Garg	Iswar Chandra Agasti	Vijender Kumar Tyagi	Rahul Goel	
1	Fee for attending board committee meetings	N.A	N.A	N.A	N.A	N.A
	Commission	N.A	N.A	N.A	N.A	N.A
	Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (1)	N.A	N.A	N.A	N.A	N.A
2	Other Non-Executive Directors	N.A.	N.A.	N.A.	N.A.	N.A.
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.
	Commission	N.A.	N.A.	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (2)	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (B)=(1+2)	N.A.	N.A.	N.A.	N.A.	N.A.
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	Rs. 46.22 lacs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				



**C) Remuneration To Key Managerial Personnel other than MD/Manager/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel (p.a.)		
		CS (Abhishek Agrawal)	CFO (Sanjay Bansal)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1198200	3317400	4515600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10800	32400	43200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.
	Others specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	<b>Total</b>	<b>1209000</b>	<b>3349800</b>	<b>4558800</b>

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

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

**ANNEXURE G**
**DETAILS PERTAINING TO REMUNERATION AS REQUIRED INFORMATION UNDER SECTION 197(14) & SECTION 197(12) RULE 5 (1) (2) & (3) OF COS (APPOINTMENT & REMUNERATION) RULES, 2014**

1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	1. Mr. M.C Garg (Whole- Time Director) : 37.51:1 2. Mr. R.C Garg (Whole- Time Director) : 37.51:1 3. Mr. Nitin Garg (whole Time Director) : 21.97:1
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year	1. Mr. M.C Garg (Whole- Time Director) : 18% 2. Mr. R.C Garg (Whole- Time Director) : 18% 3. Mr. Nitin Garg (Whole Time Director) : 19% 4. Mr. Sanjay Bansal (C.F.O.) : 5% 5. Mr. Abhishek Agrawal (C.S) : -2%
3.	Percentage increase in the median remuneration of employees in the financial year	9%
4.	Number of permanent employees on the rolls of company	2223
5.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and Justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year is 5% in comparison of 18% increase in the managerial remuneration. Explanation: Remuneration of both employees & Managerial Personnel are based on Companies as well as Individual performance and there is no exceptional circumstance for increase in the managerial remuneration.
6.	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
7.	Statement of particulars of employees under section 197(12).	The statement of particulars of employees under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

As per section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 list of top 10 employees of the Company employed throughout the financial year 2019-20 in terms of remuneration drawn:

Name(s)	Designation	Remuneration (Amount in Rs.)	Qualification	Relation	Total Experience (No. of years)	Joining Date	Age (years)
M C Garg	Chairman & Executive Director	7089600	B. Tech from IIT- Roorkee	Brother of R C Garg	51	06/11/1986	74
R C Garg	Executive Director	7089600	Mining Manager from ISM -Dhanbad	Brother of M C Garg	49	12/09/1988	73
Ram Aggarwal	CEO	5327100	B.Tech	N.A.	31	25/09/1988	53
Manish Garg	COO	5327100	B.Tech	Son of M C Garg	27	01/06/1992	49
Nitin Garg	Executive Director	4152100	B. Tech, MBA- Narsee Monjee	N.A.	15	08/08/2005	40
Rajeev Garg	Senior Management Executive	4152100	B. Tech	N.A.	26	01/04/1994	50

Shyam Aggarwal	COO	4112500	B.Tech	N.A.	27	05/04/1993	50
Ashish Garg	Senior Management Executive	4112500	B.Com.	N. A.	28	07/10/1991	48
Saras Garg	Senior Management Executive	4112500	MBA - Narsee Monjee	N.A.	12	25/06/2007	34
Umesh Garg	Senior Management Executive	3950000	B.Tech from IIT Delhi, MS-London	Son of R C Garg	13	02/07/2007	35

**Notes :**

1. The company didn't pay any remuneration to its any Non- Executive Independent Director during the Financial Year 2019-20.
2. None of the employees are covered under Rule 5(3) (viii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013 except Mr. Ram Aggarwal who holds 3.17%, Mr. Manish Garg who holds 3.16%, Mr. Umesh Garg who holds 2.09% and Mr. Rajeev Garg who holds 2.77% of equity shares of the Company.
3. All appointments are contractual and terminable by notice on either side.
4. None of the above employees have worked with any other organization.

# Management Discussion and Analysis

## INDUSTRY STRUCTURE & DEVELOPMENTS

India is currently the world's 2nd largest producer of crude steel in January-December, 2019, producing 111.245 Million Tonnes (MT) (provisional) crude steel with growth rate 1.8% over the corresponding period last year. The country is also likely to become the 2nd largest consumer of finished steel in 2019, preceded by China as the largest steel consumer. The Government's vision to achieve a \$5 trillion economy by 2024 entails investments in several steel intensive sectors like infrastructure, housing for all, 100% electrification, piped water for all, etc. India's annual per capital steel consumption is 74 kg and is one-third the global average (224.5kg). A transition to steel intensive construction will also support India's rise to a \$5 trillion economy by 2024-25. Steel intensive construction is prevalent across the globe and an increase in steel use is strongly correlated with an economy's GDP growth, especially during the nation building phase. National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31, with a vision to create a technologically advanced and globally competitive steel industry that promotes economic growth. This policy seeks to accomplish Hon'ble Prime Minister's vision of 'Make in India' with the objective of nation building and to encourage domestic manufacturing. By implementing Make In India policy, Steel imports worth more than Rs. 15,000 cr. have so far been avoided.

## Economy Overview

Against the backdrop of US via raising tariff on certain china imports in early 2019, global growth is forecast at 3.2 percent in 2019, picking up to 3.5 percent in 2020. Investment and demand for consumer durables have been subdued across advanced and emerging market economies as firms and households continue to hold back on long-term spending. Accordingly, global trade, which is intensive in machinery and consumer durables, remains sluggish. The projected growth pickup in 2020 is precarious, presuming stabilization in currently stressed emerging market and developing economies and progress toward resolving trade policy differences. The emerging market and developing economy group is expected to grow at 4.1 percent in 2019, rising to 4.7 percent in 2020. The forecasts for 2019 and 2020 are 0.3 and 0.1 percentage point lower, respectively. Multilateral and national policy actions are vital to place global growth on a stronger footing. The pressing needs include reducing trade and technology tensions and expeditiously resolving uncertainty around trade agreements. The COVID-19 pandemic has, with alarming speed, delivered a global economic shock of enormous magnitude, leading to steep recessions in many countries. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020—the deepest global recession in eight

decades, despite unprecedented policy support. Per capita incomes in the vast majority of

Emerging Markets and Developing Economies (EMDEs) are expected to shrink this year. The global recession would be deeper if bringing the pandemic under control took longer than expected, or if financial stress triggered cascading defaults.

## Outlook

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced economies, and emerging markets and developing economies owing to differences in governance capacity, health care systems, strength of financial institutions, and currency strength. Growth is expected to be slower in most advanced economies. Countries in the emerging market and developing economies will also witness a slump in growth due to external demand shock, tightening in global financial conditions, and a plunge in commodity prices. In China, where recovery from the sharp contraction in the first quarter is underway, growth is projected at 1% in 2020, supported in part by policy stimulus. The IMF projects a partial recovery in 2021, however, the level of GDP growth is expected to remain below the pre-COVID-19 trend, with uncertainty about strength of the rebound.

India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth. The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, outlook for the steel industry includes scenarios regarding the pandemic's speed of propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak, and the effectiveness of the stimulus announced by the Governments of various nations. After slower than expected growth in 2019, steel demand is estimated to contract significantly in the Financial Year 2020-21. According to the World Steel Association ('WSA'), it is possible that the impact on steel demand in relation to the expected contraction in GDP may turn out to be less severe than that seen during the erstwhile global financial crisis. In comparison with other sectors, the manufacturing sector is expected to rebound quicker though supply chain disruptions are likely to continue. Most of the steel producing regions are expected to witness a decline in crude steel output due to production cuts amidst



ongoing lockdowns. Governments of different nations have announced sizeable stimulus packages which are expected to favour steel consumption through investment in infrastructure and other incentives for the steel industry. In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilization in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21. Further, the demand from automobile, white goods, and capital goods sectors is likely to reduce significantly with consumers deferring discretionary spends in the near term. Effective government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the Financial Year 2020-21. The recovery is expected to be gradual, with growth estimated at 5.4% in CY 2021, which reflects the disruptions to economic activity, policy countermeasures and commodity prices. Going forward, the Indian economy is expected to contribute 13.7% to total world economic growth, which is higher than that of several developed countries, including the US. Continued economic reforms, along with efforts to reduce public debt, is a prerequisite for the country's growth. Given the strong mandate, the government is likely to push through key structural reforms towards its ambition of making India a US\$5 trillion economy by 2024.

### **Financial, Operational and Product Wise Performance**

Goodluck, an engineering conglomerate, manufacturing & exporting engineering products globally as well as domestically with wide range of galvanized & cold rolled coils/sheets, galvanized & black steel tubes & hollow sections, forgings & flanges, cold drawn welded & precision tubes, engineering fabricated structures for towers, bridges, walkways, girders, boiler support structures, pipe rack structures, chimney structures and secondary support structures, and other cold rolled value added products. The clientele of the Company comprises of members from the public sector, private sector OEMs and central and state government departments and spread across 100 countries globally U.K., U.S.A, Singapore, South Africa, UAE, Germany and France are few of the export markets of the company. The company is treating Auto, Railways and solar industries as its sunrise sectors. The sales has been little lower during FY 2020 as compared to previous year due to lock down declared by Govt. of India and State administration w.e.f. 21.03.2020 to curb the spread of COVID 19 though out India. Due to sudden lock down announced by the government and consequently 11 days working has been lost, the Company could not achieve the top line as projected also the profitability would be much higher than the achieved. EBITDA percentage has been increased from 7.76% during FY 2019 to 8.05% during FY 2020. PAT has been at Rs 34 crores as against Rs. 31 crores during preceding financial year. Main reason for improved

profitability was better sales realization of the products and savings in financial expenses. The Company is preparing to keep itself ahead of the curve with respect to the new technologies that are coming up and at the same time develop new products and processes for the customers in both the auto and the industrial space. During the year, the Company has incurred Rs. 30 crores on capital expenditure in order to replace the old equipment with new improved technology. The ERW & CDW pipes contributes to 53.90% in the total turnover of the Company as compared to the last financial year to 53%. The sheets's business increased its contribution to 14.62% from 13% during the preceding financial year. The structure business contributes to 14.37% as against the 19% during the last year and forging products has increased its share in turnover from 15% to 17.11%.

### **MEDIUM AND LONG TERM STRATEGY**

The Company has undertaken drive for capacity expansion in last couple of years. New manufacturing lines are added across the locations, new equipment's based on latest technology is being commissioned and plant layouts are reworked to achieve optimum utilization of the installed capacities. The Company is preparing to keep itself ahead of the curve with respect to the new technologies that are coming up and at the same time develop new products and processes for the customers in both the auto and the industrial space. During the year, the Company has incurred roughly Rs. 30 crores on capital expenditure in order to replace the old equipment with new improved technology. This expenditure interalia includes bottlenecking equipment's and routine capital expenditures.

### **INTERNAL CONTROL SYSTEMS**

The Company and the Management have adequate internal control systems in place to safeguard and shield the Company from losses and in ensuring proper use of its assets. This also ensures that the Company's assets and interests are carefully protected, and all the transactions are appropriately authorized, recorded and presented to the management. The Company always adheres to prescribed guidelines and follows all Accounting Standards prescribed for maintenance of books of accounts and reporting of financial statements. The appointed independent internal auditors monitor and report on the effectiveness of the internal control systems of the various areas of operations. Key matters that are reported in the Internal Audit are brought to the notice of the Audit Committee of the Board of Directors and corrective measures are recommended and appropriate actions are taken. The Internal Control systems ensure the business operations function efficiently and the applicable laws, rules, regulations, policies of the Company are followed, in addition to safeguarding the reliability of financial reporting.

### **Opportunities and Threats**

In 2020 world steel forecasts that steel demand will contract by 6.4%, dropping to 1,654 Mt due to the COVID-19 crisis. In

2021 steel demand is expected to recover to 1,717 Mt, an increase of 3.8 % over 2020. The Indian steel industry has entered into new development stage and with the aid of Govt. by putting conditions on import of steel has given erroneous opportunities to the Indian steel industry. Your company's one of the major customer is automobiles industry (fourth in the world), It contributes to around 9% of steel demand in India. India is the largest manufacturer of two-wheelers, three-wheelers and tractors, the fourth largest producer of passenger vehicles, and the seventh largest in commercial vehicles in the world. Two-wheelers occupy a dominant position with an 81% market share and overall passenger vehicles compose 13% of the market. India's automobile sector is domestic market oriented, with domestic sales accounting for over 80% of sales. The Government of India announced the Automotive Mission Plan 2016-26 (AMP 2026) in 2015. The plan outlines the vision for all sub-segments in terms of size, global footprint and technological maturity, etc. It aims at sustained automotive growth and bringing India at par with the global auto giants. Therefore, steel demand from the automotive sector is expected to be sustained, despite the temporary blip in growth this year. However, the Indian government is putting a significant thrust on electric vehicles, which will require less steel as these vehicles have fewer auto components. The Company targets "Make in India" program, which is likely to present multiple opportunities for indigestion and offsets in defence and aerospace. These segments will drive business growth and reduce cyclicity. The company is working towards becoming a full supplier indigenously developed systems. However, factors such as labor laws, environmental costs and permanent loss of the optionality value of the plants are curbing steel manufacturers from shutting down steel capacity permanently. Additionally, government intervention in the steel industry provides an additional political incentive to keep employing workers regardless of profitability. Further, COVID-19 has created the issue for companies to get the labour due to migration.

### Risks and Concern

The COVID-19 has disrupted operations globally is well-known. Moreover, the new normal that will emerge is likely to witness a realignment of power centres in different domains. The coronavirus crisis has impacted almost all supply chains dependent on China, which includes the steel sector. Given the closure of operations in most industries, the nation's steel demand in FY2020-21 is slated to fall by about 15%. This will lead to oversupply, suppressed prices and rising inventories once the lockdown is properly lifted, as per an India Ratings report. Even after the lockdown is lifted, most likely in phases, the steel sector will continue

confronting sustained challenges on account of the labour shortage and hampered logistics movement. The nationwide lockdown is an unprecedented test for every sector, including steel. Under such circumstances, it is up to the government to boost infrastructure investments across the country. This can become a key driver for India's eventual economic recovery. Such infrastructure projects need to be fast-tracked for the steel sector to stabilise operations after the demand slump. Since many steel producers are MSMEs, the current moratorium on term loans can be extended by another three months without penal interest. Such measures will help the sector survive today's harsh conditions. In sync with this, the Centre could consider offering relief on some levies imposed on steel-making raw materials. Demand from infrastructure, construction and real estate sectors is likely to be subdued in 1HFY21 (first half of FY21) with the lockdown in 1QFY21 (April-June FY21) and the monsoon season over 2QFY21 (July-September FY21). Furthermore, the demand from automobile, white goods and capital goods sectors are likely to reduce with consumers deferring discretionary spends in the near term.

### Human Resources

The Company strives to maintain a cordial relationship and healthy atmosphere with its employees at all levels. Human resources are considered the most important and valuable asset of the Company. Continuous commitment to upgrading skills is an integral part of the human resource development policy of the Company. The focus has always been towards creating a rewarding and nurturing environment for employees. The Company is an equal opportunity employer and promotes diversity in its workforce. Equal opportunities are given to optimize their potential and improve their standard of living. Employee Count as on March 31, 2020, Goodluck India Limited has 2223 employees.

### Cautionary Statement

Certain Statements made in the Management Discussion and Analysis Report relating to the company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions and macroeconomic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the company does not have any direct control.

### Changes in Key Financial Ratio

The details of changes in the key financial ratios as compared to previous year are stated below;

Sr. No.	Balance sheet Ratios	FY 2020	FY 2019
1.	Debtors Turnover Ratio	6.84	6.70
2.	Inventory Turnover Ratio	5.19	5.45
3.	Interest Coverage Ratio	2.39	2.35
4.	Current Ratio	1.20	1.28
5.	Total Outside Debt/Equity	1.36	1.67
6.	Long-term Debt/Equity	0.22	0.45
7.	Operating Profit Ratio	8.05	7.76
8.	Net Profit Margin	2.07	1.85

The net worth of the company for the year 2019-20 stood at Rs. 34,608lacs in comparison of Rs. 28,439 lacs in the previous financial year 2018-19. The increase of Rs. 6169 lacs in net worth is due to profit earned by the Company during the F.Y 2019-20 and pursuant to the scheme of amalgamation.

# Report on Corporate Governance

## MANAGEMENT'S PERSPECTIVE ON CORPORATE GOVERNANCE

At Goodluck India Limited, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Corporate Governance ensures fairness, transparency and integrity of the Management. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and thus seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its Board is well informed and well equipped to fulfill its overall responsibilities and to provide Management with the strategic direction needed to create long term shareholders value. The Company maintains highest levels of transparency, accountability and good Management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate Governance.

Besides complying with legal requirements, Goodluck has adopted best practices and set responsible standards of business. The Company is in compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). The Directors fully endorse and support the essentials of Corporate Governance and accordingly herein below give a report on Corporate Governance.

## BOARD OF DIRECTORS

The Company has a very balanced and diverse Board

of Directors, which primarily takes care of the business needs and stakeholders' interest. The Board is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. The Board comprises persons of eminence with excellent professional achievements in their respective fields. The Non-executive Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of finance & taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board complies with Regulation 17 of the Listing Regulations as well as the provisions of the Companies Act, 2013. As on March 31, 2020, the Company has Seven Directors on its Board of which 4 Directors are Independent Directors including one woman director which was more than 50 % of the total number of Directors. At present the number of Non- Executive Directors (NEDs) is more than 50% of the total number of Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies as on 31st March, 2020 are given below:



Name of the Director	Category	No. of Board Meetings attended		Attendance at last AGM (Yes/No)	Relationships between Directors inter-se	No. of Directorships in other public Limited Cos.	Name of the listed entity where the person is a director and the category of Directorship	No. of Chairmanship /Memberships of Committees in other Public Ltd. Cos.	
		Held	Attend-ed					Chair-manship	Member-ship
Mr. M.C. Garg	Promoter, Executive Chairman	11	10	Yes	Brother of Mr. R. C. Garg	3	0	-	-
Mr. R. C. Garg	Executive Director	11	10	Yes	Brother of Mr. M. C. Garg	3	0	-	-
Mr. Nitin Garg	Executive Director	11	10	Yes	Not Applicable	3	0	-	-
Mr. Vijender Kr. Tyagi	Independent, Non-Executive Director	11	11	Yes	Not Applicable	0	0	-	-
Mr. Iswar Chandra Agasti	Independent, Non-Executive Director	11	5	Yes	Not Applicable	0	0	-	-
Mr. Rahul Goel	Independent, Non-Executive Director	11	10	Yes	Not Applicable	0	0	-	-
Mrs. Rashmi Garg	Independent, Non-Executive Director(-woman)	11	5	No	Not Applicable	0	0		

**Details of equity shares of the Company held by the Non- Executive Directors as on March 31, 2020 are given below:**

Name	Category	Number of equity shares
Mr. Vijender Kr. Tyagi	Independent, Non-Executive	0
Mr. Iswar Chandra Agasti	Independent, Non-Executive	0
Mr. Rahul Goel	Independent, Non-Executive	0
Mrs. Rashmi Garg	Independent, Non-Executive(woman)	0

During the year, the Company has issued 1500000 warrants convertible into equal number of equity shares to persons belong to promoters group on preferential basis on a price determined as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 on September, 20, 2019 to be converted into equity shares within a period of 18 months from the date of issue of warrants.

#### NUMBER OF MEETINGS OF THE BOARD

Eleven Board meetings were held during the year, as against the minimum requirement of four meetings.

#### Notes:-

- During the Financial Year 2019-20, Eleven Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30th April,2019,27th May,2019, 31st July,2019,13th August,2019,29th August,2019,20th September,2019,4th October,2019, 14th November,2019,16th January,2020,14th February,2020 and 24th March,2020.
- Only three Committees, namely, Audit Committee, Nomination and Remuneration Committee and Shareholders'/Investors' Grievance Committee have been considered.

3. During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
4. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.
5. The details of the familiarisation programme of the Independent Directors are available on the website of the Company (<http://www.goodluckindia.com>).

#### CODE OF CONDUCT

The Company has framed Code of Conduct which is applicable to all Directors and members of Senior Management. Pursuant to this Code all the Directors & Senior Management have affirmed compliance with this Code for the year ended March 31, 2020. A declaration of compliance of this Code signed by Chairman is annexed to this report.

#### SKILL/EXPERTISE/COMPETENCIES

The Board has identified the names of the Directors who has following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No.	Skill/Expertise/ Competencies	Mahesh Chandra Garg	Ramesh Chandra Garg	Nitin Garg	Iswarchandra Dayanidhi Agasti	Vijender Kumar Tyagi	Rahul Goel	Rashmi Garg
<b>1</b>	<b>Global Business</b>							
	Understanding of global business dynamics, across various geographical markets	✓	✓	-	✓	-	✓	✓
	industry verticals and regulatory jurisdictions.	✓	✓	✓	✓	✓	-	-
<b>2</b>	<b>Strategy and Planning</b>							
	Appreciation of long-term trends	✓	✓	✓	✓	-	✓	-
	strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.	✓	✓	✓	✓	-	✓	✓
<b>3</b>	<b>Understanding of industry and operations</b>							
	Experience and knowledge of the functioning	✓	✓	✓	-	✓	✓	✓
	operations	✓	✓	✓	-	✓	✓	✓
	growth drivers	✓	✓	✓	✓	-	✓	-
	business environment and changing trends in the metals	✓	✓	✓	-	-	✓	-

	manufacturing and engineering industries as well as experience in overseeing large supply chain operations	✓	✓	✓	-	-	✓	-
<b>4</b>	<b>Understanding of finance and related aspects</b>							
	Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes	✓	✓	-	✓	✓	✓	-
<b>5</b>	<b>Knowledge of Governance and Law</b>							
	Experience in developing governance practices	✓	✓	✓	✓	✓	✓	✓
	serving the best interests of all stakeholders	✓	✓	✓	✓	✓	✓	✓
	maintaining board and management accountability	✓	✓	✓	✓	✓	✓	✓
	building long-term effective stakeholder engagements and driving corporate ethics and values.	✓	✓	✓	✓	✓	✓	✓

## COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted/ Reconstituted a set of Committees with specific terms of reference / scope: Audit Committee, Corporate Social Responsibility, Nomination cum Remuneration Committee & Stakeholder Relationship Committee. The terms of reference of the Committee(s) detailing their scope of work are determined by the Board from time to time. The Board periodically reviews the minutes of the meetings of all Committees. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed herein.

### AUDIT COMMITTEE

The Audit Committee of the company has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general, the primary role/objective of the Audit Committee is to review the financial statements of the Company, strengthen internal controls & look into all transactions having monetary implications on the functioning of the Company. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Com-

panies Act, 2013.

As on March 31, 2020, the Committee has three Directors. Out of that two Directors are Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Vijender Kr. Tyagi, is the Chairman of the Committee. The other members are Mr. Rahul Goel and Mr. M. C. Garg. The members of the Committee have adequate knowledge in the field of finance, accounting, and law. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions, as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013, which inter-alia include review of:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit Reports relating to internal control weak-

nesses;

5. The appointment, removal and terms of remuneration of the Statutory Auditor and Chief Internal Auditor; and
6. Statement of Deviation, if any.

The CFO of the Company is permanent invitees to the meetings of the Committee. The Company Secretary acts as Secretary to the Committee. During the year, 9 (Nine )

meetings of the Audit Committee were held on 30th April, 2019, 27th May, 2019, 31st July, 2019, 13th August, 2019, 29th August, 2019, 4th October, 2019, 14th November, 2019, 16th January, 2020 and 14th February, 2020, due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given as under:

S. No.	Name of the Member	Category	Member/Chairman	Meeting Attended
1.	Mr. Vijender Tyagi	Independent director	Chairman	9
2.	Mr. Rahul Goel	Independent director	Member	9
3.	Mr. Mahesh Chandra Garg	Executive Director	Member	7

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to section 135 of the Act and rules made thereunder the Board has constituted Corporate Social Responsibility Committee. The CSR Committee has prepared a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company.

The CSR Committee has the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

The CSR Committee will review the CSR activities of the Company and will provide progress update to the Board of Directors. The Composition of the Committee and other details has been given under related annexure to the Directors report.

#### NOMINATION CUM REMUNERATION COMMITTEE

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013. The role of the Committee, inter alia, is following:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent

Directors and the Board.

- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

The detail about Remuneration Policy and remuneration paid to all the directors has already been described in relevant section of the main report. The composition of the Committee and the detail about the meetings of Nomination Cum Remuneration Committee are as follows:

S. No.	Name of the Member	Category	Member/Chairman	Meeting Attended
1.	Mr. Iswar C. Agasti	Independent director	Chairman	3
2.	Mr. Rahul Goel	Independent director	Member	4
3.	Mr. Vijender Tyagi	Independent director	Member	4
4.	Mr. M C Garg	Executive Director	Member	3



During the year, 4 (Four) meetings of the nomination cum remuneration committee meetings were held on 30th April, 2019, 29th August, 2019, 14th November, 2019 and 14th February, 2020.

#### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgment.

#### Remuneration to the Whole Time Directors, Non-Executive Directors/ Independent Directors:

The shareholders of the Company has approved the appointment of Mr. M. C. Garg as Chairman & Whole Time Director and Mr. R. C. Garg and Mr. Nitin Garg as the whole

time directors of the Company. The terms and conditions of their appointment including remuneration payable to him was approved in accordance with the provisions of Section 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force). The details of the Remuneration paid the Whole Time Directors, Non-Executive Directors/ Independent Directors have been mentioned earlier under the Board of Directors Report.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has Stakeholders Relationship Committee during the year keeping in line with the statutory requirement. The Committee specifically look into the redressal of shareholders' complaints including complaints related to transfer of shares, non-receipt of annual reports and non-receipt of declared dividends. The Shareholders'/Investors' Grievance Committee consists of the following directors:

S. No.	Name of the Member	Category	Member/Chairman
1.	Mr. Vijender Tyagi	Independent director	Chairman
2.	Mr. M C Garg	Executive Director	Member
3.	Mr. R C Garg	Executive Director	Member

Mr. Abhishek Agrawal, Company Secretary acts as Secretary to the Committee who is also the Compliance Officer.

The terms of reference of the Committee include the following:

- To specifically look into complaints received from the shareholders of the Company.
- To oversee the performance of the Registrar and Transfer Agent of the Company.
- To recommend measurements for overall improvement in the quality of Investors Relation services.

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31st March 2020 are given as follows:

Detail of complaints received/resolved during the year

- ❖ No. of Complaints received during the year : 3
- ❖ No. of Complaints not resolved to the satisfaction of Shareholders : 3
- ❖ No. of Pending Complaints : Nil
- ❖ No. of Pending share transfer as on 31.03.2020 : Nil

#### GENERAL BODY MEETING

##### (I) Annual General Meeting (AGM) Detail

The details of the last three Annual General Meeting are as follows:

YEARS	DAY, DATE and TIME	VENUE	SPECIAL RESOLUTION PASSED
2017	Friday, 29.09.2017 at 9.30 A.M.	Aura Grand, 439, Jagriti Enclave, Delhi-92	Re-appointment of Mr. Vijender Kumar Tyagi as an Independent Director of the Company. Re-appointment of Mr. Iswar Chandra Agasti as an Independent Director of the Company. Re-appointment of Mr. Rahul Goel as an Independent Director of the Company. Approval of an option available to the Lenders for Conversion of Financial Assistance into Equity Shares of the Company.
2018	Satur-day, 29.09.2018 at 09:30 A.M	Aura Grand, 439, Jagriti Enclave, Delhi-92	NIL

2019	Monday, 30.09.2019 at 09:30 A.M.	JP Hotel & Resorts 6B, Patparganj, I.P. Extension, NH-24, Del- hi-110092	NIL
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## (II) Extra Ordinary General Meeting Detail

The detail of one EGM of the shareholders are as follows:

YEARS	DAY, DATE and TIME	VENUE	SPECIAL RESOLUTION PASSED
2019	Saturday, November 2, 2019 at 09:30 A.M.	JP Hotel & Resorts 6B, Patparganj, I.P. Extension, NH-24, Delhi-110092	Resolution for approval of the scheme of amalgamation of Swachh Industries Limited (Transferor Company) with Goodluck India Limited (Transferee Company)

## (III) Postal Ballot

During the year under review, following special resolution was passed through Postal Ballot on 17.09.2019:

Approval of issuance of upto 15,00,000 warrants convertible into equal number of Equity shares on preferential basis to person belonging to promoter category Mr. Praveen Kumar Bharti, Advocate, was appointed as the Scrutinizer.

### Detail of Voting Pattern

	E-votes		Physical voting		Total	
	No. of Shareholders	No. of Votes	No. of Shareholders	No. of Votes	No. of Shareholders	No. of Votes
Total Votes Cast	88	14317356	39	566207	127	14883563
Total Valid Votes	88	14317356	38	566202	126	14883558
Total Invalid Votes	0	0	1	5	1	5
Total Votes in favour of Resolution	80	14316265	37	566152	117	14882417
Total Votes against the Resolution	8	1091	1	50	9	1141

### Procedure for Postal Ballot

In compliance with Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides e-voting Facility to the Members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft resolution(s) explaining in detail, the material facts along with Postal Ballot form and the self-addressed postage prepaid business reply envelope are sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode of Posting/through e-mail. The members were given option to vote either through the Postal Ballot Forms or through e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed in the attached self-addressed postage prepaid envelope so as to reach the scrutinizer before the close of working hours of the last date fixed for the purpose or post their assent or dissent through e-voting module. Postal Ballot Form received after this date, is strictly treated as if the form has not been received from the member.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders on the specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favor are at least three times than the votes cast against and in case of ordinary resolution, the resolution is deemed

to have been passed, if the votes cast in favor are more than the votes cast against.

For the members who opted for e-voting facility, they cast their votes via electronic platform. Requisite notices were given to such members to e-vote /send their reply.

The scrutinizer appointed for the purpose scrutinizes the postal ballots and e-votes received and submit his consolidated report to the Company. The results are also displayed on the website of the Company i.e. [www.goodluckindia.com](http://www.goodluckindia.com) and the last date for receipt of duly completed postal ballot forms/e-voting is deemed to be the date of passing the resolution(s).

## **DISCLOSURES**

The Board of Directors receives the required disclosures, from time to time, relating to financial and commercial transactions from the key managerial personnel of the company. There have been no materially significant related party transactions which may have a potential conflict with the interests of the Company. During the year, no personnel have been denied access to the audit committee.

The policy for determining 'material' subsidiaries is disclosed and policy on dealing with related party transactions has been uploaded on the Company's website at [www.goodluckindia.com](http://www.goodluckindia.com)

There has not been any occasion of non-compliance by the Company and therefore, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.

The Company has formulated a Whistle Blower Policy / Vigil Mechanism for the directors and employees (including their representative body) to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases. The detail policy is uploaded on the website of the Company.

## **NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre:**

NEAPS is a web-based application designed by NSE for corporate e-filing.

BSE Listing is a web-based application designed by BSE for corporate e-filing.

All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically with NEAPS and BSE Listing Centre.

## **MEANS OF COMMUNICATION**

### **(I) Quarterly/ Half Yearly/ Annual Results**

The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board

### **(II) News Releases**

The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper and in one Vernacular newspaper of the State where the Registered Office of the Company is situated. The Company generally publishes its financial results in Business Standard/Financial Express/Jansatta.

### **(III) Website**

The Company's website [www.goodluckindia.com](http://www.goodluckindia.com) contains a separate dedicated section to Investors, where the shareholders information and Financial Results are available. The Company's Information, financial results, shareholding pattern and other information are also available on [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

### **(IV) Presentations to Institutional Investors or Analysts**

Presentations made to Institutional Investors and Analysts are uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively and uploaded on the Company's website [www.goodluckindia.com](http://www.goodluckindia.com)

## **CERTIFICATE FOR NON-DISQUALIFICATION OF DIRECTOR**

A certificate has been received from Ravi S. Sharma & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has 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 statutory authority.

## **POLICY FOR DETERMINING THE MATERIAL SUBSIDIARY**

The Company's website [www.goodluckindia.com](http://www.goodluckindia.com) contains a separate dedicated section to Investors, where the policy for determining the material subsidiary is available.

## FEE FOR THE SERVICES PAID BY THE COMPANY AND ITS SUBSIDIARIES TO THE STATUTORY AUDITOR

Particulars	Amount(Rs.)
Services as statutory auditors (including quarterly audits)	5.00
Tax audit	NIL
Services for tax matters Other matters	NIL
Re-imbursement of out-of-pocket expenses	NIL

## GENERAL SHAREHOLDER INFORMATION

### (I) Annual General Meeting (Tentative & subject to Change)

The Annual General Meeting is proposed to be held on September 30,

Day, Date and Time	:	Wednesday, September 30, 2020 at 03.00 P. M.
Venue	:	through Video Conferencing / Other Audio Visual Means ('OAVM').
Date of Book Closure	:	From 24.09.2020 to 30.09.2020 (both days Inclusive)
Dividend Payout Date	:	None

### (II) Financial Calendar 2020-21 (Tentative & subject to Change)

First Quarter Result	August, 2020
Second Quarter Result	November, 2020
Third Quarter Result	February, 2021
Annual Results for the year ending on 31.03.2021	May, 2021

### (III) Listing on Stock Exchange

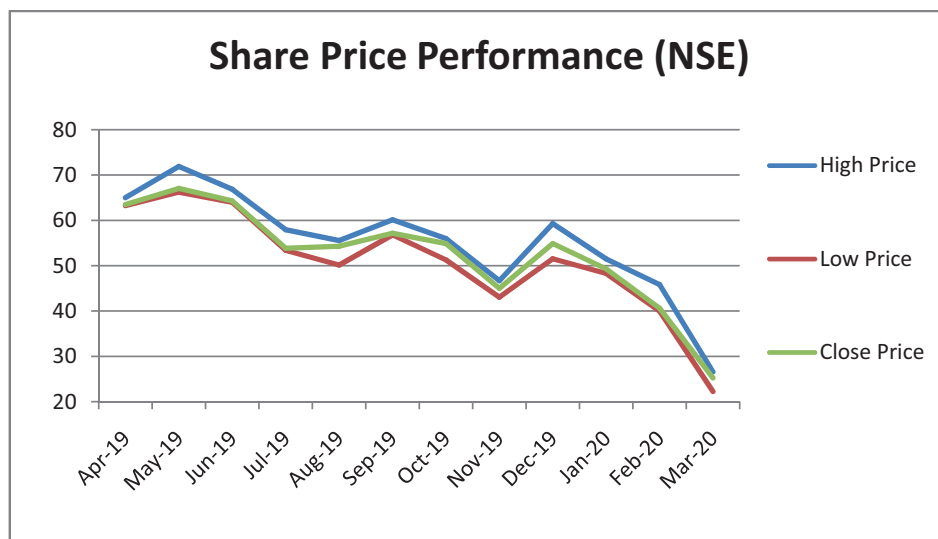
The company's shares are listed at the following stock exchanges.

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Stock Code : 530655	<b>National Stock Exchange Limited</b> Exchange Plaza C-1,Block-G Bandra Kurla Complex Bandra (E) Mumbai-400051 Stock Code : GOODLUCK
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### (IV) Market Price Data

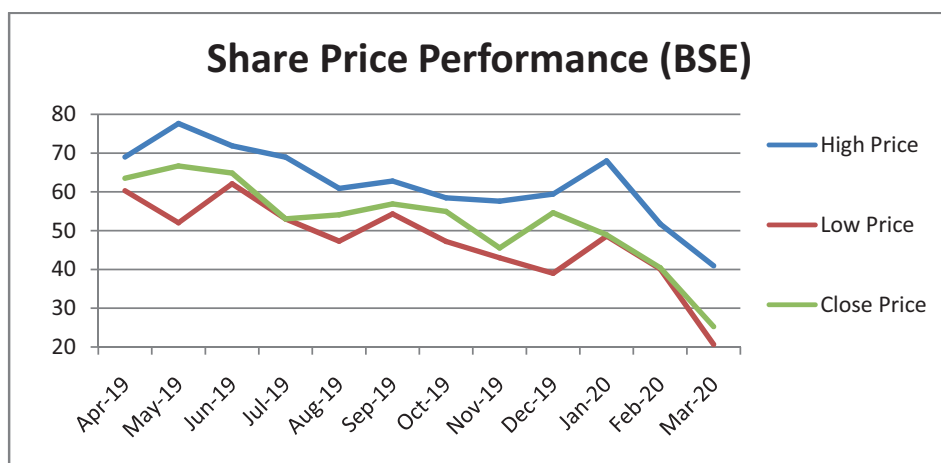
The monthly high/low market price of shares during last financial year 2019-20 at the National Stock exchange (NSE) is as under:

Month	High Price	Low Price	Close Price
Apr-19	65	63.25	63.5
May-19	71.9	66.25	67.05
Jun-19	66.85	64	64.3
Jul-19	57.95	53.4	53.85
Aug-19	55.55	50.15	54.3
Sep-19	60.15	56.8	57.15
Oct-19	56	51.3	54.9
Nov-19	46.7	43.05	45
Dec-19	59.3	51.55	54.9
Jan-20	51.5	48.3	49.3
Feb-20	42.85	40	40.65
Mar-20	26.6	22.25	25.25

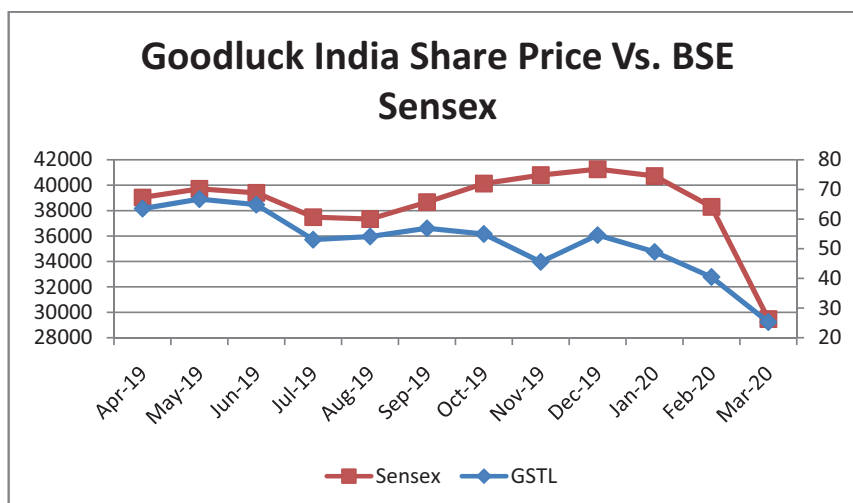


The monthly high/low market price of shares during last financial year 2019-20 at the Bombay Stock Exchange (BSE) is as under:

Month	High Price	Low Price	Close Price
Apr-19	69	60.3	63.5
May-19	77.65	52.05	66.7
Jun-19	71.9	62.1	64.85
Jul-19	68.95	53.05	53.05
Aug-19	60.9	47.3	54.1
Sep-19	62.8	54.3	56.9
Oct-19	58.45	47.2	54.95
Nov-19	57.6	43	45.55
Dec-19	59.45	39	54.6
Jan-20	68	48.6	48.95
Feb-20	51.75	40.1	40.45
Mar-20	40.95	20.65	25.25







#### (VI) Registrar And Share Transfer Agent

The company has appointed MAS Services Ltd. as the Registrar and Share Transfer Agent of the company. The Correspondence address of the agent is as follows:

##### **MAS Services Ltd.**

T – 34, 2nd Floor, Okhla Industrial Area, Phase – II,  
New Delhi – 110 020  
Email – info@masserv.com

#### (VII) Share Transfer System

The Company's shares are traded compulsorily in Demat segment on the Stock Exchanges. Shares received for transfer in physical mode are processed and valid transfers are approved within prescribed time limit. Duly transferred share certificates are dispatched within statutory time limit.

A summary of approved transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time as per Listing Regulations. Your Company obtains a half-yearly compliance certificate from a Company Secretary in Practice

as required under Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force) and files a copy of the said certificate with BSE & NSE.

#### (VIII) Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of 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 created by the IEPF authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirement of the IEPF rules, details of which are provided on Company's website [www.goodluckindia.com](http://www.goodluckindia.com).

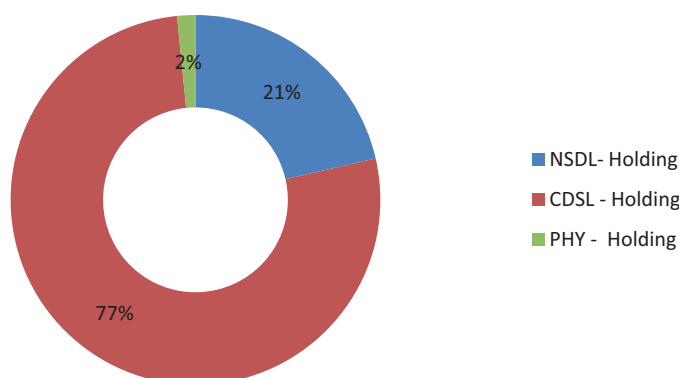
#### (IX) Distribution Of Shareholding And Shareholding Pattern

Distribution of shareholding and shareholding pattern of the shares as on 31.03.2020 are as follows:

SHARE HOLDING OF NOMINAL VALUE OF RS 2	SHARE HOLDERS		SHARES HELD	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
1 TO 5000	11084	95.53	3490815	15.173
5001 TO 10000	263	2.26	969675	4.215
10001 TO 20000	118	1.01	836720	3.637
20001 TO 30000	38	0.32	487377	2.118
30001 TO 40000	16	0.13	283330	1.232
40001 TO 50000	8	0.06	188210	0.818
50001 TO 100000	23	0.19	851747	3.702
100001 AND ABOVE	52	0.44	15898376	69.105
<b>TOTAL</b>	<b>11602</b>	<b>100</b>	<b>23006250</b>	<b>100</b>

**(X) Dematerialization Of Shares And Liquidity**

	NO. OF SHAREHOLDERS	% OF NO. OF SHAREHOLDERS	NO. OF SHARE	% OF SHARE HELD
NSDL	6087	52.03	4923885	21.41
CDSL	5372	45.92	17715860	77.0
PHYSICAL	240	2.05	366505	1.59
<b>TOTAL SHARE HOLDERS</b>	<b>11699</b>	<b>100%</b>	<b>23006250</b>	<b>100%</b>


**(XI) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:**

During the year under review, the Company has issued 15,00,000 (fifteen lakhs) warrants on preferential basis at an exercise price of Rs. 65/- per underlying equity share of the face value of Rs. 2/- each (including a premium of Rs. 63/- per equity Share) on 20th September 2019.

Convertible Warrants shall be entitled to convert the same, at the option of the warrant holder, into equal number of Equity Shares of a face value of Rs. 2/- each

of the Company, in one or more tranches, within a period of eighteen months from the date of allotment of Convertible Warrants. Consequent to the proposed preferential issue of Equity Shares; there shall not be any change in control of the Company.

**(XII) Commodity Price Risk Or Foreign Exchange Risk And Hedging Activities**

The company has the exposure towards risk related to commodity price as well as the foreign exchange risk. The concern risks have been discussed under the Management Discussion and Analysis and note on financial statements forming part of the Annual Report.

**(XIII) Plant Location**

A 42 & 45, Industrial Area, Sikandrabad, Distt. – Bulandshahar (U. P.)	A-51, Industrial Area, Sikandrabad, Distt. – Bulandshahar (U.P.)	Khasra No. 2839, Dhoom Manik Pur, Dadri, Distt.- G. Budh Nagar (U.P.)	A-59, Industrial Area, Sikandrabad, Distt. – Bulandshahar (U.P.)	D-2, 3 & 4 UPSIDC Gopalpur Industrial Area & Khata No. 5/17, 73/18 & 75/9, Village Rajarampur, Sikandrabad(U.P.)	Survey No. 495. Vill. Sikra, Talluka – Bhachau, Dist. – Kutch, Gujarat
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**(XIV) Correspondence Address**

The Investor's may send their correspondence to the Registrar and Share Transfer agent or directly to the company at the following Address:

**Good Luck House,**  
II – F, 166-167, Nehru Nagar,  
Ambedkar Road, Ghaziabad – (U.P.) - 201001  
Email: investor@goodluckindia.com

**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,

The Members of  
Goodluck India Limited  
509, Arunachal Building,  
Barakhamba Road, Connaught Place,  
New Delhi – 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of “**Goodluck India Limited**” having CIN L74899DL1986PLC050910 and having registered office at 509, Arunachal Building, Barakhamba Road, Connaught Place, New Delhi -110001 and (hereinafter referred to as ‘the Company’), produced before me/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 my/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 & 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 31st March, 2020 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 the Director	DIN
1.	MAHESH CHANDRA GARG	00292437
2.	RAMESH CHANDRA GARG	00298129
3.	ISWARCHANDRA DAYANIDHI AGASTI	01483515
4.	VIJENDER KUMAR TYAGI	01584278
5.	RAHUL GOEL	02067212
6.	NITIN GARG	02693146
7.	RASHMI GARG	08188918

For, **Ravi S Sharma & Associates**  
Company Secretaries

**Ravi Shankar Sharma**  
M. No: F7336  
COP No: 8007  
UDIN: F007336B000449844

Place: New Delhi  
Date: July, 15th, 2020

**AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT**

Pursuant to the requirements of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for year ended 31.03.2020.

**For Goodluck India Limited**  
**M. C. Garg**  
Chairman

Place: Ghaziabad  
Date: 15th July, 2020

**COMPLIANCE CERTIFICATE ON COMPLIANCE OF CONDITIONS  
OF CORPORATE GOVERNANCE**

To

The Members of Goodluck India Limited

We have examined the compliance of the conditions of Corporate Governance by Goodluck India Limited for the year ended 31st March, 2020, as stipulated in Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our Examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**VIPIN KUMAR & CO**  
Chartered Accountants  
(FRN. 002123C)

Place: - Ghaziabad  
Dated: - 15.07.2020

**(VIPIN KUMAR AGARWAL)**  
Proprietor  
Mem.No. 071279  
UDIN: 20071279AAAAAZ7281

# Independent Auditors' Report

To The Members of

**GOODLUCK INDIA LIMITED**

## **Report on the Audit of the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Goodluck India Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and Notes to the Standalone 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 standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Ind AS 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 audit opinion on the standalone Ind AS financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

### **1. Assessment of litigations and related disclosure of contingent liabilities**

[Refer to Note 3 to the Standalone Financial Statements – "Critical estimation and Judgements" and Note 33 to the Standalone Financial Statements – "Contingent liabilities and commitments"]

As at March 31, 2020, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.

Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.

As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.

### **How our audit addressed the Key Audit Matter**

#### **Our audit procedures included the following:**

- We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;
- We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;
- We performed our assessment on a test basis on the underlying calculations supporting the contingent lia-



bilities/other significant litigations made in the Standalone Financial Statements;

- We considered external legal opinions, where relevant, obtained by management;
- We met with the Company's external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation;
- We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements;
- We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and
- We assessed the adequacy of the Company's disclosures.

## 2. **Property, Plant & Equipment and Capital Work in progress**

Valuation and existence of property, plant and equipment including assessment of useful lives and residual value. Property, plant and equipment represents a significant proportion of the Company's asset base. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalize or expense certain costs, and the determination of depreciation charges are material to the Company's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to asset's carrying amounts, expected useful lives or residual value could result in a material impact on the financial statements and hence considered as key audit matter.

### **How our audit addressed the Key Audit Matter**

#### **Our audit procedures included the following:**

Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over valuation of property, plant and equipment and review of useful lives; Periodic physical verification of property, plant and equipment for adequacy and appropriateness of the accounting and disclosure by the Management:

- We obtained an understanding of the Company's capitalization policy and assessed for compliance with the relevant accounting standards;
- We carried out substantive tests on random sampling for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure,

proper classification of the same, with reference to the company's policy and accounting standards

- We obtained an understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.
- We obtained certificates relating to useful lives of assets where, required.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities For The Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 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 Act, and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanations given to us, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company

so far as it appears from our examination of those books.

- c. The Balance Sheet, The Statement of Profit and Loss including Other Comprehensive Income, the statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020, from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report.
- g. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :

- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company

For **VIPIN KUMAR & COMPANY**

Chartered Accountants  
Firm Reg. No. 002123C

**(V.K. AGARWAL)**

Prop.

M.NO. 071279

Place : GHAZIABAD

Date : 15th July 2020

UDIN : 20071279AAAAAB3822

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

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirement' section of our report of even date)

**Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ('the Act') of Goodluck India Limited ("the Company"):**

1. In respect of Property, Plant & Equipment of the Company:
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
  - b. The Company has a regular programme for physical verification in phased periodic manner, which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and the record examined by us and based on the examination of registered sales deed/ conveyance deed / transfer deed provided to us, we report that the title deeds, comprising all the immovable property of land and acquired building which are freehold, are held in the name of the Company as at the balance sheet date except leasehold/ freehold land pertaining to one subsidiary company amalgamated during fiscal year 2016-17 having gross block amounting to Rs. 100.55 Lakhs.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except for inventories lying with third parties where confirmations have been received by the management, and no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the order are not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
7. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income tax, sales tax, goods and service tax, service tax, value added tax, duty of customs, duty of excise, cess and any other material statutory dues applicable to it with appropriate authorities.
  - b. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, Income tax, sales tax, goods and service tax, service tax, value added tax, duty of customs, duty of excise, cess and any other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
  - c. According to the records of the Company, the dues outstanding of income-tax, sales-tax, goods and service tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Forum where dispute is pending	Financial Year to which the amount relates	Total Amt. (Rs. In Lakhs)
Central Excise Act	Commissioner(Appeals)	2014-15 to 2017-18	9.45
Central Excise Act	CESTAT	2015-16 to 2016-17	14.29
Commercial Tax	Commissioner(Appeals)	2011-12	7.16

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to the banks. The Company does not have any outstanding dues in respect of financial institutions and debenture holders during the year.
9. Based on the information and explanations given to us by the management, term loan was applied for the purpose the loan was raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instrument).
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, the management has paid managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable.
13. According to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and

188 of the Companies Act 2013 where applicable and details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures hence reporting under clause 3(xiv) of the order is not applicable to the Company.
15. According to the information and explanations given to us, the company has not entered in to any non-cash transaction with the director or persons connected with him as referred to in section 192 of the Companies Act, 2013.
16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For VIPIN KUMAR & COMPANY**  
Chartered Accountants  
Firm Reg. No. 002123C

**(V.K. AGARWAL)**

Prop.

M.NO. 071279

UDIN : 20071279AAAABB3822

Place : GHAZIABAD

Date : 15th July 2020



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT** (Referred to paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Control Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Goodluck India Limited ("the Company") as on March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the company considering 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 (the 'Guidance Note'). 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 asset, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 issued by the Institute of Chartered Accountants of India.

For **VIPIN KUMAR & COMPANY**  
Chartered Accountants  
Firm Reg. No. 002123C

(**V.K. AGARWAL**)

Prop.

Place : GHAZIABAD  
Date : 15th July 2020

M.NO. 071279  
UDIN : 20071279AAAABB3822

# Balance Sheet

(Rs. In Lakhs)

PARTICULARS	Note No.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	34,116.41	33,282.81
(b) Capital Work in Progress		76.74	500.75
(c) Financial assets			
(i) Investment in subsidiaries	5	3.00	103.00
(d) Other non-current assets	6	543.23	413.74
<b>Total - Non current assets</b>		<b>34,739.38</b>	<b>34,300.30</b>
<b>(2) Current assets</b>			
(a) Inventories	7	31,463.83	30,385.18
(b) Financial Assets			
(i) Trade receivables	8	23,891.68	24,728.48
(ii) Cash and cash equivalents	9	286.28	165.33
(iii) Other balances with banks	10	786.07	1,469.11
(c) Other current assets	11	8,737.59	4,321.55
<b>Total - Current assets</b>		<b>65,165.45</b>	<b>61,069.65</b>
<b>TOTAL - ASSETS</b>		<b>99,904.83</b>	<b>95,369.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(3) Equity</b>			
(a) Equity share capital	12	460.13	460.13
(b) Other equity	13	34,147.85	27,978.47
<b>Total - Equity</b>		<b>34,607.98</b>	<b>28,438.60</b>
<b>(4) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	7,503.77	12,113.89
(b) Provisions	15	449.30	376.91
(c) Deffered tax liabilities (net)	16	3,085.76	2,997.88
<b>Total - Non current liabilities</b>		<b>11,038.83</b>	<b>15,488.68</b>
<b>(5) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	39,514.93	34,685.59
(ii) Trade payables	18	6,782.51	9,877.06
(b) Provisions	19	400.35	43.14
(c) Other current liabilities	20	7,560.23	6,836.88
<b>Total - Current liabilities</b>		<b>54,258.02</b>	<b>51,442.67</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>99,904.83</b>	<b>95,369.95</b>

See accompanying notes to the Standalone Financial Statements

As per our report of even date annexed hereto  
 For **Vipin Kumar & Company**  
 Chartered Accountants  
 Firm Registration No. 002123C

On behalf of the Board of Directors  
 For **Goodluck India Limited**

**(V.K. AGARWAL)**  
 Prop.  
 M.No. 071279  
 UDIN : 20071279AAAABB3822

**(M.C.GARG)**  
 Chairman  
 DIN NO. 00292437

**(R.C.GARG)**  
 Director  
 DIN NO. 00298129

Place : Ghaziabad  
 Date : 15th July 2020

**(ABHISHEK AGRAWAL)**  
 Company Secretary

**(SANJAY BANSAL)**  
 C.F.O.

# Statement of Profit and Loss

(Rs. In Lakhs)

PARTICULARS	Note No.	Year ended on 31st March, 2020	Year ended on 31st March, 2019
<b>I Revenue from operations</b>	21	163,381.89	165,682.77
<b>II Other Income</b>	22	358.43	174.10
<b>III Total income</b>		<b>163,740.32</b>	<b>165,856.87</b>
<b>IV Expenses</b>			
(a) Cost of raw materials consumed	23	115,802.76	130,202.38
(b) Purchase of stock-in-trade		0.42	11.00
(c) Changes in Inventories of Finished Goods, work-in-progress and Stock-in-trade	24	1,016.64	(5,671.93)
(d) Employee Benefit Expenses	25	8,338.24	7,100.53
(e) Finance Cost	26	6,017.81	6,075.56
(f) Depreciation & Amortization Expenses	27	2,634.58	2,363.58
(g) Other Expenses	28	25,436.63	21,364.44
<b>Total expenses</b>		<b>159,247.08</b>	<b>161,445.56</b>
<b>V Profit before exceptional item &amp; tax (III - IV)</b>		<b>4,493.24</b>	<b>4,411.31</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>4,493.24</b>	<b>4,411.31</b>
<b>VIII Tax Expenses</b>			
Income tax for previous year		11.26	(33.29)
Current Tax		1,006.27	950.58
Deferred Tax		(285.88)	555.88
MAT Credit Entitlement/ Tax Adjustment		373.77	(120.27)
<b>IX Profit for the years (VII-VIII)</b>		<b>3,387.82</b>	<b>3,058.41</b>
<b>X Other Comprehensive Income for the period</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>XI Total Comprehensive income for the year</b>		<b>3,387.82</b>	<b>3,058.41</b>
<b>XII Earnings per share</b>			
Basic and Diluted	30	14.73	13.29

See accompanying notes to the Standalone Financial Statements

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

On behalf of the Board of Directors  
For **Goodluck India Limited**

(V.K. AGARWAL)  
Prop.  
M.No. 071279  
UDIN : 20071279AAAAAB3822

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(R.C.GARG)  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 15th July 2020

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C.F.O.

# Cash Flow Statement

(Rs. In Lakhs)

PARTICULARS	Year ended on 31st March, 2020	Year ended on 31st March, 2019
<b>A. Cash Flow from operating activities:</b>		
Net Profit before tax as per Profit & Loss Account	4,493.24	4,411.31
Adjustment for:		
Depreciation	2,634.58	2,363.58
Profit/ Loss on Sale of tangible Assets	5.20	55.04
Interest Income	(106.26)	(174.10)
Unrealised Exchange loss (Gain)	(94.53)	(108.84)
Pursuant to the Scheme of Amalgamation (Refer note 38)	34.13	
Finance Cost	6,017.81	6,075.56
<b>Operating Profit before working capital changes</b>	<b>12,984.17</b>	<b>12,622.56</b>
Adjustment for:		
Increase/ (Decrease) in Trade payable	(3,094.55)	117.45
Increase/ (Decrease) in other payable	530.66	266.44
(Increase) / Decrease in Inventories	(1,078.66)	(6,511.51)
(Increase) / Decrease in Trade receivable	836.80	(4,661.50)
(Increase) / Decrease in Other receivable	(3,575.82)	4,958.99
<b>Cash Generated from Operating Activities</b>	<b>6,602.60</b>	<b>6,792.43</b>
Taxes Paid	(788.80)	(948.75)
<b>Net Cash Flow From Operating Activities</b>	<b>5,813.80</b>	<b>5,843.67</b>
<b>B. Cash flow from Investing Activities</b>		
Payment for property, plant & equipment	(3,069.51)	(5,351.89)
Proceeds from sale of property, plant & equipment	20.13	54.41
Payment for purchase of Investments in subsidiary	-	-
Interest Income	106.26	174.10
<b>Net Cash used in Investing Activities</b>	<b>(2,943.12)</b>	<b>(5,123.38)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of Equity Shares & Warrants	243.75	-
Proceeds from short term borrowings	4,829.34	5,243.72
Proceeds from long term borrowings (net)	(1,268.93)	(382.04)
Proceeds from Unsecured Loans (net)	(594.07)	372.27
Interest Paid	(5,965.81)	(6,015.66)
Dividend Paid	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>(2,755.72)</b>	<b>(781.72)</b>
<b>Net increase in cash and cash Equivalents</b>	<b>114.97</b>	<b>(61.42)</b>
Cash and cash equivalents at the beginning of the year	165.33	226.75
Pursuant to the Scheme of Amalgamation (Refer note 38)	5.99	-
Cash and cash equivalents at the end of the year	286.29	165.33

1. The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS-7

2. Figures in bracket indicate Cash Outflow

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

(V.K. AGARWAL)  
Prop.  
M.No. 071279  
UDIN : 20071279AAAABB3822

Place : Ghaziabad  
Date : 15th July 2020

On behalf of the Board of Directors  
For **Goodluck India Limited**

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(R.C.GARG)  
Director  
DIN NO. 00298129

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C.F.O.

## Statement of Changes In Equity for the Year Ended 31st March, 2020

### A. Equity Share Capital

(Rs. In Lakhs)

Equity Shares of Rs. 2/- each issued, subscribed and fully paid	No. of Shares	Amount
<b>As at April 1, 2018</b>	<b>23,006,250</b>	<b>460.13</b>
Issued during the year	-	-
<b>As at March, 31 2019</b>	<b>23,006,250</b>	<b>460.13</b>
Issued during the year	-	-
<b>As at March, 31 2020</b>	<b>23,006,250</b>	<b>460.13</b>

### B. Other Equity

(Rs. In Lakhs)

	Share Warrant Pending Allotment	Capital Reserve	Share Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total Equity
<b>As at April 1, 2018</b>		-	3,881.43	3,762.44	17,276.19	-	24,920.06
Profit for the year		-	-	-	3,058.41	-	3,058.41
		-	-	-	-	-	-
<b>Total Comprehensive income</b>	-	-	-	-	3,058.41	-	3,058.41
-Final dividend on equity Shares	-	-	-	-	-	-	-
-Tax on Final dividend on equity Shares	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>		-	3,881.43	3,762.44	20,334.60	-	27,978.47
Share warrant money received	243.75	-	-	-	-	-	243.75
Profit for the year	-	-	-	-	3,387.82	-	3,387.82
Other Comprehensive Income	-	-	-	-	-	-	-
Adjustment on account of Amalgamation	-	2,537.81	-	-	-	-	2,537.81
<b>Total Comprehensive income</b>	243.75	2,537.81	3,881.43	3,762.44	23,722.42	-	34,147.85
-Final dividend on equity Shares	-	-	-	-	-	-	-
-Tax on Final dividend on equity Shares	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	243.75	2,537.81	3,881.43	3,762.44	23,722.42	-	34,147.85

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

On behalf of the Board of Directors  
For **Goodluck India Limited**

(V.K. AGARWAL)  
Prop.  
M.No. 071279  
UDIN : 20071279AAAAAB3822

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(R.C.GARG)  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 15th July 2020

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C.F.O.



## Notes on Financial Statement for the year ended 31st March, 2020

### 1. COMPANY OVERVIEW

Goodluck India Limited ('The Company') is engaged in the business of manufacture and sale of engineering product i.e. heavy engineered structure, transmission and distribution tower, CDW Tubes, Precision Tubes, Pipes, Sheets and forged engineering products at its manufacturing facilities located at Sikandrabad, Industrial Area, and Dadri in Uttar Pradesh and Kutch in Gujarat.

Goodluck India Limited is a public limited company, incorporated on November 06, 1986 and is listed on BSE Ltd and NSE Ltd.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A. STATEMENT OF COMPLIANCE

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statement.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2020, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

These financial statements have been approved by the Board of Directors in the meeting held on 15 July 2020.

#### B. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

#### C. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

Depreciation on property, plant and equipment is provided using straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

#### D. INVENTORY

Inventories are stated at the lower of cost and net realizable value except in case of waste and scrap which are valued at net realizable value.

Cost of raw material includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

#### E. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. The

Company recognizes revenues on sale of products, net of discounts, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Revenue from sale of waste and scrap are included in revenue.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, using effective interest rate.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

#### **F. EMPLOYEES' BENEFITS**

Retirement benefits, such as gratuity are accounted for on the basis of provisions as lay down under Ind AS-19 "Employee Benefits" for employees are as per the certificate provided by the management.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered service entitling them to the contribution.

Company's contribution to state defined contribution plan namely, Employee State Insurance are made in accordance with the statute, and are recognized as an expenses when employees have rendered services entitling them to the contribution.

#### **G. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

#### **H. FOREIGN CURRENCY TRANSACTIONS**

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian Rupee (Rs.).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

### **I. FINANCIAL INSTRUMENTS**

#### **1. Financial Assets**

##### **I. Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value are adjusted through profit or loss on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### **II. Subsequent measurement**

##### **i) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset which is not classified in

any of the above categories are measured at FVTPL.

### III. Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

### IV. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## 2. Financial liabilities

### I. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### II. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## 3. Derivative financial instruments

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forwards contracts to mitigate the risk of changes in interest rates, exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

## 4. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## J. LITIGATION

The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions when ultimately concluded and determined will have a material and adverse affect on the Company's result of operations or financial condition.

## K. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

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

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

## L. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Balance Sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

#### **M. CASH AND CASH EQUIVALENT**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and in hand.

#### **N. EARNING PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of

any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

### **3. CRITICAL ESTIMATION AND JUDGEMENTS**

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

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

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 16
- Estimation of defined benefit obligation – Note 15
- Recognition of deferred tax assets for carried forward tax losses – Note 16

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

## Notes on Financial Statement for the year ended 31st March, 2020

### 4. Property, Plant and equipment

(Rs.in Lakhs)

Particulars	Leasehold Land	Freehold Land	Factory Building	Office Building	Plant & Machinery	Furniture & fixture	Office equipment	Computer	Vehicle	Total	Capital work-in-progress
<b>Cost/Deemed cost as at April 1, 2019</b>	822.86	570.19	8,134.83	221.33	27,224.26	1,237.64	186.58	124.45	789.86	39,312.00	500.75
Additions	-	-	382.66	-	2,821.77	73.56	37.74	24.27	154.56	3,494.56	1,633.39
Disposals	-	-	-	-	-	-	-	-	49.10	49.10	2,057.40
<b>Cost/Deemed cost as at March 31, 2020</b>	<b>822.86</b>	<b>570.19</b>	<b>8,517.49</b>	<b>221.33</b>	<b>30,046.03</b>	<b>1,311.20</b>	<b>224.32</b>	<b>148.72</b>	<b>895.32</b>	<b>42,757.46</b>	<b>76.74</b>
<b>Accumulated depreciation as at April 1, 2019</b>	-	-	592.67	10.84	4,786.25	224.58	91.95	63.97	258.93	6,029.19	-
Charge for the period	-	-	278.02	3.63	2,061.50	111.66	35.22	28.43	116.12	2,634.58	-
Disposals	-	-	-	-	0.00	-	-	-	22.72	22.72	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>870.69</b>	<b>14.47</b>	<b>6,847.75</b>	<b>336.24</b>	<b>127.17</b>	<b>92.40</b>	<b>352.33</b>	<b>8,641.05</b>	<b>-</b>
<b>Net Carrying value as at March 31, 2020</b>	<b>822.86</b>	<b>570.19</b>	<b>7,646.81</b>	<b>206.86</b>	<b>23,198.28</b>	<b>974.95</b>	<b>97.15</b>	<b>56.31</b>	<b>542.99</b>	<b>34,116.41</b>	<b>76.74</b>

(Rs.in Lakhs)

Particulars	Leasehold Land	Freehold Land	Factory Building	Office Building	Plant & Machinery	Furniture & fixture	Office equipment	Computer	Vehicle	Total	Capital work-in-progress
<b>Cost/Deemed cost as at April 1, 2018</b>	822.86	570.19	5,344.72	221.33	20,315.92	682.48	145.01	81.71	722.95	28,907.17	5,689.74
Additions	-	-	2,790.11	-	6,991.73	555.16	41.57	42.74	137.40	10,558.71	4,602.83
Disposals	-	-	-	-	83.39	-	-	-	70.49	153.88	9,791.82
<b>Cost/Deemed cost as at March 31, 2019</b>	<b>822.86</b>	<b>570.19</b>	<b>8,134.83</b>	<b>221.33</b>	<b>27,224.26</b>	<b>1,237.64</b>	<b>186.58</b>	<b>124.45</b>	<b>789.86</b>	<b>39,312.00</b>	<b>500.75</b>
<b>Accumulated depreciation as at April 1, 2018</b>	-	-	345.54	7.21	2,939.97	130.93	60.33	38.27	187.79	3,710.04	-
Charge for the period	-	-	247.13	3.63	1,860.83	93.65	31.62	25.70	101.02	2,363.58	-
Disposals	-	-	-	-	14.55	-	-	-	29.88	44.43	-
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>592.67</b>	<b>10.84</b>	<b>4,786.25</b>	<b>224.58</b>	<b>91.95</b>	<b>63.97</b>	<b>258.93</b>	<b>6,029.19</b>	<b>-</b>
<b>Net Carrying value as at March 31, 2019</b>	<b>822.86</b>	<b>570.19</b>	<b>7,542.16</b>	<b>210.49</b>	<b>22,438.01</b>	<b>1,013.06</b>	<b>94.63</b>	<b>60.48</b>	<b>530.93</b>	<b>33,282.81</b>	<b>500.75</b>



## Notes on Financial Statement for the year ended 31st March, 2020

### 5. NON CURRENT INVESTMENTS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Investment in Subsidiary (Unquoted)</b>		
Swachh Industries Ltd. : (March 31, 2019- 10,00,000 equity shares of Rs.10/- each fully paid up) (Refer to note no. 38)	-	100.00
GLS Steel India Ltd. : 50,000 equity shares of Rs.2/- each fully paid up (March 31, 2019- 50,000)	1.00	1.00
GLS Engineering India Ltd. : 50,000 equity shares of Rs.2/- each fully paid up (March 31, 2019- 50,000)	1.00	1.00
GLS Metallica India Ltd. : 50,000 equity shares of Rs.2/- each fully paid up (March 31, 2019- 50,000)	1.00	1.00
<b>TOTAL:</b>	<b>3.00</b>	<b>103.00</b>

### 6. OTHER NON CURRENT ASSETS

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>(Unsecured, unconfirmed, Considered good)</b>		
Security Deposits	543.23	413.74
<b>TOTAL:</b>	<b>543.23</b>	<b>413.74</b>

### 7. INVENTORIES

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
(As taken, valued and certified by the management)		
(At lower of cost and net realizable value unless stated otherwise)		
Raw Materials	11,063.84	9,023.34
Work-in-progress	5,652.58	6,618.70
Finished Goods	13,649.12	13,696.07
Stores, Spares & Packing Materials	1,098.29	1,047.07
<b>TOTAL:</b>	<b>31,463.83</b>	<b>30,385.18</b>

Inventories have been pledged as security against certain bank borrowings of the company

### 8. TRADE RECEIVABLES

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Unsecured and Considered good	23,891.68	24,728.48
<b>TOTAL:</b>	<b>23,891.68</b>	<b>24,728.48</b>

Trade receivables are netted with Bill discounting of Rs. 1,461.77 lakhs (March 31, 2019- Rs. 1,470.82 lakhs)

## Notes on Financial Statement for the year ended 31st March, 2020

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not hold any collateral or other credit enhancements over the balances of trade receivables.

Trade receivables have been given as collateral towards borrowings from financial institutions.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

### 9. CASH AND CASH EQUIVALENT

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Cash in hand	35.79	37.69
Unrestricted Balances with banks	250.49	127.64
<b>TOTAL:</b>	<b>286.28</b>	<b>165.33</b>

### 10. OTHER BALANCES WITH BANKS

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Earmarked balances with Banks	786.07	1,469.11
<b>TOTAL:</b>	<b>786.07</b>	<b>1,469.11</b>

Earmarked balances with bank represents balances held for unpaid dividends and margin money against issue of bank guarantees, letter of credit, stand by letter of credit and security against tenders.

### 11. OTHER CURRENT ASSETS

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
(Unsecured, unconfirmed, Considered good)		
Advances to supplier	4,488.36	1,209.31
Capital Advances	168.27	290.92
Prepaid Expenses	226.96	190.41
Others	987.43	420.03
Export benefits and entitlements	585.70	516.99
Tax balances /recoverable/ credits	2,280.87	1,693.89
<b>TOTAL:</b>	<b>8,737.59</b>	<b>4,321.55</b>

### 12. EQUITY SHARE CAPITAL

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Authorised Capital</b> 1,46,250,000 Equity Shares of Rs. 2/- each (63,750,000 equity shares as at March 31, 2019 )	2,925.00	1,275.00
<b>Issued, subscribed and fully paid -up capital</b> 2,30,06,250 Equity Shares of Rs. 2/- each (2,30,06,250 equity shares as at March 31, 2019)	460.13	460.13
<b>TOTAL:</b>	<b>460.13</b>	<b>460.13</b>

## Notes on Financial Statement for the year ended 31st March, 2020

The authorized capital of the Company has increased by Rs. 1650.00 Lakhs on account of Amalgamation of M/s Swachh Industries Limited.

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in ensuing general meeting.

The Company has issued 15,00,000 warrants convertible in equity shares within 18 months at Rs. 65/- each on 20th September 2019

The details of shareholders holding more than 5% shares:

(Rs. in lakhs)

Name of Shareholder		As at 31.03.2020	As at 31.03.2019
Mr. Nitin Garg	No. of Shares	1486750	1486750
	% held	6.46	6.46

### 13. OTHER EQUITY

Particulars	As at 31.03.2020	As at 31.03.2019
General reserve	3,762.44	3,762.44
Retained earnings	23,722.42	20,334.60
<b>Other reserves:</b>		
Security premium account	3,881.43	3,881.43
Capital Reserve	2,537.81	-
Share warrant	243.75	-
<b>Total</b>	<b>34,147.85</b>	<b>27,978.47</b>

#### (i) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.

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

#### (ii) Retained Earnings

Retained earnings are the profits that the company has earned till date less any transfer to general reserve, dividends or other distribution paid to shareholders.

#### (iii) Security Premium

The amount received in excess of face value of the equity shares is recognised in security premium. This reserves utilised in accordance with the specific provisions of the Companies Act 2013.

#### (iv) Capital Reserve

Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013

#### (v) Share Warrant

The Company has issued 15,00,000 warrants convertible in equity shares within 18 months at Rs. 65/- each on 20th September 2019

## Notes on Financial Statement for the year ended 31st March, 2020

### 14. LONG-TERM BORROWINGS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Term Loans:</b>		
Secured Loan	7,597.43	9,259.91
<b>Other Loans</b>		
Related Parties	-	3,007.32
Unamortised upfront fees on borrowing	(93.66)	(153.34)
<b>Net Amount</b>	<b>7,503.77</b>	<b>12,113.89</b>

S. No.	Terms of repayments	31-Mar-20		31-Mar-19		Nature of Security
		Non-current	Current	Non-current	Current	
	<b>Rupee Term Loans From Banks (Secured)</b>					
1	8 quarterly installment of Rs. 65.00 lakhs each from 30.06.2020 to 30.03.2022	260.00	260.00	520.00	260.00	First charge on fixed assets of the Company located at A-42, A-45, A-51, A-59 & D-4 Industrial Area, Sikan-drabad, Distt. Bulandshahr ( U.P.) and Plot No. 2839 Dhoom Manikpur, Dadri (U.P). and second charge on entire current assets of the Company , both present & future and personal guarantee of the directors of the Company and their relatives.
2	5 quarterly installment of Rs. 166.67 lakhs each from 16.04.2020 to 16.04.2021	166.67	666.66	833.33	666.67	
3	5 quarterly installment of Rs. 125.00 lakhs each from 31.05.2020 to 31.05.2021	125.00	500.00	625.00	500.00	
4	5 quarterly installment of Rs. 150.00 lakhs each from 31.05.2020 to 31.05.2021	150.00	600.00	750.00	612.61	
5	19 quarterly installment of Rs. 75.00 lakhs each from 29.06.2020 to 29.12.2024	1,125.00	300.00	1,425.00	87.74	
6	3 quarterly installment of Rs. 175.00 lakhs each from 30.06.2020 to 31.12.2020, 12 quarterly installment of Rs. 325.00 lakhs each from 31.03.2021 to 31.12.2023	3,575.00	850.00	4,425.00	666.10	First charge on entire fixed assets located at Village Bhachau distt. Kutch, Gujarat and second pari passu charge on entire current assets located at Village Bhachau distt. Kutch, Gujarat and personal guarantee of the directors of the Company.
7	5 quarterly installment of Rs. 62.50 lakhs each from 05.05.2020 to 05.05.2021, 8 quarterly installment of Rs. 250.00 lakhs each from 05.08.2021 to 05.05.2023	2,062.50	250.00	-	-	Subservient charge on Current Asset and movable fixed assets of the Company both present and future and personal guarantee of the directors of the Company and their relatives.
	<b>Rupee Term Loans From NBFC (Secured)</b>					
8	10 monthly installment of Rs. 9.80 lakhs each from 05.04.2020 to 05.01.2021	-	98.86	98.04	119.46	First exclusive charge on specified Machinery located at Plot No. 2839 Dhoom Manikpur, Dadri (U.P).

## Notes on Financial Statement for the year ended 31st March, 2020

9	3 quarterly installment of Rs. 50.00 lakhs each from 05.04.2019 to 05.10.2019	-	-	-	151.26	First charge on fixed assets of the Company located at A-42, A-45, A-51, A-59 & D-4 Industrial Area, Sikan-drabad, Distt. Bulandshahr ( U.P.) and Plot No. 2839 Dhoom Manikpur, Dadri (U.P). and second charge on entire current assets of the Company , both present & future and personal guar-antee of the directors of the Company and their relatives.
10	7 quarterly installment of Rs. 32.50 lakhs each from 05.04.2020 to 05.10.2021	97.50	131.87	227.50	132.94	
11	13 monthly installment of Rs. 24.58 lakhs each from 05.04.2020 to 05.04.2021	24.58	297.45	319.58	299.70	
12	16 monthly installment of Rs. 2.28 lakhs (including interest) each from 18.04.2020 to 18.09.2021	11.18	25.54	36.46	23.69	First exclusive charge on specified Vehicles
	<b>Rupee Term Loans From NBFC (Unsecured)</b>					
13	4 monthly installment of Rs. 16.67 lakhs each from 08.04.2019 to 08.07.2019	-	-	-	66.66	
14	Unamortised upfront fees on borrowing	(93.66)	-	(153.34)	-	
		<b>7,503.77</b>	<b>3,980.38</b>	<b>9,106.57</b>	<b>3,586.83</b>	

### 15. LONG-TERM PROVISIONS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Provision for Employees Benefits		
Provision for Gratuity / Leave Benefits	449.30	376.91
<b>TOTAL:</b>	<b>449.30</b>	<b>376.91</b>

### 16. Income Tax

Income of companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. The Company has made the provision of current tax after set off of brought forward of MAT credit.

#### (a) Income tax expense / (benefits)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Current tax :</b>		
Current tax	1,006.27	950.58
Tax provision/(reversal) for earlier years	11.26	(33.29)
<b>Deferred tax :</b>		
Deferred tax	(285.88)	555.88
MAT Credit Entitlement/ Tax Adjustment	373.77	(120.27)
Total deferred tax	<b>87.89</b>	<b>435.61</b>
<b>Total Tax expense / (benefit)</b>	<b>1,105.42</b>	<b>1,352.90</b>



## Notes on Financial Statement for the year ended 31st March, 2020

### (B) Reconciliation of effective tax rate :

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Net income before taxes	4,493.24	4,411.31
Enacted tax rate in India	34.944%	34.944%
Computed tax expense	1,570.12	1,541.49
Increase/(reduction) in taxes on account of:		
Income exempt from taxation /Items not deductible	(190.08)	(155.30)
Adjustment in respect of Deferred tax on account of increase in tax.	(285.88)	-
Effect of tax pertaining to prior years	11.26	(33.29)
Tax expense for the year	1,105.42	1,352.90
Effective income tax rate	24.60	30.67

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective from 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

During the year ended 31 March 2020, Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out by the management, deferred tax liabilities on temporary differences expected to reverse during the period in which the Company would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes'. This has resulted in reversal of deferred tax liabilities amounting to Rs. 285.88 Lakhs.

### DEFERRED TAX LIABILITY (Net)

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liability		
Deferred tax liabilities (net)	3,085.76	3,371.65
MAT credit entitlement	-	(373.77)
<b>TOTAL:</b>	<b>3,085.76</b>	<b>2,997.88</b>

(Rs. in lakhs)

Deferred tax balance in relation to	As at 31 March 2019	Recognised/ reversed through profit and loss	Recognised in/ reclassified from OCI	As at 31 March 2020
Property, plant and equipment	3,405.35	(243.00)	-	3,162.35
Provisions	(33.70)	(42.89)	-	(76.59)
<b>Total</b>	<b>3,371.65</b>	<b>(285.89)</b>	<b>-</b>	<b>3,085.76</b>

## Notes on Financial Statement for the year ended 31st March, 2020

(Rs. in lakhs)

Deferred tax balance in relation to	As at 31 March 2018	Recognised/ reversed through profit and loss	Recognised in/ reclassified from OCI	As at 31 March 2019
Property, plant and equipment	3,080.49	324.85	-	3,405.35
Provisions	(264.73)	231.03	-	(33.70)
<b>Total</b>	<b>2,815.76</b>	<b>555.88</b>	<b>-</b>	<b>3,371.65</b>

### Movement in MAT credit entitlement:

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of Year	373.77	219.90
Add: MAT credit entitlement availed during the year	-	153.87
Less: reversal of MAT credit entitlement	(373.77)	-
<b>Balance at the end of year</b>	<b>-</b>	<b>373.77</b>

### 17. SHORT TERM BORROWINGS

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Secured Loans:</b>		
From Banks (Working Capital Loan )	39,514.93	34,685.59
<b>TOTAL:</b>	<b>39,514.93</b>	<b>34,685.59</b>

Working capital limits from Banks comprising of Cash credit Limits / Export credit Limits / Bills discounted/ Buyer's Credit are secured by first charge on entire current assets of the Company including stocks of raw-materials, work-in-progress, stock lying in godown and ports, finished goods and book debts both present & future and equitable mortgage of two immovable properties belonging to the directors of the Company and their relatives, situated at Plot No. II - F - 166 & II - F-167, Nehru Nagar, Ambedkar Road, Ghaziabad (U.P.). Working capital limits from Banks are further secured by way of second charge on entire fixed assets of the Company, and personal guarantee of the directors of the Company and their relatives. However, enhanced working capital limits of Rs. 25.00 Crore from IDFC First Bank Ltd and Rs. 20.00 Crore from HDFC Bank Ltd are not having second charge on fixed assets located at Village Bhachau distt. Kutch, Gujarat.

### 18. TRADE PAYABLES

A. Total Outstanding dues of mirco and small enterprises	As at 31.03.2020	As at 31.03.2019
Dues of micro and small enterprises	0.05	17.22
B. Total Outstanding dues of creditors other than mirco and small enterprises	As at 31.03.2020	As at 31.03.2019
Creditors for supplies and services	6,782.46	9,859.84

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

## Notes on Financial Statement for the year ended 31st March, 2020

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019
(i) Principal amount remaining unpaid to supplier at the end of the year	0.05	17.22
(ii) Interest due / accrued thereon remaining unpaid to supplier at the end of the year	*	0.02
(iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-

\*represents Rs. 78.00

### 19. SHORT-TERM PROVISIONS

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Mark-to-market on forward	128.64	0.16
Provision for:		
Current Taxes	271.71	42.98
<b>TOTAL:</b>	<b>400.35</b>	<b>43.14</b>

### 20. OTHER CURRENT LIABILITIES

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Current maturities of long-term debt (Refer Note No. 14)	3,980.38	3,586.83
Unclaimed Dividends	24.59	26.47
Creditors for Capital Expenditure	329.93	253.16
Advance received from customer	428.60	1,080.76
Statutory dues	73.81	125.38
Other Payables	2,722.92	1,764.28
<b>TOTAL:</b>	<b>7,560.23</b>	<b>6,836.88</b>

### 21. REVENUE FROM OPERATIONS

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Sale of products	158,723.57	162,286.18
Job Charges Received	2,286.90	780.16
Other operating revenues		
Export Benefits	1,700.05	1,928.42
Exchange Fluctuation	671.37	688.01
<b>TOTAL:</b>	<b>163,381.89</b>	<b>165,682.77</b>

#### Impact of Covid -19 (Global Pandemic)

In view of global nature of the pandemic Covid-19 and the uncertainty around its severity and duration of the impact, it is difficult to determine a potential impact on financial performance of the Company in near future.

The Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

## Notes on Financial Statement for the year ended 31st March, 2020

### 22. OTHER INCOME

(Rs. in lakhs)

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Interest Income	106.26	174.10
Other	252.17	-
<b>TOTAL:</b>	<b>358.43</b>	<b>174.10</b>

### 23. COST OF RAW MATERIAL CONSUMED

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Inventory at the beginning of the year	9,023.34	8,408.76
Add: Purchases	117,843.26	130,816.96
	126,866.60	139,225.71
Less: Inventory at the end of the year	11,063.84	9,023.34
<b>Cost of raw material consumed</b>	<b>115,802.76</b>	<b>130,202.38</b>

#### 23.1 VALUE OF IMPORTED/INDEGENOUS RAW MATERIAL CONSUMED

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Imported	3,889.43	7,039.50
Imported (% of consumption)	3.36%	5.41%
Indigenous	111,913.33	123,162.88
Indigenous (% of consumption)	96.64%	94.59%
<b>TOTAL:</b>	<b>115,802.76</b>	<b>130,202.38</b>

### 24. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Inventories at the beginning of the year		
Work-in-progress	6,618.70	5,467.09
Finished goods / Stock-in-Trade	13,696.07	9,175.75
Pursuant to the Scheme of Amalgamation (Refer note 38)	3.56	-
	<b>20,318.33</b>	<b>14,642.84</b>
Inventories at the end of the year		
Work-in-progress	5,652.58	6,618.70
Finished goods / Stock-in-Trade	13,649.12	13,696.07
	<b>19,301.69</b>	<b>20,314.77</b>
<b>TOTAL:</b>	<b>1,016.64</b>	<b>(5,671.93)</b>

## Notes on Financial Statement for the year ended 31st March, 2020

### 25. EMPLOYEE BENEFIT EXPENSES

(Rs. in lakhs)

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Salaries, Wages & Bonus	7,813.80	6,612.83
Contribution to provident and other fund	334.56	310.89
Staff Welfare Expenses	189.88	176.81
<b>TOTAL:</b>	<b>8,338.24</b>	<b>7,100.53</b>

### 26. FINANCE COST

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Interest on borrowings	5,491.13	5,586.20
Bank commission & charges	474.67	580.07
Unwinding of interest on financial liabilities carried at amortised cost	52.01	59.90
Less : Capitalization of finance cost	-	(150.61)
<b>TOTAL:</b>	<b>6,017.81</b>	<b>6,075.56</b>

### 27. DEPRECIATION & AMORTIZATION EXPENSES

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Depreciation on property, plant & equipment	2,634.58	2,363.58
<b>TOTAL:</b>	<b>2,634.58</b>	<b>2,363.58</b>

### 28. OTHER EXPENSES

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Consumption of stores and spares	4,904.98	4,486.73
Power & Fuel Expenses	6,131.69	5,804.14
Processing Charges	2,391.68	1,329.79
Repairs & Maintenance :		
a) Plant & Machinery	1,103.16	716.77
b) Building	75.11	79.73
c) Others	115.43	149.59
Freight & Forwarding	5,902.21	4,860.93
Advertisement	10.88	28.79
Commission & Rebate	919.28	1,022.89
Selling & Sales Promotion	67.76	84.97
Packing Materials	1,710.19	1,107.75
Printing & Stationery	46.83	44.69
Postage, Telegram & Telephone	61.28	57.29



## Notes on Financial Statement for the year ended 31st March, 2020

Travelling and Conveyance	979.46	819.36
Legal & Professional Expenses	329.80	235.85
Insurance	122.56	90.84
Rates, Taxes & Fees	204.36	121.46
CSR Expenses	58.87	43.34
Miscellaneous Expenses	265.50	224.48
Loss on Sale of Fixed Assets	5.20	55.04
<b>TOTAL:</b>	<b>25,436.63</b>	<b>21,364.44</b>

### 28.1. VALUE OF STORES & SPARES CONSUMED

(Rs. in lakhs)

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Imported	4.57	4.96
Imported (% of consumption)	0.09%	0.11%
Indigenous	4,900.41	4,481.77
Indigenous (% of consumption)	99.91%	99.89%
<b>TOTAL:</b>	<b>4,904.98</b>	<b>4,486.73</b>

### 29. PAYMENT TO AUDITORS AS:

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Auditors		
Statutory Audit Fees	5.00	4.50
<b>TOTAL:</b>	<b>5.00</b>	<b>4.50</b>

### 30. EARNING PER SHARE

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Net profit after tax as per Statement of Profit and Loss		
attributable to Equity Shareholders (Rs.in Lakhs)	3,387.82	3,058.41
Weighted average No. of Equity Shares	23,006,250	23,006,250
<b>Basic and Diluted Earning per share (Rs.)</b>	<b>14.73</b>	<b>13.29</b>
Face value per equity share (Rs.)	2.00	2.00

## Notes on Financial Statement for the year ended 31st March, 2020

### 31. Financial instruments

#### 31.1. Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

(Rs. in lakhs)

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Long term borrowings	7,503.77	9,106.57
Current maturities of long term debt	3,980.38	3,586.83
Short term borrowings	39,514.93	34,685.59
Less: Cash and cash equivalent	(286.28)	(165.33)
Less: Bank balances other than cash and cash equivalent	(786.07)	(1,469.11)
<b>Net debt</b>	<b>49,926.73</b>	<b>45,744.55</b>
Total equity	34,607.98	28,438.60
Gearing ratio	1.44	1.61

- Equity includes all capital and reserves of the Company.
- Debt is defined as long term (excluding other loans from related parties) and short term borrowings.

#### 31.2 Categories of financial instruments

DESCRIPTION	31st March, 2020		31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Non-current investment	3.00	3.00	103.00	103.00
Trade receivables	23,891.68	23,891.68	24,728.48	24,728.48
Cash and cash equivalents	286.28	286.28	165.33	165.33
Bank balances other than cash and cash equivalents	786.07	786.07	1,469.11	1,469.11
<b>Total financial assets at amortised cost (A)</b>	<b>24,967.03</b>	<b>24,967.03</b>	<b>26,465.92</b>	<b>26,465.92</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Long term Borrowings #	11,484.15	11,484.15	15,700.73	15,700.73
Short term Borrowings	39,514.93	39,514.93	34,685.59	34,685.59
Trade payables	6,782.51	6,782.51	9,877.06	9,877.06
<b>Total financial liabilities carried at amortised cost (B)</b>	<b>57,781.60</b>	<b>57,781.60</b>	<b>60,263.38</b>	<b>60,263.38</b>

# including current maturities of long term debt.

## Notes on Financial Statement for the year ended 31st March, 2020

### 31.3 Financial risk management

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk and
- Liquidity risk

### 31.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors

on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

### 31.5 Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable rules and regulations where the Company operates.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are as follows:

#### Currency exposure as at 31st March 2020

(Rs. in lakhs)

DESCRIPTION	USD	EURO	GBP	INR	Total
<b>Financial assets</b>					
Trade receivables	3,053.99	815.96	52.83	19,968.90	23,891.68
Bank balances other than cash and cash equivalents	-	-	-	786.07	786.07
Advance to supplier	84.02	-	1.47	4,402.87	4,488.36
Capital advances	9.20	1.47	-	157.60	168.27
<b>Total financial assets</b>	<b>3,147.21</b>	<b>817.43</b>	<b>54.30</b>	<b>25,315.44</b>	<b>29,334.38</b>
<b>Financial liabilities</b>					
Short term borrowings	616.17	25.90	-	38,872.86	39,514.93
Trade payables	-	-	-	6,782.51	6,782.51
Advance recd. from customer	37.61	45.00	1.75	344.24	428.60
Creditors for capital expenditure	-	182.30	-	147.63	329.93
<b>Total financial liabilities</b>	<b>653.78</b>	<b>253.20</b>	<b>1.75</b>	<b>46,147.24</b>	<b>47,055.97</b>

## Notes on Financial Statement for the year ended 31st March, 2020

### Currency exposure as at 31st March 2019

(Rs. in lakhs)

DESCRIPTION	USD	EURO	GBP	INR	Total
<b>Financial assets</b>					
Trade receivables	988.86	1,925.84	114.83	21,698.95	24,728.48
Bank balances other than cash and cash equivalents	-	-	-	1,469.11	1,469.11
Advance to supplier	-	-	-	1,209.31	1,209.31
Capital advances	10.28	-	1.77	278.86	290.91
<b>Total financial assets</b>	<b>999.14</b>	<b>1,925.84</b>	<b>116.60</b>	<b>24,656.23</b>	<b>27,697.81</b>
<b>Financial liabilities</b>					
Short term borrowings	-	32.57	73.16	34,579.86	34,685.59
Trade payables	1,226.57	-	-	8,650.49	9,877.06
Advance recd from customer	135.41	221.91	10.16	713.29	1,080.77
Creditors for capital expenditure	1.15	-	-	252.02	253.17
<b>Total financial liabilities</b>	<b>1,363.13</b>	<b>254.48</b>	<b>83.32</b>	<b>44,195.66</b>	<b>45,896.59</b>

The following table details the Company's sensitivity impact of 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis for outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

DESCRIPTION	Increase		Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Receivable				
USD/INR	41.75	30.02	(41.75)	(30.02)
Payable				
USD/INR	8.54	12.77	(8.54)	(12.77)

Particulars of outstanding Short term forward exchange contracts entered into by the company.

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>BUY</b>		
No. of Contract	-	15
US \$ equivalent	-	3,501,922.27
INR equivalent	-	2,422.33
MTM	-	(38.92)
<b>SELL</b>		
No. of Contract	43	26
US \$ equivalent	8,391,975	3,309,666
INR equivalent	6,326.37	2289.338998
MTM	(128.64)	111.54

## Notes on Financial Statement for the year ended 31st March, 2020

### Unhedged Currency Risk position:

#### 1) Amounts receivable in foreign currency

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Trade Receivable</b>		
US equivalent (in USD)	-	1,030,325
INR equivalent	-	712.69
<b>Capital Advances</b>		
US equivalent (in USD)	15,096	18,454
INR equivalent	10.67	12.06
<b>Advances to Suppliers</b>		
US equivalent (in USD)	119,281	-
INR equivalent	89.92	-

#### II) Amounts payable in foreign currency

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Trade Payable/ Creditors for Capital Expenditure</b>		
US equivalent (in USD)	248,787	1,603
INR equivalent	182.30	1.14
<b>Bank Borrowings</b>		
US equivalent (in USD)	884,089	148,698
INR equivalent	642.06	105.73
<b>Advance received from customer</b>		
US equivalent (in USD)	118,644	526,566
INR equivalent	84.35	370.82

### 31.6 Commodity price risk

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as demand and supply, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company primarily procured its raw materials i. e. HR Coil, Angle shape and section, Ingot, Zinc etc. in the open market from third parties during the financial year ended 31.03.2020 and is therefore subject to fluctuations in prices.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials like HR Coil, Angle shape and section, Ingot and Zinc based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

The Company as a matter of policy has not hedged the commodity risk.

The following table details the Company's sensitivity to a 5% movement in the input price of HR Coil, Angle shape and section, Ingot, Zinc etc. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit where the commodity prices increase by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit, and the balances below would be negative.



## Notes on Financial Statement for the year ended 31st March, 2020

(Rs. in lakhs)

DESCRIPTION	Increase		Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
HR Coil, Angle shape and section, Ingot, Zinc	6,051.18	6,477.24	(6,051.18)	(6,477.24)

### 31.7 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 is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in MCLR rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would decrease / increase by Rs. 476.47 lakhs (for the year ended 31 March 2019: decrease / increase by Rs.423.94 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### 31.8 Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties.

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

### Ageing of Trade Receivable

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
0-180 days	20,038.49	21,024.77
180-365 days	660.34	1,229.14
Above 365 days	3,192.85	2,474.57

### 31.9 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The management of the Company has established an appropriate liquidity risk management framework for Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

## Notes on Financial Statement for the year ended 31st March, 2020

### Liquidity exposure as at 31st March 2020

(Rs. in lakhs)

DESCRIPTION	< 1 Year	1-5 Year	> 5 Year	Total
<b>Financial assets</b>				
Trade receivables	23,891.68			23,891.68
Cash and cash equivalents	286.28			286.28
Bank balances other than cash and cash equivalents	786.07			786.07
<b>Total financial assets</b>	<b>24,964.03</b>	<b>-</b>	<b>-</b>	<b>24,964.03</b>
<b>Financial liabilities</b>				
Long term borrowings	3,980.38	7597.43		11,577.81
Short term borrowings	39,514.93			39,514.93
Trade payables	6,782.51			6,782.51
<b>Total financial liabilities</b>	<b>50,277.82</b>	<b>7,597.43</b>	<b>-</b>	<b>57,875.25</b>

### Liquidity exposure as at 31st March 2019

DESCRIPTION	< 1 Year	1-5 Year	> 5 Year	Total
<b>Financial assets</b>				
Trade receivables	24,728.48	-	-	24,728.48
Cash and cash equivalents	165.33	-	-	165.33
Bank balances other than cash and cash equivalents	1,469.11	-	-	1,469.11
<b>Total financial assets</b>	<b>26,362.92</b>	<b>-</b>	<b>-</b>	<b>26,362.92</b>
<b>Financial liabilities</b>				
Long term borrowings	3,586.83	9034.92	3232.32	15,854.07
Short term borrowings	34,685.59	-	-	34,685.59
Trade payables	9,877.06	-	-	9,877.06
<b>Total financial liabilities</b>	<b>48,149.48</b>	<b>9,034.92</b>	<b>3,232.32</b>	<b>60,416.72</b>

The Company has pledged its trade receivables and cash & cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered.

### 32. RELATED PARTY DISCLOSURES:

As per Ind AS-24, the disclosure of transactions with the related parties are given below:

- (i) **List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Name of Related Party	Relationship
GLS Steel India Limited	Subsidiary
GLS Engineering India Limited	
GLS Metallica India Limited	
Shri M. C. Garg, Chairman	Key Management Personnel
Shri R. C. Garg, Director	
Shri Nitin Garg, Director	
Shri Manish Garg	Relatives of Key Management Personnel
Shri Umesh Garg	
Shri Harsh Garg	
Excellent Fincap Pvt. Ltd.	Others (Enterprises Over which Key Management Personnel are able to exercise significant influence)

## Notes on Financial Statement for the year ended 31st March, 2020

### (ii) Transactions during the year with related parties:

(Rs. in lakhs)

Nature of Transactions	Subsidiary	Key Management Personnel	Relatives of Key Mgt. Personnel	Others	Total
<u>Loans Taken:</u>					
Current Year	-	-	-	126.00	126.00
Previous Year	-	-	-	872.00	872.00
<u>Loans Repaid/ Given:</u>					
Current Year	-	-	-	3,334.95	3,334.95
Previous Year	-	-	-	598.06	598.06
<u>Interest Paid:</u>					
Current Year	-	-	-	9.46	9.46
Previous Year	-	-	-	233.33	233.33
<u>Remuneration Paid:</u>					
Current Year	-	182.12	104.12	-	286.24
Previous Year	-	154.80	81.60	-	236.40

### (iii) Balances with related parties as at March 31, 2020 :

	Subsidiary	Key Management Personnel	Relatives of Key Mgt. Personnel	Others	Total
<u>Unsecured Loans</u>					
Current Year	-	-	-	-	-
Previous Year	-	-	-	3,007.32	3,007.32
<u>Outstanding Loan &amp; Receivables</u>					
Current Year	-	-	-	193.11	193.11
Previous Year	-	-	-	-	-
<u>Investment</u>					
Current Year	3.00	-	-	-	3.00
Previous Year	103.00	-	-	-	103.00
<u>Other Liabilities</u>					
Current Year	-	8.37	4.56	-	12.93
Previous Year	-	8.70	4.60	-	13.30

### 33. CONTINGENT LIABILITIES AND COMMITMENTS

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<u>Contingent Liabilities</u>		
1. Outstanding bank guarantees issued by the banks & counter-guaranteed by the Company and other guarantees	3,294.39	3,315.22
2. Bills discounted with Banks	1,461.77	1,470.82
3. Disputed demand under Central Excise & Commercial Tax U.P.	30.90	128.88
<u>Commitments</u>		
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	654.47	790.92

### 34. Additional Information

(Rs. in lakhs)

#### EARNING IN FOREIGN CURRENCY

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
FOB Value of Exports	42,492.36	45,899.37

## Notes on Financial Statement for the year ended 31st March, 2020

### 35. SEGMENT INFORMATION

The Company is in the business of manufacturing and sale of steel products. Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

#### a) Revenue from operations

The following information discloses revenue from external customers based on geographical areas :

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
- Within India	118,135.28	117,078.07
- Outside India	42,875.19	45,988.27
<b>Total Revenue</b>	<b>161,010.47</b>	<b>163,066.34</b>

#### b) Non-current operating assets

All non –current assets of the company are located in India.

36. During the year, the Company has incurred an amount of Rs. 58.87 Lakhs. (Previous year Rs. 43.34 Lakhs) towards Corporate Social responsibility expenditure.

### 37. Impact of Covid -19 (Global Pandemic) on Going Concern

The outbreak of Covid-19 pandemic globally and in India is causing significant disturbances and slowdown of economic activity. To contain the spread of Covid-19 in India, the Ministry of Health Affairs vide order No.40-3/2020 dated 24 March, 2020 notified the first ever nationwide lockdown. Due to Covid-19 concerns, the Company temporarily suspended its operations from 23 March, 2020.

Subsequently, considering the permissions granted by the Local Authorities based on the guidelines issued by the Government of India and State Governments from time to time and the demand for the products from our customers; the operations of the Company were resumed.

The Company is closely monitoring the business environment and material changes to future economic conditions.

38. During the quarter ended 31st March 2020, the New Delhi Bench of the National Company Law Tribunal (NCLT), through its order dated 20th February 2020 had approved the scheme of Amalgamation of its wholly-owned subsidiary, Swachh Industries Limited with the Company w.e.f. 1st April 2019. The subsidiary company was in the business of Iron & steel. Accordingly, the Company had accounted for the merger under the pooling of interest method retrospectively for all periods presented as prescribed in IND AS 103 – Business Combinations of entities under common control.

39. The previous year figures have been regrouped / reclassified / rearranged, wherever necessary to confirm to the current year presentation.

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

On behalf of the Board of Directors  
For **Goodluck India Limited**

(V.K. AGARWAL)  
Prop.  
M.No. 072907  
UDIN : 20071279AAAABB3822

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(R.C.GARG)  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 15th July 2020

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C.F.O.

# **Consolidated Ind AS Financial Statements**

# Independent Auditors' Report

To The Members of

**GOODLUCK INDIA LIMITED**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

## Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Goodluck India Limited ('The Company' or 'the Parent Company') and its subsidiaries (the Company and its subsidiaries company together referred as 'the Group'), which comprises the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information ('the consolidated Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 audit opinion on the Consolidated Ind AS financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditor of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

### 1. Assessment of Parent Company's litigations and related disclosure of contingent liabilities

[Refer to Note 3 to the Consolidated Financial Statements – "Critical estimation and Judgements" and Note 32 to the Consolidated Financial Statements – "Contingent liabilities and commitments"]

As at March 31, 2020, the Parent Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.

Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.

As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.

### How our audit addressed the Key Audit Matter

#### Our audit procedures included the following:

- We understood, assessed and tested the design and operating effectiveness of the Parent Company's key controls surrounding assessment of litigations relating to the relevant laws and regulations;
- We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the Parent Company's audit committee;



- We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations made in relation to the Parent Company's Standalone Financial Statements;
- We considered external legal opinions, where relevant, obtained by management;
- We met with the Parent Company's external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation;
- We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements;
- We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and
- We assessed the adequacy of the Company's disclosures.

Based on the above work performed, management's assessment in respect of Parent Company's litigations and related disclosures relating to contingent liabilities/other significant litigations in the Consolidated Financial Statements are considered to be reasonable.

## 2. **Property, Plant & Equipment and Capital Work in progress**

Valuation and existence of property, plant and equipment including assessment of useful lives and residual value. Property, plant and equipment represents a significant proportion of the Parent Company's asset base. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalize or expense certain costs, and the determination of depreciation charges are material to the Parent Company's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to asset's carrying amounts, expected useful lives or residual value could result in a material impact on the financial statements and hence considered as key audit matter.

### **How our audit addressed the Key Audit Matter**

#### **Our audit procedures included the following:**

Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over valuation of property, plant and equipment and review of useful lives; Periodic physical verification of property, plant and equipment for adequacy and appropriateness of the accounting and disclosure by the Management:

- We obtained an understanding of the Parent Company's capitalization policy and assessed for compliance with the relevant accounting standards;
- We carried out substantive tests on random sampling for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the Parent Company's policy and accounting standards
- We obtained an understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.
- We obtained certificates relating to useful lives of assets where, required.

### **Other Information**

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Ind AS 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive Income, consolidated cash flows and consolidated statement of changes in the equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that

were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities For The Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 ability of the Group 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 Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS 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 of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS 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 of the Parent Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 Ind AS financial statements for the financial year ended March 31, 2020 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 MATTER**

We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of Rs4.73 Lakhs as at March 31, 2020, and total revenues of Rs Nil and total profit (Loss) after tax of Rs(0.71) Lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

#### **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 for the aforesaid Consolidated Ind AS Financial Statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - c. The Consolidated Balance Sheet, The Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
  - d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section

133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e. On the basis of the written representations received from the directors of the Parent Company taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to Consolidated Ind AS Financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" to this report.
- g. In our opinion and based on the consideration of the reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Parent Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
  - (i) The Consolidated Ind AS financial statements disclose the impact of pending litigations as on March 31, 2020 on the Consolidated financial position of the Group.
  - (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Group

**For VIPIN KUMAR & COMPANY**  
Chartered Accountants  
Firm Reg. No. 002123C

**(V.K. AGARWAL)**

Place : GHAZIABAD  
Date :15th July 2020

Prop.  
M.NO. 071279  
UDIN: 20071279AAAABC4727

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

(Referred to paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Control Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Goodluck India Limited ("the Parent Company") and its subsidiary Companies as on March 31, 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Parent company and its Subsidiary Companies for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and 3 Subsidiary Companies are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering 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 (the 'Guidance Note'). 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 asset, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Consolidated financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to Consolidated financial

statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Parent Company, its subsidiary companies have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2020, 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.

**OTHER MATTER**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls

over financial reporting with reference to these consolidated Ind AS financial statements of the Parent Company, in so far as it relates to 3 subsidiary company, which is incorporated in India, is based on the corresponding report of the auditors of such Subsidiary Companies.

For **VIPIN KUMAR & COMPANY**

Chartered Accountants

Firm Reg. No. 002123C

**(V.K. AGARWAL)**

Prop.

M.NO. 071279

UDIN: 20071279AAAAABC4727

Place : GHAZIABAD

Date :15th July 2020



# Consolidated Balance Sheet

(Rs. In Lakhs)

PARTICULARS	Note No.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	34,116.41	33,282.81
(b) Capital Work in Progress		76.74	500.75
(c) Financial assets			
(d) Other non-current assets	5	543.23	413.74
<b>Total - Non current assets</b>		<b>34,736.38</b>	<b>34,197.30</b>
<b>(2) Current assets</b>			
(a) Inventories	6	31,463.83	30,388.72
(b) Financial Assets			
(i) Trade receivables	7	23,891.68	24,728.48
(ii) Cash and cash equivalents	8	291.01	184.94
(iii) Other balances with banks	9	786.07	1,469.11
(c) Other current assets	10	8,734.55	6,971.37
<b>Total - Current assets</b>		<b>65,167.14</b>	<b>63,742.62</b>
<b>TOTAL - ASSETS</b>		<b>99,903.52</b>	<b>97,939.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(3) Equity</b>			
(a) Equity share capital	11	460.13	460.13
(b) Other equity	12	34,146.14	30,515.28
<b>Total - Equity</b>		<b>34,606.27</b>	<b>30,975.41</b>
<b>(4) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	7,503.77	12,113.89
(b) Provisions	14	449.30	376.91
(c) Deferred tax liabilities (net)	15	3,085.76	2,997.88
<b>Total - Non current liabilities</b>		<b>11,038.83</b>	<b>15,488.68</b>
<b>(5) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	39,514.93	34,685.59
(ii) Trade payables	17	6,782.91	9,882.78
(b) Provisions	18	400.35	60.09
(c) Other current liabilities	19	7,560.23	6,847.37
<b>Total - Current liabilities</b>		<b>54,258.42</b>	<b>51,475.83</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>99,903.52</b>	<b>97,939.92</b>

See accompanying notes to the Consolidated Financial Statements

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

(V.K. AGARWAL)  
Prop.  
M.No. 071279  
UDIN: 20071279AAAABC4727

Place : Ghaziabad  
Date : 15th July 2020

On behalf of the Board of Directors  
For **Goodluck India Limited**

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(R.C.GARG)  
Director  
DIN NO. 00298129

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C.F.O.



# Consolidated Statement of Profit and Loss

(Rs. In Lakhs)

PARTICULARS	Note No.	Year ended on 31st March, 2020	Year ended on 31st March, 2019
<b>I Revenue from operations</b>	20	163,381.89	166,124.86
<b>II Other Income</b>	21	358.43	343.81
<b>III Total income</b>		<b>163,740.32</b>	<b>166,468.67</b>
<b>IV Expenses</b>			
(a) Cost of raw materials consumed	22	115,802.76	130,202.38
(b) Purchase of stock-in-trade		0.42	451.04
(c) Changes in Inventories of Finished Goods, work-in-progress and Stock-in-trade	23	1,016.63	(5,639.16)
(d) Employee Benefit Expenses	24	8,338.24	7,102.83
(e) Finance Cost	25	6,017.82	6,075.55
(f) Depreciation & Amortization Expenses	26	2,634.58	2,363.58
(g) Other Expenses	27	25,437.34	21,391.94
<b>Total expenses</b>		<b>159,247.79</b>	<b>161,948.16</b>
<b>V Profit before exceptional item &amp; tax (III - IV)</b>		<b>4,492.53</b>	<b>4,520.51</b>
<b>VI Exceptional Items</b>			
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>4,492.53</b>	<b>4,520.51</b>
<b>VIII Tax Expenses</b>			
Income tax for previous year		11.26	(45.40)
Current Tax		1,006.27	984.51
Deferred Tax		(285.88)	555.88
MAT Credit Entitlement/ Tax Adjustment		373.77	(120.27)
<b>IX Profit for the years (VII-VIII)</b>		<b>3,387.11</b>	<b>3,145.78</b>
<b>X Other Comprehensive Income for the period</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>XI Total Comprehensive income for the year</b>		<b>3,387.11</b>	<b>3,145.78</b>
<b>XII Earnings per share</b>			
Basic and Diluted	29	14.72	13.67

See accompanying notes to the Consolidated Financial Statements

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

On behalf of the Board of Directors  
For **Goodluck India Limited**

(**V.K. AGARWAL**)  
Prop.  
M.No. 071279  
UDIN: 20071279AAAABC4727

(**M.C.GARG**)  
Chairman  
DIN NO. 00292437

(**R.C.GARG**)  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 15th July 2020

(**ABHISHEK AGRAWAL**)  
Company Secretary

(**SANJAY BANSAL**)  
C.F.O.

# Consolidated Cash Flow Statement

(Rs. In Lakhs)

PARTICULARS	Year ended on 31st March, 2020	Year ended on 31st March, 2019
<b>A. Cash Flow from operating activities:</b>		
Net Profit before tax as per Profit & Loss Account	4,492.53	4,520.51
Adjustment for:		
Depreciation	2,634.58	2,363.58
Profit/ Loss on Sale of tangible Assets	5.19	55.04
Interest Income	(106.26)	(343.81)
Unrealised Exchange loss (Gain)	(94.53)	(108.84)
Finance Cost	6,017.82	6,075.55
<b>Operating Profit before working capital changes</b>	<b>12,949.33</b>	<b>12,562.03</b>
Adjustment for:		
Increase/ (Decrease) in Trade payable	(3,099.87)	(67.87)
Increase/ (Decrease) in other payable	520.18	162.60
(Increase) / Decrease in Inventories	(1,075.11)	(6,478.74)
(Increase) / Decrease in Trade receivable	836.80	(4,380.00)
(Increase) / Decrease in Other receivable	(3,520.68)	4,893.28
<b>Cash Generated from Operating Activities</b>	<b>6,610.65</b>	<b>6,691.30</b>
Taxes Paid	(805.74)	(1,002.45)
<b>Net Cash Flow From Operating Activities</b>	<b>5,804.91</b>	<b>5,688.85</b>
<b>B. Cash flow from Investing Activities</b>		
Payment for property, plant & equipment	(3,069.50)	(5,351.88)
Proceeds from sale of property, plant & equipment	20.13	54.41
Payment for purchase of Investments in subsidiary	-	-
Interest Income	106.26	343.81
<b>Net Cash used in Investing Activities</b>	<b>(2,943.11)</b>	<b>(4,953.66)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of Equity Shares & Warrants	243.75	-
Proceeds from short term borrowings	4,829.34	5,243.72
Proceeds from long term borrowings (net)	(1,268.92)	(382.04)
Proceeds from Unsecured Loans (net)	(594.07)	372.27
Interest Paid	(5,965.81)	(6,015.66)
Dividend Paid	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>(2,755.71)</b>	<b>(781.71)</b>
<b>Net increase in cash and cash Equivalents</b>	<b>106.09</b>	<b>(46.52)</b>
Cash and cash equivalents at the beginning of the year	184.94	231.46
Cash and cash equivalents at the end of the year	291.03	184.94

1. The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS-7

2. Figures in bracket indicate Cash Outflow

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

On behalf of the Board of Directors  
For **Goodluck India Limited**

( **V.K. AGARWAL** )  
Prop.  
M.No. 071279  
UDIN: 20071279AAAABC4727

( **M.C.GARG** )  
Chairman  
DIN NO. 00292437

( **R.C.GARG** )  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 15th July 2020

( **ABHISHEK AGRAWAL** )  
Company Secretary

( **SANJAY BANSAL** )  
C.F.O.

## Consolidated Statement of Changes in Equity for the Year Ended 31 March, 2020

### A. Equity Share Capital

(Rs. In Lakhs)

Equity Shares of ₹ 2/- each issued, subscribed and fully paid	No. of Shares	Amount
<b>As at April 1, 2018</b>	<b>23,006,250</b>	<b>460.13</b>
Issued during the year	-	-
<b>As at March, 31 2019</b>	<b>23,006,250</b>	<b>460.13</b>
Issued during the year	-	-
<b>As at March, 31 2020</b>	<b>23,006,250</b>	<b>460.13</b>

### B. Other Equity

(Rs. In Lakhs)

	Share Warrant Pending Allotment	Capital Reserve	Share Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total Equity
<b>As at April 1, 2018</b>		<b>2,325.31</b>	<b>3,881.43</b>	<b>3,762.44</b>	<b>17,400.31</b>	-	<b>27,369.50</b>
Profit for the year		-	-	-	3,145.78	-	3,145.78
		-	-	-	-	-	-
							-
<b>Total Comprehensive income</b>	-	-	-	-	<b>3,145.78</b>	-	<b>3,145.78</b>
-Final dividend on equity Shares		-	-	-	-	-	-
-Tax on Final dividend on equity Shares		-	-	-	-	-	-
<b>As at March 31, 2019</b>		<b>2,325.31</b>	<b>3,881.43</b>	<b>3,762.44</b>	<b>20,546.10</b>	-	<b>30,515.28</b>
Share warrant money received	243.75						243.75
Profit for the year		-	-	-	3,387.11	-	3,387.11
Other Comprehensive Income		-	-	-	-	-	-
Adjustment on account of Amalgamation		212.50			(212.50)		-
<b>Total Comprehensive income</b>	<b>243.75</b>	<b>2,537.81</b>	<b>3,881.43</b>	<b>3,762.44</b>	<b>23,720.71</b>	-	<b>34,146.14</b>
-Final dividend on equity Shares		-	-	-	-	-	-
-Tax on Final dividend on equity Shares		-	-	-	-	-	-
-Share issued during the year		-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>243.75</b>	<b>2,537.81</b>	<b>3,881.43</b>	<b>3,762.44</b>	<b>23,720.71</b>	-	<b>34,146.14</b>

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

On behalf of the Board of Directors  
For **Goodluck India Limited**

( **V.K. AGARWAL** )  
Prop.  
M.No. 071279  
UDIN: 20071279AAAABC4727

( **M.C.GARG** )  
Chairman  
DIN NO. 00292437

( **R.C.GARG** )  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 15th July 2020

( **ABHISHEK AGRAWAL** )  
Company Secretary

( **SANJAY BANSAL** )  
C.F.O.

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 1. COMPANY OVERVIEW

Goodluck India Limited ('The Company' or 'the Parent') and its subsidiaries (together referred to as "the Group") are engaged in the business of manufacture and sale of engineering product i.e. heavy engineered structure, transmission and distribution tower, CDW Tubes, Precision Tubes, Pipes, Sheets and forged engineering products at its manufacturing facilities located at Sikandrabad, Industrial Area, and Dadri in Uttar Pradesh, and Kutch in Gujarat.

Goodluck India Limited is a public limited company, incorporated on November 06, 1986 and is listed on BSE Ltd and NSE Ltd.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A. STATEMENT OF COMPLIANCE

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to Consolidated financial statement.

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2020, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements have been approved by the Board of Directors in the meeting held on 15 July 2020.

#### B. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets

and liabilities which are measured at fair value as explained in the accounting policies below.

The Group's Consolidated financial statements are presented in Indian Rupees (₹), which is also its functional currency

#### C. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like item of assets, liabilities, equity, income and expense. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### D. BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. If the consideration transferred for the acquisition of a subsidiary, over the fair value of the net identifiable assets acquired, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in other equity as capital reserve

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### **Business combinations – common control transaction**

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

### **E. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

The gain or loss arising on disposal of an item

of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

Depreciation on property, plant and equipment is provided using straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

### **F. INVENTORY**

Inventories are stated at the lower of cost and net realizable value except in case of waste and scrap which are valued at net realizable value. Cost of raw material includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

### **G. REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenues on sale of products, net of discounts, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Revenue from sale of waste and scrap are included in revenue.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, using effective interest rate.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### **H. EMPLOYEES' BENEFITS**

Retirement benefits, such as gratuity are accounted for on the basis of provisions as lay down under Ind AS-19 "Employee Benefits" for

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

employees are as per the certificate provided by the management.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered service entitling them to the contribution.

Group's contribution to state defined contribution plan namely, Employee State Insurance are made in accordance with the statute, and are recognized as an expenses when employees have rendered services entitling them to the contribution.

### I. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

### J. FOREIGN CURRENCY TRANSACTIONS

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian Rupee (₹).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

### K. FINANCIAL INSTRUMENTS

#### 1. Financial Assets

##### I. Initial recognition and measurement

All financial assets are initially recognized

at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value are adjusted through profit or loss on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

### II. Subsequent measurement

#### i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset which is not classified in any of the above categories are measured at FVTPL.

### III. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 2. Financial liabilities

#### I. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### II. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 3. Derivative financial instruments

The Group uses various derivative financial instruments such as interest rate swaps, currency swaps and forwards contracts to mitigate the risk of changes in interest rates, exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### 4. Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires

### L. LITIGATION

The Group is subject to legal proceedings and claims which have arisen in the ordinary course of business. The Group's management does not reasonably expect that these legal actions when ultimately concluded and determined will have a material and adverse effect on the Group's result of operations or financial condition.

### M. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

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

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

### N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognize a contingent liability but discloses its existence in the Balance Sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

### O. CASH AND CASH EQUIVALENT

Cash and cash equivalent in the Balance Sheet comprise cash at banks and in hand.

### P. EARNING PER SHARE

Basic earning per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number

of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

### 3. CRITICAL ESTIMATION AND JUDGEMENTS

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

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

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 15
- Estimation of defined benefit obligation – Note 14
- Recognition of deferred tax assets for carried forward tax losses – Note 15

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 4. Property, Plant and equipment

(Rs.in Lakhs)

Particulars	Leasehold Land	Freehold Land	Factory Building	Office Building	Plant & Machinery	Furniture & fixture	Office equipment	Computer	Vehicle	Total	Capital work-in-progress
<b>Cost/Deemed cost as at April 1, 2019</b>	822.86	570.19	8,134.83	221.33	27,224.26	1,237.64	186.58	124.45	789.86	39,312.00	500.75
Additions	-	-	382.66	-	2,821.77	73.56	37.74	24.27	154.56	3,494.56	1,633.39
Disposals	-	-	-	-	-	-	-	-	49.10	49.10	2,057.40
<b>Cost/Deemed cost as at March 31, 2020</b>	<b>822.86</b>	<b>570.19</b>	<b>8,517.49</b>	<b>221.33</b>	<b>30,046.03</b>	<b>1,311.20</b>	<b>224.32</b>	<b>148.72</b>	<b>895.32</b>	<b>42,757.46</b>	<b>76.74</b>
<b>Accumulated depreciation as at April 1, 2019</b>	-	-	592.67	10.84	4,786.25	224.58	91.95	63.97	258.93	6,029.19	-
Charge for the period	-	-	278.02	3.63	2,061.50	111.66	35.22	28.43	116.12	2,634.58	-
Disposals	-	-	-	-	0.00	-	-	-	22.72	22.72	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>870.69</b>	<b>14.47</b>	<b>6,847.75</b>	<b>336.24</b>	<b>127.17</b>	<b>92.40</b>	<b>352.33</b>	<b>8,641.05</b>	<b>-</b>
<b>Net Carrying value as at March 31, 2020</b>	<b>822.86</b>	<b>570.19</b>	<b>7,646.81</b>	<b>206.86</b>	<b>23,198.28</b>	<b>974.95</b>	<b>97.15</b>	<b>56.31</b>	<b>542.99</b>	<b>34,116.41</b>	<b>76.74</b>

(Rs.in Lakhs)

Particulars	Leasehold Land	Freehold Land	Factory Building	Office Building	Plant & Machinery	Furniture & fixture	Office equipment	Computer	Vehicle	Total	Capital work-in-progress
<b>Cost/Deemed cost as at April 1, 2018</b>	822.86	570.19	5,344.72	221.33	20,315.92	682.48	145.01	81.71	722.95	28,907.17	5,689.74
Additions	-	-	2,790.11	-	6,991.73	555.16	41.57	42.74	137.40	10,558.71	4,602.83
Disposals	-	-	-	-	83.39	-	-	-	70.49	153.88	9,791.82
<b>Cost/Deemed cost as at March 31, 2019</b>	<b>822.86</b>	<b>570.19</b>	<b>8,134.83</b>	<b>221.33</b>	<b>27,224.26</b>	<b>1,237.64</b>	<b>186.58</b>	<b>124.45</b>	<b>789.86</b>	<b>39,312.00</b>	<b>500.75</b>
Accumulated depreciation as at April 1, 2018	-	-	345.54	7.21	2,939.97	130.93	60.33	38.27	187.79	3,710.04	-
Charge for the period	-	-	247.13	3.63	1,860.83	93.65	31.62	25.70	101.02	2,363.58	-
Disposals	-	-	-	-	14.55	-	-	-	29.88	44.43	-
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>592.67</b>	<b>10.84</b>	<b>4,786.25</b>	<b>224.58</b>	<b>91.95</b>	<b>63.97</b>	<b>258.93</b>	<b>6,029.19</b>	<b>-</b>
<b>Net Carrying value as at March 31, 2019</b>	<b>822.86</b>	<b>570.19</b>	<b>7,542.16</b>	<b>210.49</b>	<b>22,438.01</b>	<b>1,013.06</b>	<b>94.63</b>	<b>60.48</b>	<b>530.93</b>	<b>33,282.81</b>	<b>500.75</b>

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 5. OTHER NON CURRENT ASSETS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
(Unsecured, unconfirmed, Considered good)		
Security Deposits	543.23	413.74
<b>TOTAL:</b>	<b>543.23</b>	<b>413.74</b>

### 6. INVENTORIES

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
(As taken, valued and certified by the management)		
(At lower of cost and net realizable value unless stated otherwise)		
Raw Materials	11,063.84	9,023.34
Work-in-progress	5,652.58	6,618.70
Finished Goods	13,649.12	13,696.07
Stores, Spares & Packing Materials	1,098.29	1,047.06
Trading Goods	-	3.55
<b>TOTAL:</b>	<b>31,463.83</b>	<b>30,388.72</b>

Inventories have been pledged as security against certain bank borrowings of the company.

### 7. TRADE RECEIVABLES

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Unsecured and Considered good	23,891.68	24,728.48
<b>TOTAL:</b>	<b>23,891.68</b>	<b>24,728.48</b>

Trade receivables are netted with Bill discounting of Rs. 1,461.77 lakhs (March 31, 2019- Rs. 1,470.82 lakhs)

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Group does not hold any collateral or other credit enhancements over the balances of trade receivables.

Trade receivables have been given as collateral towards borrowings from financial institutions.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

### 8. CASH AND CASH EQUIVALENT

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Cash in hand	36.87	44.59
Unrestricted Balances with banks	254.14	140.35
<b>TOTAL:</b>	<b>291.01</b>	<b>184.94</b>

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 9. OTHER BALANCES WITH BANKS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Earmarked balances with Banks	786.07	1,469.11
<b>TOTAL:</b>	<b>786.07</b>	<b>1,469.11</b>

Earmarked balances with bank represents balances held for unpaid dividends and margin money against issue of bank guarantees, letter of credit, stand by letter of credit and security against tenders.

### 10. OTHER CURRENT ASSETS

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
(Unsecured, unconfirmed, Considered good)		
Advances to supplier	4,488.36	1,209.31
Capital Advances	168.27	290.92
Prepaid Expenses	226.96	190.41
Others	984.40	3,066.40
Export benefits and entitlements	585.70	516.99
Tax balances /recoverable/ credits	2,280.86	1,697.34
<b>TOTAL:</b>	<b>8,734.55</b>	<b>6,971.37</b>

### 11. EQUITY SHARE CAPITAL

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Authorised Capital</b>		
1,46,250,000 Equity Shares of Rs. 2/- each (63,750,000 equity shares as at March 31, 2019 )	2,925.00	1,275.00
<b>Issued, subscribed and fully paid -up capital</b>		
2,30,06,250 Equity Shares of Rs. 2/- each (2,30,06,250 equity shares as at March 31, 2019)	460.13	460.13
<b>TOTAL:</b>	<b>460.13</b>	<b>460.13</b>

The authorized capital of the Company has increased by Rs. 1650.00 Lakhs on account of Amalgamation of M/s Swachh Industries Limited.

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in ensuing general meeting.

The Company has issued 15,00,000 warrants convertible in equity shares within 18 months at Rs. 65/- each on 20th September 2019.

#### The details of shareholders holding more than 5% shares:

Name of Shareholder		As at 31.03.2020	As at 31.03.2019
Mr. Nitin Garg	No. of Shares	1486750	1486750
	% held	6.46	6.46

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 12. OTHER EQUITY

(Rs. in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
General reserve	3,762.44	3,762.44
Retained earnings	23,720.71	20,546.10
<b>Other reserves:</b>		
Security premium account	3,881.43	3,881.43
Capital Reserve	2,537.81	2,325.31
Share warrant	243.75	-
<b>Total</b>	<b>34,146.14</b>	<b>30,515.28</b>

#### (i) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.

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

#### (ii) Retained Earnings

Retained earnings are the profits that the company has earned till date less any transfer to general reserve, dividends or other distribution paid to shareholders.

#### (iii) Security Premium

The amount received in excess of face value of the equity shares is recognised in security premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

#### (iv) Capital Reserve

Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013

#### (v) Share Warrant

The Company has issued 15,00,000 warrants convertible in equity shares within 18 months at ₹ 65/- each on 20th September 2019

### 13. LONG-TERM BORROWINGS

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Term Loans:</b>		
Secured Loan	7,597.43	9,259.91
Unsecured Loans	-	-
<b>Other Loans</b>		
Related Parties	-	3,007.32
Others	-	-
Unamortised upfront fees on borrowing	(93.66)	(153.34)
<b>Net Amount</b>	<b>7,503.77</b>	<b>12,113.89</b>



## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

(Rs. in lakhs)

S. No.	Terms of repayments	31-Mar-20		31-Mar-19		Nature of Security
		Non-current	Current	Non-current	Current	
	<b>Rupee Term Loans From Banks (Secured)</b>					
1	8 quarterly installment of Rs. 65.00 lakhs each from 30.06.2020 to 30.03.2022	260.00	260.00	520.00	260.00	First charge on fixed assets of the Company located at A-42, A-45, A-51, A-59 & D-4 Industrial Area, Sikandrabad, Distt. Bulandshahr( U.P.) and Plot No. 2839 DhoomManikpur, Dadri (U.P.). and second charge on entire current assets of the Company, both present & future and personal guarantee of the directors of the Company and their relatives.
2	5 quarterly installment of Rs. 166.67 lakhs each from 16.04.2020 to 16.04.2021	166.67	666.66	833.33	666.67	
3	5 quarterly installment of Rs. 125.00 lakhs each from 31.05.2020 to 31.05.2021	125.00	500.00	625.00	500.00	
4	5 quarterly installment of Rs. 150.00 lakhs each from 31.05.2020 to 31.05.2021	150.00	600.00	750.00	612.61	
5	19 quarterly installment of Rs. 75.00 lakhs each from 29.06.2020 to 29.12.2024	1,125.00	300.00	1,425.00	87.74	
6	3 quarterly installment of Rs. 175.00 lakhs each from 30.06.2020 to 31.12.2020, 12 quarterly installment of Rs. 325.00 lakhs each from 31.03.2021 to 31.12.2023	3,575.00	850.00	4,425.00	666.10	First charge on entire fixed assets located at Village Bhachaudistt. Kutch, Gujarat and second paripassu charge on entire current assets located at Village Bhachaudistt. Kutch, Gujarat and personal guarantee of the directors of the Company
7	5 quarterly installment of Rs. 62.50 lakhs each from 05.05.2020 to 05.05.2021, 8 quarterly installment of Rs. 250.00 lakhs each from 05.08.2021 to 05.05.2023	2,062.50	250.00			Subservient charge on Current Asset and movable fixed assets of the Company both present and future and personal guarantee of the directors of the Company and their relatives.
	<b>Rupee Term Loans From NBFC (Secured)</b>					
8	10 monthly installment of Rs. 9.80 lakhs each from 05.04.2020 to 05.01.2021	-	98.86	98.04	119.46	First exclusive charge on specified Machinery located at Plot No. 2839 Dhoom Manikpur, Dadri (U.P.).
9	3 quarterly installment of Rs. 50.00 lakhs each from 05.04.2019 to 05.10.2019	-	-	-	151.26	First charge on fixed assets of the Company located at A-42, A-45, A-51, A-59 & D-4 Industrial Area, Sikandrabad, Distt. Bulandshahr (U.P.) and Plot No. 2839 Dhoom Manikpur, Dadri (U.P.). and second charge on entire current assets of the Company, both present & future and personal guarantee of the directors of the Company and their relatives.
10	7 quarterly installment of Rs. 32.50 lakhs each from 05.04.2020 to 05.10.2021	97.50	131.87	227.50	132.94	
11	13 monthly installment of Rs. 24.58 lakhs each from 05.04.2020 to 05.04.2021	24.58	297.45	319.58	299.70	
12	16 monthly installment of Rs. 2.28 lakhs (including interest) each from 18.04.2020 to 18.09.2021	11.18	25.54	36.46	23.69	
	<b>Rupee Term Loans From NBFC (Unsecured)</b>					
13	4 monthly installment of Rs. 16.67 lakhs each from 08.04.2019 to 08.07.2019	-	-	-	66.66	
14.	Unamortised upfront fees on borrowing	(93.66)		(153.34)		
		<b>7,503.77</b>	<b>3,980.38</b>	<b>9,106.57</b>	<b>3,586.83</b>	

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 14. LONG-TERM PROVISIONS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Provision for Employees Benefits		
Provision for Gratuity / Leave Benefits	449.30	376.91
<b>TOTAL:</b>	<b>449.30</b>	<b>376.91</b>

### 15. INCOME TAX

Income of companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. The Company has made the provision of current tax after set off of brought forward of MAT credit.

#### (a) Income tax expense / (benefits)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Current tax :</b>		
Current tax	1,006.27	984.51
Tax provision/(reversal) for earlier years	11.26	(45.40)
<b>Deferred tax :</b>		
Deferred tax	(285.88)	555.88
MAT Credit Entitlement/ Tax Adjustment	373.77	(120.27)
Total deferred tax	87.89	435.61
<b>Total Tax expense / (benefit)</b>	<b>1,105.42</b>	<b>1,374.72</b>

#### (b) Reconciliation of effective tax rate :

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Net income before taxes	4,492.53	4,520.51
Enacted tax rate in India	34.944%	34.944%
Computed tax expense	1,569.87	1,579.65
Increase/(reduction) in taxes on account of:		
Income exempt from taxation /Items not deductible	(189.84)	(159.52)
Adjustment in respect of deferred tax on account of increase in rate of tax	(285.88)	-
Effect of tax pertaining to prior years	11.26	(45.40)
Tax expense for the year	1,105.41	1,374.72
Effective income tax rate	<b>24.61</b>	<b>30.41</b>

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective from 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

During the year ended 31 March 2020, Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Based on the detailed assessment carried out by the management, deferred tax liabilities on temporary differences expected to reverse during the period in which the Company would be under the new tax regime and accordingly applied the new rate for measuring the said deferred tax liabilities in accordance with the requirements of IND AS 12 - 'Income Taxes'. This has resulted in reversal of deferred tax liabilities amounting to ₹ 285.88 Lakhs.

### DEFERRED TAX LIABILITY (Net)

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax Liability</b>		
Deferred tax liabilities (net)	3,085.76	3,371.65
MAT credit entitlement	-	(373.77)
<b>TOTAL:</b>	<b>3,085.76</b>	<b>2,997.88</b>

Deferred tax balance in relation to	As at 31 March 2019	Recognised/ reversed through profit and loss	Recognised in/ reclassified from OCI	As at 31 March 2020
Property, plant and equipment	3,405.35	(243.00)	-	3,162.35
Provisions	(33.70)	(42.89)	-	(76.59)
<b>Total</b>	<b>3,371.65</b>	<b>(285.89)</b>	<b>-</b>	<b>3,085.76</b>

Deferred tax balance in relation to	As at 1 April 2018	Recognised/ reversed through profit and loss	Recognised in/ reclassified from OCI	As at 31 March 2019
Property, plant and equipment	3,080.49	324.86	-	3,405.35
Provisions	(264.73)	231.03	-	(33.70)
<b>Total</b>	<b>2,815.76</b>	<b>555.89</b>	<b>-</b>	<b>3,371.65</b>

Movement in MAT credit entitlement:

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of year	373.77	219.90
Add: MAT credit entitlement availed during the year	-	153.87
Less: reversal of MAT credit entitlement	(373.77)	-
<b>Balance at the end of year</b>	<b>-</b>	<b>373.77</b>

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 16. SHORT TERM BORROWINGS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Secured Loans:</b>		
From Banks (Working Capital Loan )	39,514.93	34,685.59
<b>TOTAL:</b>	<b>39,514.93</b>	<b>34,685.59</b>

Working capital limits from Banks comprising of Cash credit Limits / Export credit Limits / Bills discounted/ Buyer's Credit are secured by first charge on entire current assets of the Company including stocks of raw-materials, work-in-progress, stock lying in godown and ports, finished goods and book debts both present & future and equitable mortgage of two immovable properties belonging to the directors of the Company and their relatives, situated at Plot No. II -F - 166 & II - F-167 , Nehru Nagar, Ambedkar Road , Ghaziabad (U.P.) . Working capital limits from Banks are further secured by way of second charge on entire fixed assets of the Company, and personal guarantee of the directors of the Company and their relatives. However, enhanced working capital limits of Rs. 25.00 Crore from IDFC First Bank Ltd and Rs. 20.00 Crore from HDFC Bank Ltd are not having second charge on fixed assets located at Village Bhachaudistt. Kutch, Gujarat.

### 17. TRADE PAYABLES

<b>A. Total Outstanding dues of mirco and small enterprises</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Dues of micro and small enterprises	0.05	17.22
<b>B. Total Outstanding dues of creditors other than mirco and small enterprises</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Creditors for supplies and services	6,782.86	9,865.56

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

	As at 31.03.2020	As at 31.03.2019
(i) Principal amount remaining unpaid to supplier at the end of the year	0.05	17.22
(ii) Interest due / accrued thereon remaining unpaid to supplier at the end of the year	*	0.02
(iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-

\*represents Rs.78.00

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 18. SHORT-TERM PROVISIONS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Mark-to-market on forward	128.64	0.16
Provision for:		
Current Taxes	271.71	59.93
<b>TOTAL:</b>	<b>400.35</b>	<b>60.09</b>

### 19. OTHER CURRENT LIABILITIES

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Current maturities of long-term debt (Refer Note No. 13)	3,980.38	3,586.83
Unclaimed Dividends	24.59	26.47
Creditors for Capital Expenditure	329.93	253.16
Advance received from customer	428.60	1,080.76
Statutory dues	73.81	125.74
Other Payables	2,722.92	1,774.41
<b>TOTAL:</b>	<b>7,560.23</b>	<b>6,847.37</b>

### 20. REVENUE FROM OPERATIONS

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Sale of products	158,723.57	162,728.26
Job Charges Received	2,286.90	780.16
<b>Other operating revenues</b>		
Export Benefits	1,700.05	1,928.43
Exchange Fluctuation	671.37	688.01
<b>TOTAL:</b>	<b>163,381.89</b>	<b>166,124.86</b>

#### Impact of Covid -19 (Global Pandemic)

In view of global nature of the pandemic Covid-19 and the uncertainty around its severity and duration of the impact, it is difficult to determine a potential impact on financial performance of the Group in near future.

The Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

### 21. OTHER INCOME

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Interest Income	106.26	343.81
Other Income	252.17	-
<b>TOTAL:</b>	<b>358.43</b>	<b>343.81</b>

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 22. COST OF RAW MATERIAL CONSUMED

(Rs. in lakhs)

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Inventory at the beginning of the year	9,023.34	8,408.76
Add: Purchases	117,843.26	130,816.96
	126,866.60	139,225.72
Less: Inventory at the end of the year	11,063.84	9,023.34
<b>Cost of raw material consumed</b>	<b>115,802.76</b>	<b>130,202.38</b>

### 22.1 VALUE OF IMPORTED/INDEGENOUS RAW MATERIAL CONSUMED

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Imported	3,889.43	7,039.50
Imported (% of consumption)	3.36%	5.41%
Indigenous	111,913.33	123,162.88
Indigenous (% of consumption)	96.64%	94.59%
<b>TOTAL:</b>	<b>115,802.76</b>	<b>130,202.38</b>

### 23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Inventories at the beginning of the year		
Work-in-progress	6,618.70	5,467.09
Finished goods / Stock-in-Trade	13,699.62	9,212.07
	20,318.32	14,679.16
Inventories at the end of the year		
Work-in-progress	5,652.58	6,618.70
Finished goods / Stock-in-Trade	13,649.12	13,699.62
	<b>19,301.69</b>	<b>20,318.32</b>
<b>TOTAL:</b>	<b>1,016.63</b>	<b>(5,639.16)</b>

### 24. EMPLOYEE BENEFIT EXPENSES

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Salaries, Wages & Bonus	7,813.80	6,615.13
Contribution to provident and other fund	334.56	310.89
Staff Welfare Expenses	189.88	176.81
<b>TOTAL:</b>	<b>8,338.24</b>	<b>7,102.83</b>



## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 25. FINANCE COST

(Rs. in lakhs)

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Interest on borrowings	5,491.13	5,586.20
Bank commission & charges	474.68	580.07
Unwinding of interest on financial liabilities carried at amortised cost	52.01	59.90
Less : Capitalization of finance cost	-	(150.62)
<b>TOTAL:</b>	<b>6,017.82</b>	<b>6,075.55</b>

### 26. DEPRECIATION & AMORTIZATION EXPENSES

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Depreciation on property, plant & equipment	2,634.58	2,363.58
<b>TOTAL:</b>	<b>2,634.58</b>	<b>2,363.58</b>

### 27. OTHER EXPENSES

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Consumption of stores and spares	4,904.98	4,486.73
Power & Fuel Expenses	6,131.69	5,804.15
Processing Charges	2,391.68	1,329.79
Repairs & Maintenance :		
a) Plant & Machinery	1,103.16	716.77
b) Building	75.11	79.73
c) Others	115.43	149.59
Freight & Forwarding	5,902.21	4,860.93
Advertisement	10.88	28.79
Commission & Rebate	919.28	1,022.89
Selling & Sales Promotion	67.76	84.97
Packing Materials	1,710.19	1,107.75
Printing & Stationery	46.99	44.87
Postage, Telegram & Telephone	61.37	57.50
Travelling and Conveyance	979.46	819.59
Legal & Professional Expenses	330.26	239.20
Insurance	122.56	90.84
Rates, Taxes & Fees	204.36	121.46
CSR Expenses	58.87	43.34
Miscellaneous Expenses	265.50	248.01
Loss on Sale of Fixed Assets	5.20	55.04
<b>TOTAL:</b>	<b>25,437.34</b>	<b>21,391.94</b>

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 27.1. VALUE OF STORES & SPARES CONSUMED

(Rs. in lakhs)

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Imported	4.57	4.96
Imported (% of consumption)	0.09%	0.11%
Indigenous	4,900.41	4,481.77
Indigenous (% of consumption)	99.91%	99.89%
<b>TOTAL:</b>	<b>4,904.98</b>	<b>4,486.73</b>

### 28. PAYMENT TO AUDITORS AS:

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Auditors		
Statutory Audit Fees	5.18	4.93
Tax Audit Fees	-	-
Certificate and Consultation Fees	-	-
<b>TOTAL:</b>	<b>5.18</b>	<b>4.93</b>

### 29. EARNING PER SHARE:

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
Net profit after tax as per Statement of Profit and Loss		
attributable to Equity Shareholders (₹ in Lakhs)	3,387.11	3,145.78
Weighted average No. of Equity Shares	23,006,250	23006250
<b>Basic and Diluted Earning per share (₹)</b>	<b>14.72</b>	<b>13.67</b>
Face value per equity share (₹)	2.00	2.00

### 30. Financial instruments

#### 30.1. Capital risk management

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
Long term borrowings	7,503.77	9,106.57
Current maturities of long term debt	3,980.38	3,586.83
Short term borrowings	39,514.93	34,685.59
Less: Cash and cash equivalent	(291.01)	(184.94)
Less: Bank balances other than cash and cash equivalent	(786.07)	(1,469.11)
<b>Net debt</b>	<b>49,922.00</b>	<b>45,724.94</b>
<b>Total equity</b>	<b>34,606.27</b>	<b>30,975.41</b>
Gearing ratio	1.44	1.48

- Equity includes all capital and reserves of the Group.
- Debt is defined as long term (excluding other loans from related parties) and short term borrowings.

### 30.2 Categories of financial instruments

DESCRIPTION	31st March, 2020		31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Non-current investment	-	-	-	-
Trade receivables	23,891.68	23,891.68	24,728.48	24,728.48
Cash and cash equivalents	291.01	291.01	184.94	184.94
Bank balances other than cash and cash equivalents	786.07	786.07	1,469.11	1,469.11
<b>Total financial assets at amortised cost (A)</b>	<b>24,968.76</b>	<b>24,968.76</b>	<b>26,382.53</b>	<b>26,382.53</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Long term Borrowings #	11,484.15	11,484.15	15,700.73	15,700.73
Short term Borrowings	39,514.93	39,514.93	34,685.59	34,685.59
Trade payables	6,782.91	6,782.91	9,882.78	9,882.78
<b>Total financial liabilities carried at amortised cost (B)</b>	<b>57,781.99</b>	<b>57,781.99</b>	<b>60,269.11</b>	<b>60,269.11</b>

# including current maturities of long term debt.

### 30.3 Financial risk management

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

- Credit risk and
- Liquidity risk

### 30.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

### 30.5 Foreign currency risk management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Group hedges its payables as when the exposure arises.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable rules and regulations where the Group operates.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are as follows:

#### Currency exposure as at 31 March 2020

(Rs. in lakhs)

DESCRIPTION	USD	EURO	GBP	INR	Total
<b>Financial assets</b>					
Trade receivables	3,053.99	815.96	52.83	19,968.90	23,891.68
Bank balances other than cash and cash equivalents	-	-	-	786.07	786.07
Advance to supplier	84.02	-	1.47	4,402.87	4,488.36
Capital advances	9.20	1.47	-	157.60	168.27
<b>Total financial assets</b>	<b>3,147.21</b>	<b>817.43</b>	<b>54.30</b>	<b>25,315.44</b>	<b>29,334.38</b>
<b>Financial liabilities</b>					
Short term borrowings	616.17	25.90	-	38,872.86	39,514.93
Trade payables	-	-	-	6,782.91	6,782.91
Advance recd from customer	37.61	45.00	1.75	344.24	428.60
Creditors for capital expenditure	-	182.30	-	147.63	329.93
<b>Total financial liabilities</b>	<b>653.78</b>	<b>253.20</b>	<b>1.75</b>	<b>46,147.64</b>	<b>47,056.37</b>

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

Currency exposure as at 31 March 2019

(Rs. in lakhs)

DESCRIPTION	USD	EURO	GBP	INR	Total
<b>Financial assets</b>					
Trade receivables	988.86	1,925.84	114.83	21,698.95	24,728.48
Bank balances other than cash and cash equivalents	-	-	-	1,469.11	1,469.11
Advance to supplier	-	-	-	1,209.31	1,209.31
Capital advances	10.28	-	1.77	278.86	290.91
<b>Total financial assets</b>	<b>999.14</b>	<b>1,925.84</b>	<b>116.60</b>	<b>24,656.23</b>	<b>27,697.81</b>
<b>Financial liabilities</b>					
Short term borrowings	-	32.57	73.16	34,579.86	34,685.59
Trade payables	1,226.57	-	-	8,656.21	9,882.78
Advance recd from customer	135.41	221.91	10.16	713.29	1,080.77
Creditors for capital expenditure	1.15	-	-	252.02	253.17
<b>Total financial liabilities</b>	<b>1,363.13</b>	<b>254.48</b>	<b>83.32</b>	<b>44,201.38</b>	<b>45,902.31</b>

The following table details the Group's sensitivity impact of 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis for outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

DESCRIPTION	Increase		Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Receivable				
USD/INR	41.75	30.02	(41.75)	(30.02)
Payable				
USD/INR	8.54	12.77	(8.54)	(12.77)

Particulars of outstanding Short term forward exchange contracts entered into by the Group

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>BUY</b>		
No. of Contract	0	15.00
US \$ equivalent	0	3,501,922.27
INR equivalent	-	2,422.33
MTM	-	(38.92)
<b>SELL</b>		
No. of Contract	43	26
US \$ equivalent	8,391,975	3,309,666
INR equivalent	6,326.37	2289.338998
MTM	(128.64)	111.54

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### Unhedged Currency Risk position :

#### 1) Amounts receivable in foreign currency

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Trade Receivable</b>		
US equivalent (in USD)	-	1,030,325
INR equivalent	-	712.69
<b>Capital Advances</b>		
US equivalent (in USD)	15,096	18,454
INR equivalent	10.67	12.06
<b>Advances to Suppliers</b>		
US equivalent (in USD)	119,281	-
INR equivalent	89.92	-

#### II) Amounts payable in foreign currency

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<b>Trade Payable/ Creditors for Capital Expenditure</b>		
US equivalent (in USD)	248,787	1,603
INR equivalent	182.30	1.14
<b>Bank Borrowings</b>		
US equivalent (in USD)	884,089	148,698
INR equivalent	642.06	105.73
<b>Advance received from customer</b>		
US equivalent (in USD)	118,644	526,566
INR equivalent	84.35	370.82

### 30.6 Commodity price risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Group. These prices may be influenced by factors such as demand and supply, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its steel products.

The Group primarily procured its raw materials i. e. HR Coil, Angle shape and section, Ingot, Zinc etc. in the open market from third parties during the financial year ended 31.03.2020 and is therefore subject to fluctuations in prices.

The Group aims to sell the products at prevailing market prices. Similarly the Group procures key raw materials like HR Coil, Angle shape and section, Ingot and Zinc based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

The Group as a matter of policy has not hedged the commodity risk.

The following table details the Group's sensitivity to a 5% movement in the input price of HR Coil, Angle shape and section, Ingot, Zinc etc. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit where the commodity prices increase by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit, and the balances below would be negative.



## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

(Rs. in lakhs)

DESCRIPTION	Increase		Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
HR Coil, Angle shape and section, Ingot, Zinc	6,051.18	6,499.24	(6,051.18)	(6,499.24)

### 30.7 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 Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in MCLR rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31 March 2020 would decrease / increase by ` 476.47 lakhs (for the year ended 31 March 2019: decrease / increase by ` 423.94 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### 30.8 Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has adopted a policy of only dealing with creditworthy counterparties.

Customer credit risk is managed centrally by the Group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

### Ageing of Trade Receivable

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
0-180 days	20,038.49	21,024.77
180-365 days	660.34	1,229.14
Above 365 days	3,192.85	2,474.57

### 30.9 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The management of the Group has established an appropriate liquidity risk management framework for Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

### Liquidity exposure as at 31 March 2020

(Rs. in lakhs)

DESCRIPTION	< 1 Year	1-5 Year	> 5 Year	Total
<b>Financial assets</b>				
Trade receivables	23,891.68	-	-	23,891.68
Cash and cash equivalents	291.01	-	-	291.01
Bank balances other than cash and cash equivalents	786.07	-	-	786.07
<b>Total financial assets</b>	<b>24,968.76</b>	<b>-</b>	<b>-</b>	<b>24,968.76</b>
<b>Financial liabilities</b>				
Long term borrowings	3,980.38	7597.43	-	11,577.81
Short term borrowings	39,514.93	-	-	39,514.93
Trade payables	6,782.91	-	-	6,782.91
<b>Total financial liabilities</b>	<b>50,278.22</b>	<b>7,597.43</b>	<b>-</b>	<b>57,875.65</b>

### Liquidity exposure as at 31 March 2019

DESCRIPTION	< 1 Year	1-5 Year	> 5 Year	Total
<b>Financial assets</b>				
Trade receivables	24,728.48	-	-	24,728.48
Cash and cash equivalents	184.94	-	-	184.94
Bank balances other than cash and cash equivalents	1,469.11	-	-	1,469.11
<b>Total financial assets</b>	<b>26,382.53</b>	<b>-</b>	<b>-</b>	<b>26,382.53</b>
<b>Financial liabilities</b>				
Long term borrowings	3,261.19	9361.64	3231.24	15,854.07
Short term borrowings	34,685.59	-	-	34,685.59
Trade payables	9,882.78	-	-	9,882.78
<b>Total financial liabilities</b>	<b>47,829.56</b>	<b>9,361.64</b>	<b>3,231.24</b>	<b>60,422.44</b>

The Group has pledged its trade receivables and cash & cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered.

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 31. RELATED PARTY DISCLOSURES:

As per Ind AS-24, the disclosure of transactions with the related parties are given below:

- (i) **List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Name of Related Party	Relationship
Shri M. C. Garg, Chairman	Key Management Personnel
Shri R. C. Garg, Director	
Shri Nitin Garg , Director	
Shri Manish Garg	Relatives of Key Management Personnel
Shri Umesh Garg	
Shri Harsh Garg	
Excellent Fincap Pvt. Ltd.	Others (Enterprises Over which Key Management Personnel are able to exercise significant influence)

- ii) **Transactions during the year with related parties:**

(Rs. in lakhs)

Nature of Transactions	Subsidiary	Key Management Personnel	Relatives of Key Mgt. Personnel	Others	Total
<u>Loans Taken:</u>					
Current Year	-	-	-	126.00	126.00
Previous Year	-	-	-	872.00	872.00
<u>Loans Repaid/ Given:</u>					
Current Year	-	-	-	3,334.95	3,334.95
Previous Year	-	-	-	598.06	598.06
<u>Interest Paid:</u>					
Current Year	-	-	-	9.46	9.46
Previous Year	-	-	-	233.33	233.33
<u>Remuneration Paid:</u>					
Current Year	-	182.12	104.12	-	286.24
Previous Year	-	154.80	81.60	-	236.40

- (iii) **Balances with related parties as at March 31, 2020 :**

	Subsidiary	Key Management Personnel	Relatives of Key Mgt. Personnel	Others	Total
<u>Unsecured Loans</u>					
Current Year	-	-	-	-	-
Previous Year	-	-	-	3,007.32	3,007.32
<u>Outstanding Loan &amp; Receivables</u>					
Current Year	-	-	-	193.11	193.11
Previous Year	-	-	-	-	-
<u>Other Liabilities</u>					
Current Year	-	8.37	4.56	-	12.93
Previous Year	-	8.70	4.60	-	13.30

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 32. CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in lakhs)

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
<u>Contingent Liabilities</u>		
1. Outstanding bank guarantees issued by the banks & counter guaranteed by the Group and other guarantees	3,294.39	3,315.22
2. Bills discounted with Banks	1,461.77	1,470.82
3. Disputed demand under Central Excise & Commercial Tax U.P.	30.90	128.88
<u>Commitments</u>		
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	654.47	790.92

### 33. Additional Information

#### EARNING IN FOREIGN CURRENCY

DESCRIPTION	Year ended on 31st March, 2020	Year ended on 31st March, 2019
FOB Value of Exports	42,492.36	45,899.37

### 34. SEGMENT INFORMATION

The Group is in the business of manufacturing and sale of steel products. Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Group has monthly review and forecasting procedure in place and CODM reviews the operations of the Group as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

#### a) Revenue from operations

The following information discloses revenue from external customers based on geographical areas :

DESCRIPTION	As at 31.03.2020	As at 31.03.2019
- Within India	118,135.28	117,520.15
- Outside India	42,875.19	45,988.27
<b>Total Revenue</b>	<b>161,010.47</b>	<b>163,508.42</b>

#### b) Non-current operating assets

All non –current assets of the Group are located in India.

### 35. Enterprises consolidated as subsidiary in accordance with Ind AS 110-Consolidated Financial Statements

Name of Enterprise	Country of Incorporation	Proportion of ownership interest
GLS Steel India Limited	India	100%
GLS Engineering India Limited	India	100%
GLS Metallica India Limited	India	100%

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

### 36. Disclosure of additional information pertaining to the Parent Company and Subsidiaries as per Schedule III of Companies Act, 2013

(Rs. in lakhs)

Particulars	Goodluck India Limited	GLS Steel India Ltd.	GLS Engineering India Ltd.	GLS Metallica India Limited	Total
% of Consolidated Net Assets	100.00	0.00	0.00	0.00	100.00
Net Assets (Amt in lakhs)	34,604.97	0.46	0.45	0.39	34606.27
% of Consolidated profit or loss	100.03	(0.01)	(0.01)	(0.01)	100.00
Profit or loss (Amt in lakhs)	3,387.82	(0.21)	(0.22)	(0.28)	3387.11

### 37. Sailable features of financial statements of subsidiaries as per Companies Act, 2013

Particulars	GLS Steel India Ltd.	GLS Engineering India Limited	GLS Metallica India Limited
Reporting Currency	INR	INR	INR
Equity share capital	1.00	1.00	1.00
Other equity	(0.54)	(0.55)	(0.61)
Total assets	1.60	1.59	1.54
Total liabilities	1.14	1.14	1.14
Turnover	-	-	-
Profit (losses) before taxes	(0.21)	(0.22)	(0.28)
Provision for taxation	-	-	-
Profit (losses) after taxes	(0.21)	(0.22)	(0.28)
% of shareholding	100%	100%	100%

### Name of the Subsidiaries which is yet to commence operations -

#### Name of the Company

1. GLS Steel India Limited
2. GLS Engineering India Limited
3. GLS Metallica India Limited

**38.** During the year, the Group has incurred an amount of Rs. 58.87 Lakhs. (Previous year Rs. 43.34 Lakhs) towards Corporate Social responsibility expenditure.

### 39. Impact of Covid -19 (Global Pandemic) on Going Concern

The outbreak of Covid-19 pandemic globally and in India is causing significant disturbances and slowdown of economic activity. To contain the spread of Covid-19 in India, the Ministry of Health Affairs vide order No.40-3/2020 dated 24 March, 2020 notified the first ever nationwide lockdown. Due to Covid-19 concerns, the Group temporarily suspended its operations from 23 March, 2020.

Subsequently, considering the permissions granted by the Local Authorities based on the guidelines issued by the Government of India and State Governments from time to time and the demand for the products from our customers; the operations of the Group were resumed.

The Group is closely monitoring the business environment and material changes to future economic conditions.

## Notes on Consolidated Financial Statement for the year ended 31st March, 2020

40. The previous year figures have been regrouped / reclassified / rearranged, wherever necessary to confirm to the current year presentation.

As per our report of even date annexed hereto  
For **Vipin Kumar & Company**  
Chartered Accountants  
Firm Registration No. 002123C

On behalf of the Board of Directors  
For **Goodluck India Limited**

**(V.K. AGARWAL)**  
Prop.  
M.No. 071279  
UDIN: 20071279AAAABC4727

**(M.C.GARG)**  
Chairman  
DIN NO. 00292437

**(R.C.GARG)**  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 15th July 2020

**(ABHISHEK AGRAWAL)**  
Company Secretary

**(SANJAY BANSAL)**  
C.F.O.



## **GOODLUCK INDIA LIMITED**

(formerly Good Luck Steel Tubes Limited)

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[www.goodluckindia.com](http://www.goodluckindia.com)

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