

DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the 30th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2021.

Pursuant to notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (as amended from time to time) with effect from 1st April, 2016 and the accounts are prepared under Ind AS.

FINANCIAL HIGHLIGHTS

The Boards Report is prepared based on the Standalone Financial Statements of the Company. The summary of the financial results for the year and appropriation of divisible profits is given below:

| PARTICULARS | STANDALONE | | CONSOLIDATED | |
|---------------------------------------------------------------|------------|-----------|--------------|-----------|
| | 2020-2021 | 2019-2020 | 2020-2021 | 2019-2020 |
| Net Revenue from Operations & Other Income | 4734.13 | 3826.38 | 4734.15 | 3826.38 |
| Profit Before Interest, Depreciation & Taxes | 561.49 | 291.49 | 561.42 | 291.49 |
| Less: | | | | |
| a. Finance Costs | 5.77 | 9.36 | 5.77 | 9.36 |
| b. Depreciation & Amortization Expenses | 103.25 | 100.78 | 103.25 | 100.78 |
| c. Provision for Taxation (including Deferred Tax) | 114.33 | 35.51 | 114.33 | 35.51 |
| Net Profit for the Year | 338.14 | 145.84 | 338.07 | 145.84 |
| Other Comprehensive Income and other adjustments | 0.94 | 0.04 | 0.94 | 0.04 |
| Total Comprehensive Income for the year | 339.08 | 145.88 | 339.01 | 145.88 |
| Earnings Per Share (Face Value of ₹ 2/- each)-Basic & Diluted | 14.74 | 6.36 | 14.74 | 6.36 |

Note: Previous year's figures have been regrouped / reclassified wherever necessary in conformity with Indian Accounting Standards (Ind AS) to correspond with the current year's classification / disclosure and may not be comparable with the figures reported earlier.

DIVIDEND

The Company has a consistent track record of dividend payment. Based on Company's performance, the Board of Directors at its meeting held on 22nd May, 2021 recommended final dividend of ₹ 0.60/- per equity share of ₹ 1/- each for the financial year 2020-2021 amounting to ₹ 13.76 crores, subject to the approval of Members at the ensuing Annual General Meeting of the Company.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), the Dividend Distribution Policy of the Company aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Dividend Distribution Policy of the Company is displayed on the website of the Company.

(URL: <https://www.ambujagroup.com/wp-content/uploads/2019/05/Dividend-Distribution-Policy.pdf>)

BUSINESS OPERATIONS / STATE OF THE COMPANY'S AFFAIRS

a. Operational Performance

The Company recorded operational revenue of ₹ 4705.30 crores as compared to ₹ 3816.59 crores during the previous financial year. The Company achieved EBIDTA margin of 11.93% in F.Y. 2020-2021 against the same at the level of 7.63% in F.Y. 2019-2020.

Export Sales for the F.Y. 2020-2021 was ₹ 1549.05 crores as compared to ₹ 569.02 crores for the F.Y. 2019-2020 mainly due to demand in international market.

The Company achieved Earnings before Interest, Depreciation and Tax (EBIDTA) of ₹ 561.49 crores for the F.Y. 2020-2021 against that of ₹ 291.49 crores for the F.Y. 2019-2020.

b. Capital Projects for the year 2020-2021

During the year, the Company has invested about ₹ 50.24 crores in the ongoing projects mainly into routine capital expenditures in modifications of existing projects. This investment was for its maize processing units at all locations and agro processing segments.

Apart from routine capital expenditures on the ongoing projects, the Company has invested ₹ 94.13 crores in the new projects which also includes ₹ 34.52 crores towards green field project of 1000 TPD at Malda in West Bengal. The execution work on the green field project of 1000 TPD Maize processing facility at Malda in West Bengal is progressing well and plant is expected to be commissioned by March 2022.

SHARE CAPITAL

As on 31st March, 2021 the issued, subscribed and paid up capital of the Company stood at ₹ 22,93,35,330/- comprising of 22,93,35,330 equity shares of ₹ 1/- each. This is subsequent to the sub-division of one equity share of your Company having face value of ₹ 2/- into two equity shares of face value of ₹ 1/- each and consequent alteration in the Capital Clause of the Memorandum of Association of the Company.

During the year under review, the Company has not issued shares with differential voting rights or granted stock options or issued sweat equity.

TRANSFER TO RESERVE

The Company has not transferred any amount to the General Reserve for the financial year ended 31st March, 2021.

CORPORATE MATTERS

a. Corporate Governance

The Company makes due compliance of Corporate Governance guidelines and requirements of the Listing Regulations. In compliance with Regulations 17 to 22 and Regulation 34 of the Listing Regulations, a separate report on Corporate Governance, along with a certificate from the Statutory Auditors confirming the compliance of Corporate Governance requirements is annexed as **Annexure-A** to this report.

b. Management Discussion and Analysis

A statement on management discussion and analysis with detailed highlights of performance of different divisions / segments of the Company is annexed as **Annexure-B** to this report.

c. Business Responsibility Report

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report on Company's business as required by Regulation 34(2) of the Listing Regulations, initiatives on environmental, social and governance aspects is annexed as **Annexure-C** forming part of this report.

SUBSIDIARY COMPANY

The Company does not have any associate company or joint venture. During the year under review, the Company has acquired 100% equity shares of Mohit Agro Commodities Processing Private Limited on 9th September, 2020 to support the business operations of the Company, thereby making it as wholly owned subsidiary of the Company.

Further pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is set out as **Annexure- D** to this report.

In accordance with Section 136 (1) of Act, the annual report of your Company containing inter alia, financial statements including consolidated financial statements, are available on website of the Company (URL: <https://www.ambujagroup.com/>). Further, the financial statements of the subsidiary are also available on the website of the Company (URL: <https://www.ambujagroup.com/>). These documents will also be available for inspection during working hours at the registered office of your Company at Ahmedabad, Gujarat. Any member interested in obtaining such document may write to the Company Secretary and the same shall be furnished on request.

AMALGAMATION OF MOHIT AGRO COMMODITIES PROCESSING PRIVATE LIMITED (MACPPL) WITH THE COMPANY

The Company is in process of amalgamating MACPPL, wholly owned subsidiary of the Company with the Company and is in the process of getting final approval from various statutory / regulatory bodies.

FINANCE AND INSURANCE

a. Working Capital

The Working Capital ("WC") requirements of the Company during the year was almost at the similar level at which it has started at the beginning of the year. The year started with moderate use of WC limits of about ₹ 146 crores in April 2020. It peaked to around ₹ 230 crores in January 2021 and ended with almost at similar level of WC limits of around ₹ 151 crores in March 2021. WC limits were maintained at the same level mainly on account of deployment of internal accruals. The WC limits use composition was around 40% for fund based limits and around 60% trade credit for imports on average basis.

During the F.Y. 2020-2021, the Company has not raised any funds through Commercial Paper ("CP"). The CP market has lower appetite of investors due to NBFC and infrastructure segment crisis and preference for highest rating. This has resulted in higher cost of borrowing through CP.

The Company has a rating of AA-/Stable with positive outlook for long term working capital facilities from CRISIL as per the applicable regulatory norms. Rating was upgraded from A+/Positive during the financial year due to better management of working capital and internal accruals. The details of the Credit Rating is available on the Company website at (URL: https://www.ambujagroup.com/wp-content/uploads/2020/12/Credit%20Rating_02.12.2020.pdf).

b. Term Loans

During the F.Y. 2020-2021, the Company has not availed any fresh term loan.

c. Insurance

All assets and insurable interests of the Company, including building, plant & machineries, stocks, stores and spares have been adequately insured against various risks and perils. The Company has also taken Director's and Officer's Liability Policy to provide coverage against the liabilities arising on them.

PUBLIC DEPOSITS

During the period under report, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended from time to time).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company is well supported by the knowledge and experience of its Directors and Executives. Pursuant to provisions of the

Companies Act, 2013 and Articles of Association of the Company, Mr. Manish Gupta, Chairman & Managing Director of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Brief resume, nature of expertise, details of directorships held in other companies of the above Director proposed to be re-appointed, along with his shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an annexure to the Notice of the Annual General Meeting.

Mr. Dinesh Shah, Chief Financial Officer of the Company retired from the post of Chief Financial Officer w.e.f. 20th October, 2020. The Company places on record, appreciation for the services rendered by him during his tenure.

The Board of Directors of the Company at its meeting held on 20th October, 2020 has approved the appointment of Mr. Mehul Shah as Chief Financial Officer of the Company w.e.f. 20th October, 2020, based on the recommendation of the members of the Nomination and Remuneration Committee at their meeting held on 20th October, 2020.

The second tenure of Mr. Rohit Patel as Independent Director completed on close of business hours of 31st March, 2021 and accordingly he ceased to be director w.e.f. 1st April, 2021. The Company places on record, appreciation for the services rendered by him as the Director of the Company.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and not debarred or disqualified by the SEBI / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Director of the Company or any other Company where such Director holds such position in terms of Regulation (10)(i) of Part C of Schedule V of Listing Regulations. A Certificate to this effect, duly signed by Mr. Niraj Trivedi, Practicing Company Secretary is annexed as **Annexure-E** to this report.

Key Managerial Personnel:

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the following are the Key Managerial Personnel of the Company:

1. Mr. Manish Gupta: Chairman & Managing Director;
2. Mr. Sandeep Agrawal: Whole-Time Director;
3. Mr. Dinesh Shah: Chief Financial Officer (upto 20.10.2020);
4. Mr. Mehul Shah: Chief Financial Officer (w.e.f. 20.10.2020);
5. Ms. Chetna Dharajiya: Company Secretary.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013 ("Act"), in relation to financial statements of the Company for the year ended 31st March, 2021, the Board of Directors states that:

- a. in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. 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 and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended 31st March, 2021;
- c. the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. the annual accounts / financial statements have been prepared on a 'going concern' basis;
- e. proper internal financial controls are in place and are operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 (as amended from time to time), is set out herewith as **Annexure-F** to this report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, BETWEEN BALANCE SHEET DATE AND DATE OF DIRECTORS' REPORT

There were no material changes and commitments between the end of the financial year of the Company to which the Financial Statements relates and date of Directors' Report affecting the financial position of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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.

RELATED PARTY TRANSACTIONS

During the F.Y. 2020-2021, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and as per 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. The details of the related party transactions as per Indian Accounting Standard (Ind AS) - 24 are set out in Note No. 40 to the Standalone Financial Statements forming part of this Annual Report.

Further the transactions of the Company with person or entity belonging to the promoter / promoter group i.e. Mr. Manish Gupta and Mrs. Sulochana Gupta who hold(s) 10% or more shareholding in the Company are set out in Note No. 40(b)(e) to the Standalone Financial Statements forming part of this Annual Report.

The Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure- G** to this report.

AUDITORS

a. Statutory Auditors and Auditor's Report

As per the provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) at the 26th Annual General Meeting of the Company held on 9th September, 2017, the Members of the Company had appointed M/s. Arpit Patel & Associates, Chartered Accountants (Firm Registration No. 144032W), as Statutory Auditors of the Company to hold the office for a term of 5 (five) years from the conclusion of 26th (twenty sixth) Annual General Meeting till the conclusion of the 31st (thirty first) Annual General Meeting to be held in the year 2022.

The Statutory Auditors' report does not contain any qualification, reservation or adverse remark and is self-explanatory and unmodified and thus does not require any further clarifications / comments. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

b. Cost Auditors

The Company had appointed M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad (Membership No. 7907) as Cost Auditors of the Company for audit of cost accounting records of its activities for the F.Y. 2020-2021. Pursuant to Section 148 of the Companies Act, 2013 read with the Rules issued thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company, on the recommendations made by the Audit Committee, at its meeting held on 22nd May, 2021, has approved the appointment of M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad (Membership No. 7907) as Cost Auditor of the Company to conduct the audit of cost records for the F.Y. 2021-2022. The remuneration proposed to be paid to the Cost Auditors, subject to ratification of members at the ensuing 30th Annual General Meeting, would not exceed ₹ 2,20,000/- (Rupees Two Lacs Twenty Thousand Only) excluding taxes and out of pocket expenses, if any.

The Company has received certificate from the Cost Auditors for eligibility u/s 141(3)(g) of the Companies Act, 2013 for appointment as Cost Auditors and his / its independence and arm's length relationship with the Company.

c. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Niraj Trivedi, Practicing Company Secretary, Vadodara as Secretarial Auditors of the Company for the F.Y. 2020-2021 to conduct Secretarial Audit and the Secretarial Audit Report in Form MR-3 was furnished by him. The Secretarial Audit Report is annexed herewith as **Annexure-H** to this report. The Secretarial Auditors' report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further clarifications / comments.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted Vigil Mechanism / Whistle Blower Policy, which was approved and adopted by the Board of Directors of the Company at its meeting held on 26th July, 2014 and has been amended from time to time considering the new requirements / amendments in the Regulations. The said policy provides a formal mechanism for all Directors and employees of the Company to approach Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud and violation of the Company's Code of Conduct and Business Ethics. Under the Policy, each Director / employee of the Company has an assured access to the Chairman of the Audit Committee.

Further, SEBI vide its notification dated 31st December, 2018, has amended the provisions under the SEBI (Prohibition of Insider Trading) Regulations, 2015, by issuance of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which came into effect from 1st April, 2019, which inter alia, provides for the "Written Policies and Procedures" for inquiry in case of leak of unpublished price sensitive information ("UPSI") or suspected leak of UPSI and to have a "Whistler Blower Policy" and to make Directors and employees aware of such policy to enable them to report instances of leak of UPSI.

Pursuant to above and in order to effect the amendments as notified by SEBI, for time to time, in the above Regulations, the Board of Directors of the Company has approved and adopted the revised "Vigil Mechanism / Whistle Blower Policy" which is displayed on the website of the Company.

(URL: https://www.ambujagroup.com/wp-content/uploads/2019/05/Vigil-Mechanism-Policy_23.01.2020.pdf)

CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has consistently contributed towards the welfare of the community owing to its philosophy, also had a relentless approach towards its CSR initiatives and brought a significant development in the Society. Our approach is to benefit the entire ecosystem of which we are an integral part. We are committed towards our inter-reliant ecosystem of customers, shareholders, associates, employees, Government, environment and society. The Company is highly committed to continue its business in an environment which is eco-friendly, ethical as well as society driven. The Company looks forwards for the overall development of people around it and believes in giving back to the society. The Company has framed a policy for the Corporate Social Responsibility laying down the guidelines for sustainable development of the society.

During the year, the Company has undertaken directly and indirectly various initiatives contributing to the environment including

environmental sustainability, implementing environmental plan through planting trees & plants, providing safe drinking water facilities, sanitation facilities, rural development, women empowerment etc. The Company has also developed comprehensive plan for carrying out activities focusing on promoting education, health care including preventive health care programme to eradicate hunger, poverty & malnutrition. The Company also developed comprehensive plan for carrying out employment and employability through skill development and training, upliftment of rural and backward area through Rural Development Projects and also supporting various community development projects in locations, where the Company operates. The Company has also framed Annual Action Plan for efficient spending of amount allocated for Corporate Social Expenditure for F.Y. 2020-2021, which is available on the website of the Company.

(URL: https://www.ambujagroup.com/wp-content/uploads/2021/04/Annual%20Action%20Plan_20-21.pdf)

During the year under review, the Company has made specific efforts to protect the Covid hit society by distributing clothes, making donation in PM CARES fund, distributing various medical equipments in different hospitals/health care centers, distributing foods to labors, contribution towards awareness for getting vaccinated against Covid 19 etc., the details of which are mentioned in Annual Report on CSR Activities annexed to this report.

The Board of Directors at its meeting held on 24th May, 2014 has approved and adopted the Corporate Social Responsibility Policy of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, based on the recommendations of the CSR Committee.

Further the Ministry of Corporate Affair vide its notifications dated 23rd May, 2016 and 19th September, 2018 had notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018 respectively and accordingly the Board of the Directors on 30th March, 2019 has approved and adopted the revised Corporate Social Responsibility Policy of the Company, to effect the above mentioned amendments.

Further the Ministry of Corporate Affair vide its notification dated 22nd January, 2021 had notified Companies (Corporate Social Responsibility) Amendment Rules, 2014 and accordingly the Board of Directors on 27th March, 2021 has approved and adopted the revised Corporate Social Responsibility Policy of the Company as well as Annual Action Plan for the F.Y. 2020-2021, to effect the above mentioned amendments based on the recommendations of the CSR Committee.

The initiatives undertaken by the Company during the F.Y. 2020-2021 in Corporate Social Responsibility activities have been detailed in this Annual Report.

The brief outline / salient features of Company's Corporate Social Responsibility Policy, inter alia, includes:

- I) Objectives:
 - a. lay down guidelines for sustainable development for the society and supplement the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities;
 - b. take up programme that benefit communities and enhance the quality of life & economic well-being of the local populace;
 - c. serve the socially and economically weak, disadvantaged, underprivileged, & destitute sections of the society regardless of age, class, color, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self-dependent and live life more meaningfully;
 - d. extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to areas that have so far not been attended to;
 - e. generate, through its CSR initiatives, a community goodwill for GAEL and help reinforce a positive & socially responsible image of GAEL as a Corporate entity.
- II) Important Definitions
- III) CSR Committee
- IV) Thrust Areas
- V) Areas / Activities not covered under CSR
- VI) Identification of CSR projects
- VII) Modalities of Execution and implementation Schedule:
 - a. decision on priority based activities to be undertaken under CSR;
 - b. interaction with implementing agency(ies);
 - c. recommendation of quantum of budget for CSR activities;
 - d. interact with concerned State Officials / Government Officials to confirm the areas for undertaking CSR activities;
 - e. monitoring and reviewing the progress of activities undertaken / completed.
- VIII) Fund Allocation and others
- IX) Monitoring
- X) Review and Amendment

The Corporate Social Responsibility Policy is displayed on the website of the Company.

(URL: https://www.ambujagroup.com/wp-content/uploads/2021/04/CSR-Policy_April%202021.pdf).

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), is set out herewith as

Annexure-I to this report is displayed on the website of the Company.

(URL: <https://www.ambujagroup.com/wp-content/uploads/2021/08/F.Y%202020-2021.pdf>)

MEETINGS OF THE BOARD

4 (four) meetings of the Board of Directors were held during the F.Y. 2020-2021. The details of the meetings of the Board / Committees of the Board, are given in the Report on Corporate Governance, which forms part of this report.

AUDIT COMMITTEE

During the F.Y. 2020-2021, the Committee consisted of Independent Directors of the Company viz. Mr. Sandeep Singhi, Chairman, Mr. Rohit Patel and Ms. Maitri Mehta as Members of the Audit Committee. As per Section 177(8) of the Companies Act, 2013, as amended from time to time, the Board has accepted all the recommendations of the Audit Committee during the F.Y. 2020-2021.

Further second tenure of Mr. Rohit Patel, Independent Director expired on close of business hours of 31st March, 2021 and accordingly Mr. Vishwavir Saran Das, Independent director of the Company was appointed as member of the Audit Committee w.e.f. 1st April, 2021. Audit Committee was re-constituted w.e.f. 1st April, 2021 consisting of Mr. Sandeep Singhi, Chairman, Mr. Vishwavir Saran Das and Ms. Maitri Mehta as Members of the Audit Committee.

RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. The Company through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

The Committee reports to the Board of Directors of the Company. At plants / units level, Internal Committees have been formed, headed by plants / units heads of respective plants / units and functional departmental heads. Such Committees report to the Risk Management Committee from time to time. The Board of Directors has developed and implemented Risk Management Policy for the Company. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report, which forms part of this report.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors of the Company at its meeting held on 26th July, 2014, based on recommendation of Nomination and Remuneration Committee (NRC) of the Board at its meeting held on 24th May, 2014, has approved the Remuneration Policy of the Company. Further in accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company has adopted revised Policy in meeting of Board of Directors held on 30th July, 2016 which includes the role of the NRC.

Further pursuant to amendments notified under Companies (Amendment) Act, 2017 and SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors at its meeting held on 2nd February, 2019, has approved and adopted a revised Nomination and Remuneration Policy of the Company relating to the remuneration for the Directors, Key Managerial Personnels (KMPs), Senior Management Personnels and other employees of the Company, based on the recommendations of the NRC, which, inter alia, now includes criteria of quorum, amendment in certain definitions, additional role of the NRC etc.

The brief outline / salient features of Nomination and Remuneration Policy, inter alia, includes:

- (I) Objects of the Policy:
 - a. ensure that Directors, KMPs and Senior Management Personnels are remunerated in a way that reflects the Company's long-term strategy;
 - b. align individual and team reward with business performance in both the short term and long term;
 - c. encourage executives to perform to their fullest capacity;
 - d. to be competitive and cost effective;
 - e. formulation of criteria for identification and selection of the suitable candidates for the various positions;
 - f. to recommend policy relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company;
 - g. recommend to Board on appropriate performance criteria for the Directors and carry on the performance evaluation of the Directors;
 - h. to identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding options of the business, the industry and their legal responsibilities and duties;
 - i. to assist Board in ensuring Board nomination process in accordance with the Board Diversity policy;
 - j. to recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- (II) The Nomination and Remuneration Committee shall recommend remuneration considering below criteria / principle:
 - a. level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - c. remuneration to Directors, KMPs and Senior Management Personnels involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

- (III) Criteria for selection of members on the Board of Directors and candidates for KMP and Senior Management Personnel
- (IV) Term / tenure of appointment, removal, retirement
- (V) Remuneration Policy for Directors, KMPs and other employees
- (VI) Contents of Remuneration Package
- (VII) Evaluation process
- (VIII) Flexibility, judgment and discretion

The Nomination and Remuneration Policy of the Company is displayed on the website of the Company.

(URL: <https://www.ambujagroup.com/wp-content/uploads/2019/05/Nomination-and-Remuneration-Policy.pdf>)

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendments Rules, 2016, as amended from time to time, in respect of Directors / employees of the Company is set out in **Annexure-J** to this report.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive and Non-Executive Directors of the Company as per Section 178 of the Companies Act, 2013, as amended from time to time, and as per Regulation 19 of the Listing Regulations. The criteria was set based on various attributes, inter alia, profile, experience, contribution, dedication, knowledge, sharing of information with the Board, regularity of attendance, aptitude & effectiveness, preparedness & participation, team work, decision making process, their roles, rights, responsibilities in the Company, monitoring & managing potential conflict of interest of management, providing fair and constructive feedback & strategic guidance and contribution of each Director to the growth of the Company.

The Company has devised the Board's Performance Evaluation Policy document along with performance evaluation criteria / form for Independent and Non-Independent Directors of the Company and criteria for evaluation of Board's / Committee's performance along with remarks and suggestions. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

Separate meeting of Independent Directors of the Company was held on 22nd January, 2021 and it reviewed the performance of Non-Independent Directors & the Board as a whole and also reviewed the performance of Chairman of the Company. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

LISTING

The Equity Shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited. The annual listing fees for the F.Y. 2021-2022 has been paid to these Stock Exchanges.

INTERNAL COMPLAINTS COMMITTEE

The Board of Directors of the Company at its meeting held on 30th January, 2016, has approved and revised the Policy for Prevention of Sexual Harassment of Women as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended from time to time). As per the provisions of the said Act, the Company has constituted Committees in the name of "Internal Complaints Committee" for the Registered Office & Units of the Company. During the F.Y. 2020-2021, there was no case filed under the said Act.

Further pursuant to amendments in Schedule V, Part C of Listing Regulations, the Company is required to disclose the number of complaints filed and disposed during the financial year and pending as on end of the financial year. Considering the above amendments to be included in the existing policy, the Board of Directors of the Company has approved and adopted revised 'Policy on Protection of Women against Sexual Harassment at Work place' on 30th March, 2019. Further the details / disclosure pertaining to number of complaints filed during the F.Y. 2020-2021, disposed during the F.Y. 2020-2021 and pending as on end of the financial year i.e. 31st March, 2021 forms part of the Corporate Governance Report.

DECLARATION OF INDEPENDENCE

The Company has received necessary declarations from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) & 25 of the Listing Regulations and also in the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Directors of the Company.

ANNUAL RETURN

As required under the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Annual Return in Form No. MGT-7 is displayed on the website of the Company. The extract of Annual Return in Form No. MGT-9 is also annexed herewith as **Annexure-K** to this report.

(URL: <https://www.ambujagroup.com/wp-content/uploads/2021/08/F.Y.%202020-21.pdf>)

INTERNAL FINANCIAL CONTROLS AND LEGAL COMPLIANCE REVIEW

The Company has in place adequate internal financial controls with reference to financial statements. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safe guarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

The Company has devised systems to ensure compliance with the provisions of all applicable laws to the Company. During the year, the Internal Auditor of the Company were assigned the responsibility for ensuring and reviewing the adequacy of legal compliance systems in the Company as required under the Companies Act, 2013. Compliance with all laws applicable to the Company was checked by the Internal Auditor and no non-compliance with laws applicable to the Company was reported to the Company.

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant / material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

MAINTENANCE OF COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company.

COMPLIANCE OF PROVISIONS RELATING TO THE CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE

As mentioned above, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended from time to time).

SECRETARIAL STANDARDS

Secretarial Standards as applicable to the Company were followed and complied with during the F.Y. 2020-2021.

HEALTH, SAFETY AND ENVIRONMENT

The safety excellence journey is a continuing process of the Company. For the Company, safety is of paramount importance and as a good corporate citizen; it is committed to ensure safety of all its employees & the people working for and on behalf of your Company, visitors to the premises of the Company and the communities we operate in. Employees at various plants of the Company were given training on basic and advanced fire safety including mock drills for emergency preparedness plan. Structured monitoring & review and a system of positive compliance reporting are in place. There is a strong focus on safety with adequate thrust on employees' safety. The Company is implementing programme to eliminate fatalities and injuries at work place. Quarterly reports on health, safety and environment from each plants / units of the Company are received by the Company and the same are placed before the Board of Directors for their review.

The Company has been achieving continuous improvement in safety performance through a combination of systems and processes as well as co-operation and support of all employees. Each and every safety incidents at plants / units, if any, are recorded and investigated.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human Resources are vital and most valuable assets for the Company. They play a significant role in your Company's growth strategy. Your Company emphasizes on talent nurturing, retention and engaging in a cordial, amicable and constructive relationship with employees with a focus on productivity and efficiency and underlining safe working practices. The Board of Directors also value the professionalism and commitment of all employees of the Company and place on record their appreciation and acknowledgement of the efforts, dedication and contribution made by employees at all levels that has contributed to Company's success and remain in the forefront of Agro based Industry business. The Board of Directors wish to place on record the co-operation received from all the valuable employees, staff and workers at all levels and at all plants / units.

ENHANCING SHAREHOLDERS VALUE

The Company accords top priority for creating and enhancing shareholders value. All the Company's operations are guided and aligned towards maximizing shareholders value.

APPRECIATION & ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank Company's employees for their dedicated service and firm commitment to the goals & vision of the Company. Your Directors take this opportunity to thank our customers for their continued loyalty with our products which has resulted in the Company's extraordinary success in industry even in this unprecedented times. The Board also wishes to place on record its sincere appreciation for the wholehearted support received from the shareholders, investors and bankers. Further we would also like to acknowledge the support and assistance extended by the Regulatory Authorities such as SEBI, Stock Exchanges and other Central & State Government authorities and agencies, Auditors, Registrars, Legal Advisors and other consultants. We look forward to continued support of all them in future as well.

For and on behalf of the Board of Directors

**Place : Ahmedabad
Date : 22nd May, 2021**

**Manish Gupta
Chairman & Managing Director
(DIN:00028196)**