



10th
Annual Report
2009-2010



Gulshan Polyols Limited
(AN ISO 9001:2000 Company)

BOARD OF DIRECTORS

Mr. K. K. Pandey	:	Chairman and Non – Executive Independent Director
Dr. Chandra Kumar Jain	:	Managing Director
Mrs. Mridula Jain	:	Non-Executive Director
Mr. A. K. Maheshwari	:	Non – Executive Independent Director
Mr. Ajay Jain	:	Non – Executive Independent Director
Mr. A. K. Vats	:	Whole Time Director
Mr. Shiv Kumar Uppal	:	Whole Time Director
Ms. Arushi Jain	:	Whole Time Director
Ms. Aditi Pasari	:	Whole Time Director

CHIEF FINANCIAL OFFICER

Mr. Rajesh Agarwal

COMPANY SECRETARY

Ms. Nisha Gupta

AUDITORS

M/s Shahid & Associates
Chartered Accountants
Muzaffarnagar (UP).

BANKERS

Bank of Baroda
IDBI Bank Ltd.

REGISTERED OFFICE

9th K.M., Jansath Road,
Muzaffarnagar, Uttar Pradesh – 251 001

CORPORATE OFFICE & INVESTOR CELL

G–81, Preet Vihar, Delhi – 110 092

PLANT LOCATION

- Plot No. 762, Jhagadia Industrial Estate,
Bharuch – 393110 (Gujarat)
- 9th K.M., Jansath Road,
Muzaffarnagar, Uttar Pradesh – 251001
- Village Rampur Majri, Dhaula Kuan,
Distt. Sirimour (H.P.)-173001

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Gulshan Polyols Limited

NOTICE

Notice is hereby given that the 10th Annual General Meeting of GULSHAN POLYOLS LIMITED will be held on Saturday, 25th September, 2010 at 1:00 P.M. at its Registered Office at 9th K.M., Jansath Road, Muzaffarnagar, Uttar Pradesh – 251001 to transact the following business:

ORDINARY BUSINESS

- 1) To consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account of the Company for the year ended on that date together with the Reports of Board of Directors and the Auditors thereon.
- 2) To declare a Dividend on Equity Shares.
- 3) To appoint a director in place of Mr. K.K. Pandey who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a director in place of Mrs. Mridula Jain who retires by rotation and being eligible offers herself for re-appointment.
- 5) To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6) APPOINTMENT OF MS. ARUSHI JAIN

To appoint Ms. Arushi Jain as a Director liable to retire by rotation and also as a Whole Time Director and in this regard to consider, and if thought fit, pass, with or without modification, the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT Ms. Arushi Jain, who was co-opted as an Additional Director of the Company with effect from 1st January, 2010 under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Ms. Arushi Jain for the office of Director be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the shareholders be and is hereby accorded to the appointment of Ms. Arushi Jain as Whole Time Director of the Company for a period of 3 years with effect from 1st January, 2010 on the remuneration, perquisites and other benefits and amenities as set out below with a liberty to the Board of Directors to make and/or accept any variation in the terms & conditions within the limits specified in above sections and Schedule XIII of the Companies Act, 1956 or any other applicable provisions of the Act and guidelines issued by the Central Government from time to time.

Salary : Rs. 60,000/- (Rupees Sixty Thousand Only) per month with effect from 1st January, 2010 (subject to deduction of tax at source)

Perquisites : (i) Company's contribution towards Provident Fund, Gratuity as per prevailing laws and Encashment of accumulated leaves as per the rules of the company. The Gratuity shall not exceed an amount equal to the half-month's salary for each completed year of service. However, all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

(ii) Company's Car for use on Company's business and telephone at residence and Mobile phone will be provided but shall not be considered as perquisites. Personal long distance calls and use of car (if any) for private purpose shall be billed by the company.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effects to this Resolution.”

7) APPOINTMENT OF MS. ADITI PASARI

To appoint Ms. Aditi Pasari as a Director liable to retire by rotation and also as a Whole Time Director and in this regard to consider, and if thought fit, pass, with or without modification, the following resolution, as an **Ordinary Resolution**:

RESOLVED THAT Ms. Aditi Pasari, who was co-opted as an Additional Director of the Company w.e.f. 1st January, 2010 under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Ms. Aditi Pasari for the office of Director be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to sections 198,269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the shareholders be and is hereby accorded to the appointment of Ms. Aditi Pasari as Whole Time Director of the Company for a period of 3 years w.e.f 1st January, 2010 on the remuneration, perquisites and other benefits and amenities as set out below with a liberty to the Board of Directors to make and/or accept any variation in the terms & conditions within the limits specified in above sections and Schedule XIII of the Companies Act, 1956 or any other applicable provisions of the Act and guidelines issued by the Central Government from time to time.

Salary : Rs. 60,000/- (Rupees Sixty Thousand Only) per month with effect from 1st January, 2010 (subject to deduction of tax at source)

Perquisites : (i) Company's contribution towards Provident Fund, Gratuity as per prevailing laws and Encashment of accumulated leaves as per the rules of the company. The Gratuity shall not exceed an amount equal to the half-month's salary for each completed year of service. However, all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

(ii) Company's Car for use on Company's business and telephone at residence and Mobile phone will be provided but shall not be considered as perquisites. Personal long distance calls and use of car (if any) for private purpose shall be billed by the company.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effects to this Resolution.”

8) RE-APPOINTMENT OF MR. SHIV KUMAR UPPAL AS A WHOLE TIME DIRECTOR

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to sections 198,269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956 Mr. Shiv Kumar Uppal be and is hereby re-appointed as a Whole Time Director (W.T.D.) of the Company for a further period of 3 years retrospectively w.e.f 1st January, 2010 on the remuneration, perquisites and other benefits and amenities as set out in the resolution with a liberty to the Board of Directors to make and/or accept any variation in the terms & conditions within the limits specified in above sections and Schedule XIII of the Companies Act, 1956 or any other applicable provisions of the Act and guidelines issued by the Central Government from time to time”.

Salary : Rs. 60,000/- (Rupees Sixty Thousand Only) per month with effect from 1st January, 2010 (subject to deduction of tax at source)

Gulshan Polyols Limited

- Perquisites : (i) An Amount equal to Rs. 15,000/- (Rupees Fifteen Thousand Only) per month being House Rent Allowance.
- (ii) Company's contribution towards Provident Fund, Gratuity as per prevailing laws and Encashment of accumulated leaves as per the rules of the company. The Gratuity shall not exceed an amount equal to the half-month's salary for each completed year of service. However, all these shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- (iii) Company's Car for use on Company's business and telephone at residence and Mobile phone will be provided but shall not be considered as perquisites. Personal long distance calls and use of car (if any) for private purpose shall be billed by the company.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary proper or expedient to give effects to this Resolution."

9) **AMENDMENT TO COMMON SEAL PROVISION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider, and if thought fit, pass, with or without modification, the following resolution, as **Special Resolution**:

"RESOLVED THAT pursuant to section 48 of the companies act, 1956, Articles of Associations of the Company and other applicable provisions, if any, the consent of the Company be and is hereby accorded to amend the Article 147 of the Articles of Association of the Company to read as under:

Board shall provide a common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new common Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and every deed or other instrument to which the Seal of the Company is required to be affixed shall be signed by (a) two directors, or (b) one Director and the Secretary, or (c) one Director and such other authorized person, as the Board or a duly constituted Committee thereof may appoint for the purpose; provided nevertheless that certificates of debentures may be signed by one director only or by the Attorney of the Company duly authorized in this behalf and Certificates of shares shall be signed as provided in Article 19(b)."

10) **AMENDMENT IN TERMS AND CONDITIONS OF REDEEMABLE PREFERENCE SHARES PROVISION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider, and if thought fit, pass, with or without modification, the following resolution, as **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 106, Section 31 and other applicable provisions, if any, of the Companies Act, 1956 as also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to the approval of shareholders in the General Meeting, the Article of Association of the Company be altered by replacing the existing Article 10B by the following :

"On the issue of Preference Share Capital of Rs. 14,50,00,000/- (or part thereof) consisting of 14,50,000 (Fourteen lacs & Fifty thousand) carrying coupon dividend rate varying from 0% (Zero percent) to 10% (Ten percent) Redeemable Preference Shares of Rs. 100/- each, redeemable during the period varying from 3 (three) years to 15 (fifteen) years under the provisions of Articles of Association, the following provisions shall take effect:

- i) The Redeemable Preference Shares of varying coupon rates within above limits with varying redemption period with or without redemption premium be issued from time to time under separate class within overall preference share capital;

- ii) Each class of preference share capital with varying terms shall be treated as separate class of preference shareholders;
- iii) No preference shares shall be redeemed except out of the profits of the company which would otherwise, be available for dividend or out of the proceeds of the fresh issue of shares made for the purpose of the redemption.
- iv) No preference shares shall be redeemed unless they are fully paid up.
- v) The premium, if any, payable on redemption must have been provided for out of the profits of the company or the company's share premium account, before the shares are redeemed.
- vi) Where any preference shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of the profits which would otherwise have been available for dividend, be transferred to a reserve to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed, and the provision of the Companies Act relating the redemption of Share Capital of the company shall, except as provided in section 80 of the Act, apply as if the Capital Redemption Reserve Account is paid up share capital of the company.
- vii) The dividend on preference share capital shall be paid every year as per the terms of coupon rates . However, in case of preference shares carrying dividend rate, such class of preference shareholders shall have the right to accumulate the payment of dividend, if the same is not paid or partly paid for any financial year, to be paid in next financial year/s or to be paid at the time of redemption of such shares along with the redemption proceeds.
- viii) The preference shareholders shall have the right to attend and vote at the meeting of such Class of Shareholders and may vary, alter or modify the terms of such preference shares including the right to the payment of dividend, premium, and discount on redemption or any other redemption terms.
- ix) The preference shareholders shall not have the right to attend and vote at the meeting of equity shareholders of the company or the meeting of shareholders of different class of Preference Shareholders.
- x) The holder of the Preference shares shall be entitled to attend meeting and vote on the resolution directly affecting the rights or where the dividend due on their share is in arrear for not less than two years before the meetings, on all resolutions at every meetings of the company.
- xi) These Preference Shares shall be transferable with the approval of Board of Directors of the Company.
- xii) The other rules regarding the splitting, consolidation, issuance of share certificate, transfer/ transmission and common seal etc. shall remain same which are applicable to Equity Share capital of the Company and as provided in the articles of the Company.
- xiii) Unless otherwise agreed by the Preference shareholders, the preference shares shall be redeemed (in the manner as in the Companies Act) as per its terms of redemption varying from 3rd to maximum of 15 years after the date of its issue along with the accumulated dividend (if any), redemption premium (if any) and or discount (if any), However, the redemption period shall not exceed the time limit as prescribed by the Companies Act, 1956".

RESOLVED FURTHER that we authorize Dr. C.K. Jain, Managing Director and / or Ms. Nisha Gupta, Company Secretary of the Company to take necessary action to amend the Article of Association of the Company."

By the order of the Board of Directors

Date : 27th May, 2010

Place: Delhi

Nisha Gupta
Company Secretary

Gulshan Polyols Limited

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relevant details as required by Clause 49 of the Listing Agreement entered into with Stock Exchange of persons seeking appointment/ re-appointment as directors under item no. 6, 7, 8, 9 & 10 set out above are annexed hereto.
3. The register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, August 18, 2010 to Friday, August 20, 2010 (both days inclusive) in connection with the ensuing Annual General Meeting and for the purpose of determining the entitlement of dividend, if any, declared by the Company.
4. Dividend on the Shares, if declared by the shareholders at the Annual General Meeting, will be paid at par after 25th September, 2010 to those Members/Beneficial owners whose names appear on the Company's Register of Members/Register of Beneficiaries as at the end of business hours on 18th August, 2010.
5. The Company has designated an exclusive e-mail id called **nishagupta@gulshanindia.com** for redressal of shareholders' / Investors' complaints. In case you have any queries / complaints or grievances, then please write to us at the above e-mail address.
6. Members holding shares in electronic form may please note that the bank account details and 9 digit MICR code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account details particulars, change of address and other details with their respective Depository Participants for the shares held in demat mode and to the registrar and share Transfer Agent for shares held in physical form.
7. Reserve Bank of India (RBI) is providing ECS facility for payment of Dividend in Selected cities. Members holding shares in physical form are advised to submit the following particulars:
 - (i) Name of the sole/ First joint holder and Folio Number
 - (ii) Particulars of Bank Account viz.,
 - (a) Name of the Bank
 - (b) Name of the Branch with 9 digit MICR code
 - (c) Complete address of the Bank with pin code Number
 - (d) Bank account Number allotted by the Bank
 - (e) Type of Account

Latest by 18th August, 2010, to M/s Alankit Assignments Ltd, 2E/21, Alankit House, Jhandewalan Extension, New Delhi 110 055 (Phone no. 011-42541234, 23541234 and Fax no. 011-41540064, and email address: rta@alankit.com) or to Share Department & Investor Cell of the Company at G-81, Preet Vihar, Delhi - 110 092 (Phone no 011-32991997, 32508619 and Fax No. 011-22157338) and email address nishagupta@gulshanindia.com.
8. In terms of provisions of section 205 A & 205 C of Companies (Amendment) Act, 1999, the dividend which has remain unpaid or unclaimed for a period of seven years from the dates, that they first became due for the payment, shall be transferred by the Company to the Investor Education and Protection Fund set up by the Government of India.

Accordingly, unpaid / unclaimed dividend for the Financial Year 2002-03 shall become transferable to the fund on 26th September, 2010, followed by the transfers of the amounts of unpaid / unclaimed dividends for the subsequent years. No Claim shall lie thereafter against the fund or the Company in

respect of such amounts transferred. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years from 2002-03 onwards, before the respective amounts become due for transfer to the fund. The Following are the details of the dividends declared by the Company and respective due dates for claiming by the shareholders:

Dividend Year	Date of declaration of dividend		Last Date for Claim	
	GPL	GSCL*	GPL	GSCL*
2002-03	27.09.2003	29.09.2003	26.09.2010	28.09.2010
2003-04	25.09.2004	29.09.2004	24.09.2011	28.09.2011
2004-05	23.09.2005	27.09.2005	22.09.2012	26.09.2012
2005-06	28.09.2006	22.09.2006	27.09.2013	21.09.2013
2006-07	22.09.2007	25.09.2007	21.09.2014	24.09.2014
2007-08	24.09.2008	24.09.2008	23.09.2015	23.09.2015
2008-09	22.09.2009	N.A.	21.09.2016	N.A.

* (Since merged entity with GPL)

9. In view of prevailing Income Tax Laws, the dividend distributed by the Company is tax-free in the hands of the shareholders and no TDS would be deducted from the amount of the dividend.
10. In terms of Section 109A of Companies Act, 1956, the members (only Individual) can avail of the nomination facility by filling & filing form 2-B with the company. Blank forms will be supplied on request.
11. Members holding physical shares in multiple folios in identical name are requested to send their share certificates to Company's Registrar and Share and Transfer Agent, M/s Alankit Assignments Limited for consolidation.
12. Members/Proxies are requested to bring copy of the Annual Report with them, as copies of the Report will not be distributed at the Meeting.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:

Name : **Mr. K. K. Pandey**
 Age : 66 years
 Qualifications : M.Com, LL.B., C.A.I.I.B.
 Experience : Over 42 years experience in Banking Sector.
 Other Directorships : None
 He is a member of Audit Committee and Chairman of Board of Directors, Remuneration Committee and Shareholders' Grievance Committee

Name : **Mrs. Mridula Jain**
 Age : 57 years
 Qualifications : Master of Arts
 Experience : Vast experience in managing the business affairs.
 Other Directorships : Genus Prime Infra Limited (Formerly Gulshan Chemfill Ltd.), Gulshan Holdings Pvt. Ltd., Gulshan Speciality Minerals Pvt. Ltd.
 She is a member of Remuneration Committee and Shareholder's Grievance Committee.

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Name : **Ms. Arushi Jain**
Age : 33 years
Qualifications : BBA, Master in Baking Technology from USA
Other Directorships : Sail Industries Limited

Name : **Ms. Aditi Pasari**
Age : 31 years
Qualifications : MBA from Cardiff University, UK
Other Directorships : Sail Industries Limited and Gulshan Lamee Pack Pvt. Ltd.

Name : **Mr. Shiv Kumar Uppal**
Age : 58 years
Qualifications : M.Tech
Experience : Vast exp. of over 35 years in Sorbitol and Starch Industry in India and Abroad
Other Directorships : None

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO 6

APPOINTMENT OF MS. ARUSHI JAIN

The Board of Directors of the Company at its meeting held on 30th January, 2010 appointed Ms. Arushi Jain as an additional director of the Company with effect from 1st January, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956. She would hold office up to the date of ensuing Annual General Meeting. The Company has received a notice from a member proposing the candidature of Ms. Arushi Jain for the office of the Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Further, the Board also appointed, subject to the approval of Members, Ms. Arushi Jain as Whole Time Director of the Company for a period of three years with effect from 1st January, 2010 on the terms and conditions and remuneration package as set out in the resolution above.

None of the directors except Ms. Arushi Jain being herself and Dr. C. K. Jain being her father, Mrs. Mridula Jain being her mother and Ms. Aditi Pasari being her sister are interested or concerned in the proposed resolution.

The Directors recommend the resolution contained in item No. 6 for approval of the members.

ITEM NO 7

APPOINTMENT OF MS. ADITI PASARI

The Board of Directors of the Company at its meeting held on 30th January, 2010 appointed Ms. Aditi Pasari as an additional director of the Company with effect from 1st January, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956. She would hold office up to the date of ensuing Annual General Meeting. The Company has received a notice from a member proposing the candidature of Ms. Aditi Pasari for the office of the Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Further, the Board also appointed, subject to the approval of Members, Ms. Aditi Pasari as Whole Time Director of the Company for a period of three years with effect from 1st January, 2010 on the terms and conditions and remuneration package as set out in the resolution above.

None of the directors except Ms. Aditi Pasari being herself and Dr. C. K. Jain being her father, Mrs. Mridula Jain being her mother and Ms. Arushi Jain being her sister are interested or concerned in the proposed resolution.

The Directors recommend the resolution contained in item No. 7 for approval of the members.

ITEM NO 8

RE-APPOINTMENT OF MR. SHIV KUMAR UPPAL AS A WHOLE TIME DIRECTOR

The tenure of Mr. Shiv Kumar Uppal, Whole Time Director, has expired on 31st December, 2009. The Board of Directors of your Company in the Board Meeting held on 30th January, 2010 has reviewed his performance and unanimously decided to re-appoint him as Whole Time Director of the Company for a further period of 3 years retrospectively w.e.f. 1st January, 2010 on the terms and conditions and remuneration package as set out in the resolution above.

None of the Directors except Mr. Shiv Kumar Uppal being himself is interested or concerned in the proposed resolution.

The Directors recommend the resolution contained in item No. 8 for approval of the members.

ITEM NO 9

AMENDMENT TO COMMON SEAL PROVISION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

Article No. 147 of the Articles of Association of the Company stipulates that whenever common Seal of the Company is affixed on any documents wherever required the same should be used and countersigned by any two Directors of the Company and its Company Secretary, if any, or some other persons authorized by the Directors. For operational convenience it is proposed that this common seal provision of countersigning by any two Directors of the Company and its Company Secretary, if any, or some other persons authorized by the Directors be amended to countersigning by (a) two Directors, or (b) one Director and the Secretary, or (c) one Director and such other authorized person, as the Board or a duly constituted Committee thereof may appoint for the purpose.

Accordingly, the members' approval is being sought for amending the Article No. 147 of the Articles of Association of the Company.

The Directors recommend the resolution contained in item No. 9 for approval of the members.

None of the Directors is concerned or interested in the resolution at item No. 9 of the Notice.

ITEM NO 10

AMENDMENT IN TERMS AND CONDITIONS OF PREFERENCE SHARES PROVISION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

Article 10B of the Articles of Association of the Company provides the terms & conditions of preference shares Capital. For the benefit of preference shareholders, it is proposed to replace the existing Article 10B by the above set of terms & conditions of redeemable preference shares Capital.

Accordingly, the members' approval is being sought for amending the Article No. 10B of the Articles of Association of the Company.

The Directors recommend the resolution contained in item No. 10 for approval of the members.

None of the Directors is concerned or interested in the resolution at item No. 10 of the Notice.

Gulshan Polyols Limited

DIRECTORS' REPORT

Dear Members,

The Board of Directors feel great pleasure in presenting the 10th Annual Report along with Audited Accounts of your Company for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

	Current Year 31.03.2010	Previous Year 31.03.2009
Turnover & Other Income	22037.65	21705.24
Expenditure	18526.52	18155.37
Profit before Depreciation Finance Charges & Tax	3511.12	3549.87
Depreciation	1502.57	668.70
Finance Charges	546.35	551.26
Profit Before Tax	1462.20	2329.91
Provision for Taxation Current Tax Deferred Tax Liability Fringe Benefit Tax	244.03 (51.98) 0	161.54 418.99 11.65
Net Profit after Tax	1270.15	1737.72
Prior Period Expenditure/ Extra ordinary items (Net)	1.99	4.22
Dividend & Dividend Tax	122.08	97.66
Gross Cash Accruals	2650.64	2308.75
Equity Share Capital	417.39	417.39
Earning per Share Basic & diluted (Rs.)	15.22	20.82

REVIEW OF OPERATIONS

The Sales and Other Income for the financial year under review were Rs 22037.65 lacs (Previous year Rs. 21705.24 lacs). The Depreciation for the year was Rs 1502.57 lacs (Previous year Rs. 668.70 lacs) and was higher by Rs 640.22 lacs due to change of method of depreciation. The Cash Accruals were Rs. 2650.64 lacs (Previous year Rs. 2308.75 lacs). The Net Profit after tax was Rs. 1270.15 lacs (Previous year Rs. 1737.72 lacs). The main reason for decrease in profit for the financial year 2009-10 was increase in Provision of depreciation due to change in method

of depreciation from Straight Line Method (S.L.M.) to Written Down Value Method (W.D. V.)

An amount of Rs. 1500 lacs has been transferred to General Reserve Account. There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this report. The Company has not given any shares to any of the employees under Employees Stock Option Scheme.

The company has no subsidiary or holding Company. During the year the business and affairs of the Company have been carried out in its normal course and no significant events have taken place, which are harmful to the business of the Company. There was no Buy-back Scheme of shares taken up by the Company during the year.

DIVIDEND

The Board of Directors is pleased to recommend a Tax-free dividend of 25% (Rs. 1.25 per share on an Equity Share of Rs. 5/- each) on the Equity Share Capital of the Company for the year ended 31st March 2010. The Dividend, if approved by the members at the ensuing Annual General Meeting, will be paid within stipulated period prescribed under the Companies Act, 1956.

CHANGE IN METHOD OF DEPRICIATION

The Company has changed its policy to charge depreciation on fixed assets from Straight Line Method (S.L.M.) to Written Down Value Method (W.D.V.) as per the depreciation rates prescribed in the Schedule 14 of Companies Act, 1956.

NEW BUSINESSES

During the year, the Company has set up the facilities for Onsite Precipitated Calcium Carbonate (Onsite PCC) Plant at Sahibabad (UP) for a Company in Paper Industry namely M/s Magnum Ventures Limited. Further, the facilities for producing the Calcium Carbonate with licensed capacity of 33000 MT were set up at Ponta Sahib (Himachal Pradesh) where operations commenced in May 2009.

EXPANSION PLANS

Company has planned to set up plant at its existing Bharuch site to manufacture Mannitol and DMH with annual capacity of 4000 MT and 10000 MT

respectively. Company is planning further to increase production capacity of Sorbitol 70% by 12000 MT to meet the increasing demand of Sorbitol in overseas and domestic market. Company is under process of implementing cGMP (Good Manufacturing Practices) standard in Sorbitol Plant to meet the quality standards of Pharma Companies in Europe and US market.

In line with meeting the stringent pollution control norms relating to water effluent discharge, company is investing in ET plant.

AWARDS AND RECOGNITIONS RECEIVED BY THE COMPANY DURING THE YEAR

- National Award from Limca Book of Records for setting up first 'On-Site PCC' manufacturing Plant in India
- Kosher Certificate from Union of Orthodox Jewish Congregations of America for the product 70% Sorbitol
- Certificate of Excellence for having achieved Largest volumes as Exporter in terms of TEUs at ICD- Ankleshwar Awarded by CONCOR

MERGER OF SALIL INDUSTRIES LIMITED WITH THE COMPANY

Pursuant to the Scheme of Amalgamation of Salil Industries Limited with your Company, the Board of Directors of both the companies in their meeting held on 10th October, 2009 decided and recommended to consolidate the Group Activities by merging Salil Industries Limited with Gulshan Polyols Limited based on the recommended swap ratio 30:1 i.e. One (Rs 5/- fully paid up) equity share of Gulshan Polyols Limited for every Thirty (Rs 10/- fully paid up) equity shares of Salil Industries Limited subject to the statutory approvals and compliance of applicable laws and procedures including approval of Hon'ble High Courts. Both the Companies also obtained the approval of respective Stock Exchange, Shareholders and Creditors for the proposed merger. Merger petition is in the final stage under approval process at Hon'ble High Court, Allahabad and Delhi. It would be implemented upon their approval.

DIRECTORS

During the year, Ms. Arushi Jain and Ms. Aditi Pasari were appointed as an additional director of the Company in the Board Meeting held on 30th January, 2010. In the same Board meeting, they both were appointed as Whole time Director of the Company

along with re-appointment of Mr. Shiv Kumar Uppal w.e.f. 1st January, 2010.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K. K. Pandey and Mrs. Mridula Jain, Non Executive Directors of the Company, who held the office of directors till the date of the forthcoming Annual General Meeting, are liable to retire by rotation and being eligible have offered themselves for re-appointment.

PUBLIC DEPOSITS

The Company invited Fixed Deposits from the Shareholders & Public during the year. The Fixed Deposits mobilized and outstanding aggregated to Rs. 365.63 lacs as on 31st March 2010 (Previous year Rs. 345.73 Lacs). There was no Fixed Deposit remained unclaimed as on 31st March, 2010. There were no delay/default in the payment of any of the Deposit.

The Company has complied with the provisions of section 58-A of the Companies Act, 1956 and rules made hereunder.

CONTRIBUTION TO EXCHEQUER

Your Company has paid substantial amounts in excess of Rs. 1868.51 lacs to the Exchequer during the year in the form of Excise Duty, Custom Duty, Direct & Indirect taxes, levies, cess etc.

INSURANCE

The Assets of the Company including Buildings, Plant & Machinery, and Stocks & Stores etc. have been adequately insured.

DEMAT OF SHARES

Necessary arrangements are made for Dematerialization of Shares, with NSDL and CDSL. Out of the total, 94.04% of the equity shares of the company are already in Demat form. Since the shares of the company are traded on stock exchange in compulsory Demat form, the shareholders holding shares in physical form may avail this facility in their own interest.

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

The information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies

Gulshan Polyols Limited

(Disclosure of particulars in the report of Board of Directors) Rules, 1988 and as amended and to the extent applicable to the Company are given as per prescribed Forms in Annexure-1 forming part of this report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion & Analysis, the Corporate Governance Report, together with the Auditors' Certificate on Compliance with the Conditions of Corporate Governance as laid down, forms part of the Annual Report.

PERSONNEL

A statement giving the particulars of employee as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the year ended 31st March, 2010.

Employed for the whole of the Financial Year and in receipt of remuneration at a rate at which was not less than Rs. 24 Lacs per annum is as under:

Name	: Dr. C. K. Jain
Age	: 62 years
Designation	: Managing Director
Nature of Duty	: Overall management of the Company
Remuneration received	: Rs. 42,00,000/-
Qualification	: B. Sc. Ph. D. (Chemistry)
Experience	: Vast experience in managing business affairs.

Dr. C.K. Jain, Managing Director of the Company is related to Mrs. Mridula Jain as her husband, Ms. Arushi Jain and Ms. Aditi Pasari as their Father.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- That the selected accounting policies were applied consistently and the directors made judgment 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, 2010 and of the profit of the company for the year ended on that date;

- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on a going concern basis.

SAFETY AND ENVIRONMENT

All the manufacturing plants of your company are running in an eco-friendly manner and have a focus on workplace health and safety.

INDUSTRIAL RELATIONS

The industrial relations have been cordial at all the plants of the Company.

AUDITORS AND AUDITOR'S REPORT

M/s. Shahid & Associates, Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. They have confirmed that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956. Accordingly, the said Auditors may be re-appointed as Auditors of the Company at the forthcoming Annual General Meeting.

The Auditor has qualified his report which has been suitably explained in the notes to the Accounts and do not call for any further comments. The accounts of the branches of the Company are also audited by the Statutory Auditors.

ACKNOWLEDGEMENTS

Your Directors express their appreciation of sincere co-operation and assistance of State & Central Govt. authorities, bankers, customers and suppliers as well as all of the Company's employees & shareholders.

For and on behalf of the Board of Directors

Dr. C. K. Jain
Managing Director

Mridula Jain
Director

Date : 27th May, 2010
Place : Delhi

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-1

FORM-A (See Rule-2)

Disclosure of particulars with respect to conservation of energy and Consumption per Unit of Production

Conservation of energy

- (i) **Energy Conservation measures taken:** The Company has realigned the existing power consuming sections to remove bottleneck and to ensure the uninterrupted and quality power supply at the minimum cost.
- (ii) **Additional investment and proposal, if any, being implemented for reduction of energy consumption:** None
- (iii) **Impact of measures (i) & (ii) above for reduction of energy consumption and consequent impact on cost of production of goods:** This would result in higher yield and reduction in power cost.
- (iv) **Total energy consumption and energy consumption per unit of production as per Form 'A':** The details are as under:

	Current Year 31.03.2010	Previous Year 31.03.2009
A. Power & Fuel Consumption :		
1. Electricity :		
a) Purchased:		
Units	4876311	515811
Total Amount (Rs)	24096493	3900003
Average Rate (Rs)/Unit	4.94	7.56
b) Own Generation :		
(i) Through Diesel Generator :		
Units	347562	387823
Cost (Rs.)	4098737	5041699
Cost (Rs.)/unit	11.79	13.00
(ii) Through Steam Turbine/Generator :		
Units	23437240	30692616
Cost (Rs.)	50204525	82901477
Cost (Rs.) /Unit	2.14	2.70
2. Coal /Coke (Used in Boiler ,Microniser & Gas Producer)		
Qty. (MT)	42069.699	52823.000
Total Cost (Rs.)	141871833	203061083
Average Rate (Rs.)	3372.30	3844.18
3. Gas (Used in Lime Killin)		
Qty. (M ³ .)	1217722	1379457.00
Total Cost (Rs.)	16723080	15787176.00
Average Rate (Rs.)	13.73	11.44
4. Agriculture Waste (Used in Boiler)		
Qty. (MT)	48760	50919.610
Total Cost (Rs.)	91630332	104479545.00
Average Rate (Rs.)	1879.21	2051.84

Gulshan Polyols Limited

5. Solvent (C-9 Plus) (Used in Microniser)		
Qty. (Ltrs)	897687	586834
Total Cost (Rs.)	22193609	15054803.00
Average Rate (Rs.)	24.72	25.65
B. Consumption Per Unit (MT) of Production		
Products		
Production (MT)		
CALCIUM CARBONATE	77628.00	77584.750
SORBITOL	45845.600	42745.500
Electricity (Units/Ton)		
CALCIUM CARBONATE	208	192
SORBITOL	268	211
Coal/Coke (MT/Ton)		
CALCIUM CARBONATE	0.68	0.52
(On Directly attributable Production)		
SORBITOL	0.71	0.84
Agriculture Waste (MT/Ton)		
CALCIUM CARBONATE	1.35	1.35
(On Directly attributable Production)		
Solvent (C-9 Plus)(Ltr./Ton)		
CALCIUM CARBONATE	72 Ltrs	72 Ltrs
(On Directly attributable Production)		
Gas (M³/Ton)		
CALCIUM CARBONATE	125	113
(On Directly attributable Production)		

FORM-B

TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

No technology ties up were entered into. The Company keeps itself updated with latest technological innovations by way of constant communication, personal discussions and visits to foreign countries/ plants.

FORM-C

FOREIGN EXCHANGE EARNINGS & OUTGO

Despite severe competition from low cost countries such as China, Taiwan etc., the Company has made efforts on various fronts for promotion of exports.

Earnings by way of Export of Goods calculated on FOB basis Rs. 17,04,02,003/- (Previous Year Rs. 12,93,86,858/-). The foreign currency utilized during the year on repayment of foreign currency loan installments and interest etc. on loan taken was Rs. 3,93,32,389/- (Previous year Rs. 4,64,23,379/-). Expenditure on foreign Traveling is Rs.39,38,806/- (Previous Year Rs. 33,84,999/-).

CORPORATE GOVERNANCE REPORT

(A) Company's Philosophy on the code of Governance

The Company has adopted the best practices of corporate governance for ensuring protection of the rights and interests of its stakeholders. The Company's broad policies of Corporate Governance viz. Transparency, Integrity, Equity, Openness, Fairness and Accountability are the guiding principles of the management of the company along with focus on investor protection. The company has taken proactive measures to periodically review and revise the corporate governance practices incorporating appropriate checks and balances at various levels of management. The company will endeavor to improve on these aspects on ongoing basis.

(B) Board of Directors

The present strength of the Board is 9. Of them, four Directors are non-executive comprising 44.44% of the Board strength. The Chairman and two others are Independent Directors and non-executive. Company does not have any nominee Director. The present composition of the Board meets the requirement of SEBI's guidelines as per the Clause 49 of the Listing Agreement and the Companies Act, 1956.

During the year, 5 Board Meetings were held on 30.05.2009, 31.07.2009, 10.10.2009, 29.10.2009 and 30.01.2010.

The composition of directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also at present, number of other directorship & Chairmanship/membership in Board or committees thereof other companies are as follows:

Name of Director	Designation/ Category	No. of Board Meeting Attended	Whether Attended last AGM	No. of Directorship* in other companies	No. of Chairmanship/ Membership in Board Committee of other companies	
					Chairman	Member
Mr. K.K. Pandey ¹	C	3	No	-	-	-
Dr. C. K. Jain	MD	5	Yes	2	-	2
Mrs. Mridula Jain	NE	4	Yes	1	-	-
Mr. Ajay Jain	NE & ID	5	No	1	3	-
Mr. A. K. Maheshwari	NE & ID	5	No	1	-	3
Mr. S. K. Uppal	WTD	1	No	-	-	-
Mr. A. K. Vats	WTD	4	Yes	-	-	-
Ms. Arushi Jain ²	WTD	-	N.A.	1	-	-
Ms. Aditi Pasari ²	WTD	1	N.A.	1	-	-

C –Chairman, MD – Managing Director, NE – Non-executive Director, WTD – Whole Time Director, ID – Independent Director

*Directorship held in other companies includes only public limited Companies.

¹Mr. K. K. Pandey, Non-executive and Independent Director of the Company elected as Chairman at the Board meeting held on 30.01.2010.

²Ms. Arushi Jain and Ms. Aditi Pasari both were appointed as Additional Directors of the company, in the meeting of Board of Directors held on 30.01.2010. Subsequently, they were appointed as Whole time Director of the Company in the same Board Meeting.

(C) Audit Committee

(a) Composition

The Audit Committee of the Board comprises of total 3 directors, which include Mr. Ajay Jain (Independent Director) being the Chairman of the committee. Mr. K. K. Pandey (Independent

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Director) and Dr. C. K. Jain, Managing Director, being the members of the Committee. The Auditors and Company Secretary are permanent invitees. Ms. Nisha Gupta, Company Secretary, is the Secretary to the Committee. During the financial year 2009-10, the Committee met four (4) times- on 30.05.2009, 31.07.2009, 29.10.2009 & 30.01.2010.

(b) Terms of reference

The terms of reference and powers of the Audit Committee shall be as mentioned in Clause 49 II (D) of the Listing Agreement entered into with the stock exchange and would include overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issues and issues related to risk management and compliances.

The Committee also meets the operating management and reviews the operations, new initiatives and performance of the business unit. The minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

(D) Remuneration committee

(a) Composition

The Remuneration Committee of the Board comprises of total 3 directors, which include 2 non-executive and Independent Directors i.e. Mr. K. K. Pandey (Chairman), Mr. Ajay Jain, (Member) and Mrs. Mridula Jain, non-executive director, being the other member of the committee. During the financial year 2009-10, the Committee met two (2) times- on 30.05.2009 & 30.01.2010.

(b) Terms of reference

To review, assess and recommend the appointment of executive and non-executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revision to the Board, to recommend compensation to the non-executive directors in accordance with the Companies Act, to consider and recommend Employee Stock Option Schemes (if any) from time to time and to administer and superintend the same.

(c) Remuneration Policy

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The Components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him, individual performance etc. The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

(d) Details of remuneration for the year 2009-2010

(i) Managing/Whole Time Directors (Rs. In lacs)

Name	Salaries	Commission	Perks	Retirement Benefits	Total
Dr. C.K. Jain, MD	42.00	–	0.00	0.00	42.00
Mr. S. K. Uppal, WTD	9.00	–	0.00	0.00	9.00
Mr. A. K. Vats, WTD	9.00	–	0.00	0.00	9.00
Ms. Arushi Jain*	1.80	–	0.00	0.00	1.80
Ms. Aditi Pasari*	1.80	–	0.00	0.00	1.80
Total	63.60	–	0.00	0.00	63.60

(*For the part of the year)

- a) The salaries of MD/ WTDs are as per salary structure including annual increments for a fix period as per approved terms. No Bonus, Stock options, pension are payable.
- b) Notice period for termination of appointment of Managing Director is six months and Whole Time Director is one month, on either side. No severance pay is payable on termination of appointment.

(ii) Non-Executive Directors: No remuneration was paid to Non-executive Directors during the year.

(E) Shareholder's Grievance Committee

(a) Terms of reference

To look into the shareholder complaints, if any, and to redress the same expeditiously, the committee approves requests for issue of duplicate share certificate, issue of certificates after split/consolidation and also for transfer / transmission of shares etc.

(b) Composition

The present composition of the Committee comprises of total 3 directors, which include Mr. K.K. Pandey (Independent Director) being the Chairman of Committee. Mr. Ajay Jain (Independent director) and Mrs. Mridula Jain (non executive director) are the members of the Committee. Ms. Nisha Gupta, Company Secretary, of the company is permanent invitee and compliance officer. The committee met Four (4) times during the financial year 2009-10. During the period, a total of 111 complaints were received. The Committee attended to all the complaints and all were resolved/ replied to the satisfaction of the shareholders. There were no unresolved complaints, transfer pending.

(F) The Board has delegated the powers of approving transfer of shares to a committee of senior executives. The committee meets once in a fortnight. However in compliance to SEBI's guidelines for appointment of Single Registrar for Physical and Electronic mode, the powers to approve transfer of shares have been delegated to the Registrar & Transfer Agent.

(G) Code for Prevention of Insider Trading Practices

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct for its Management and Staff. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations.

(H) Code of Conduct for Board/ Committee Members/ Senior Management

In compliance with the Clause 49 of Listing Agreement of Bombay Stock Exchange, the company has instituted a comprehensive code of conduct for its Board/ Committee Members and Senior Management. A code of conduct is a written document that outlines company values, principles, and guidelines in a variety of areas and enables companies to publicly state to their suppliers, customers, consumers and other stakeholders the way in which they intend to do business. Commitment to ethical professional conduct is MUST for every employee at Gulshan in all of its businesses/ units/ subsidiaries. This code, consisting of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment. It contains many, but not all, issues employees are likely to face.

(I) Whistle Blower and Protection Policy

In line with the best Corporate Governance Practices, the company has framed a policy through which employees and business associates may report unethical business practices at work place without fear of reprisal. Under the said policy, all employees/ business associates have direct access to the Chairperson and all the members of the Audit Committee. The whistle blower policy aims to-

Gulshan Polyols Limited

- I. Allow and encourage employees and business associates to bring to the management notice about suspected unethical behavior, malpractice, wrongful conduct, fraud and violation of the policies.
- II. Ensure timely and consistent organizational response.
- III. Provide protection against victimization.
- IV. Build and strengthen a culture of transparency and trust.

The Audit Committee periodically reviews the existence and functioning of the mechanism.

(J) General Body Meetings

The details of the last three Annual General Meetings are as under:

Financial Year	Date	Time	Venue
2008-2009	22-09-2009	12.00 PM	9 th K.M. Jansath Road, Muzaffarnagar, Uttar Pradesh - 251001
2007-2008	24-09-2008	12.00 PM	9 th K.M. Jansath Road, Muzaffarnagar, Uttar Pradesh - 251001
2006-2007	22-09-2007	10.00 AM	Plot no. 762, Jhagadia Industrial Estate, Distt. Bharuch - 393110, Gujarat

No special resolution was passed in the previous 3 AGMs.

Special Resolution passed in the following extra ordinary general meetings (EGMs) held during the year 2009-10:

21st April, 2009 – approving amendment to the Articles of Association of the Company to vary the rights attached to the Class of shares and the same resolution was also passed through Postal ballot in the Class meeting of Preference Shareholders. It was passed unanimously by 100% member's consent. Mr. R. K. Gupta was appointed as Scrutinizer for the purpose of issuing, receiving, scrutinizing and declaring the result of postal ballot resolution.

7th December, 2009 - for approval of issue of FCCB, GDR and ADR

No special resolution is proposed to be conducted through Postal ballot at the ensuing Annual General Meeting.

(K) Disclosures

- (a) During the year, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
- (b) There were no instances of non-compliance on any matter related to the capital markets, SEBI or statutory Authority during the year. The fee to Stock Exchange has been paid in time.

(L) Means of Communication

- (a) Quarterly, Half Yearly and Annual results are published in prominent daily newspaper viz. the Business Standard (English and Hindi), Financial Express (English and Hindi) and Jansatta (Hindi).
- (b) Annual results are sent to each shareholder.
- (c) Management's Discussion & Analysis forms part of the Annual Report.
- (d) All Price Sensitive Information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchange for dissemination to the shareholders.
- (e) Annual Report, Quarterly results, Shareholding Patterns etc of the company are posted on the EDIFAR website at www.sebidifar.nic.in and also on the Company's website on www.gulshanindia.com

(M) General Shareholders Information

(a) The 10th Annual General Meeting is proposed to be held on Saturday, 25th September, 2010 at 1.00 p.m. at 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (Uttar Pradesh).

(b) **Financial Calendar:**

- Annual Results of Previous Year End of May
- Mailing of Annual Reports 3rd week of August
- First Quarter Results End of July
- Annual General Meeting Last week of September
- Payment of Dividend 1st week of October
- Second Quarter Results Mid of November
- Third Quarter Results Mid of February

(c) **Dates of book closures:** Wednesday, August 18, 2010 to Friday, August 20, 2010 (both days inclusive).

(d) **Dividend payment date:** 1st to 5th October, 2010.

(e) **Listing of Equity Shares on Stock Exchange at:** Bombay Stock Exchange.

(f) Stock Code at Bombay Stock Exchange Limited – 532457

(g) **Demat ISIN Number in NSDL & CDSL for Equity Shares:** INE255D01016

(h) **Stock Market price data for the year 2009-10:** Equity share (Face Value Rs. 5/- each) of the Company are listed at Bombay Stock Exchange. The stock market data is given as under:

Stock Market Data (In Rs./per share)

MONTH	BOMBAY STOCK EXCHANGE	
	Month's High	Month's Low
April, 2009	97.00	71.10
May, 2009	125.75	70.10
June, 2009	124.00	92.65
July, 2009	110.10	75.30
August, 2009	105.00	84.10
September, 2009	120.00	90.00
October, 2009	126.80	93.00
November, 2009	145.00	101.05
December, 2009	154.00	120.00
January, 2010	145.70	112.55
February, 2010	131.00	98.00
March, 2010	124.00	102.00

(i) **Registrar and Share Transfer Agent:** The Company appointed M/s Alankit Assignments Ltd, 2E/21, Alankit House, Jhandewalan Extension, New Delhi 110055 as common registrar for the work related to shares in both Physical form as well as shares in Electronic Mode. The Phone no 011-42541234, 23541234 and Fax No 011-41540064. The email address is rta@alankit.com. However, the Company sends the shares received at Company's registered and corporate office to the Registrar for transfer/ Demat etc.

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- (j) **Share Transfer System:** The Company's share is traded at the Stock Exchange in Compulsory Demat form. However, the shares in physical mode which are lodged for transfer/ Demat may be sent to M/s. Alankit Assignments Ltd, 2E/21, Alankit House, Jhandewalan Extension, New Delhi 110055 (Phone no 011-42541234, 23541234 and Fax No 011-41540064, and email address: rta@alankit.com). These are processed and share certificates are transferred /de-matted or returned within the time prescribed by the authorities.

- (k) **Distribution of shareholding as on 31st March, 2010:**

No. of Shares (Rs. 5/- each)	No. of Shareholders	% of Shareholders	Shareholding (no)	% of Shareholding
Up to 1000	12925	98.755	1102496	13.207
1001-2000	70	0.535	101501	1.216
2001-4000	36	0.275	107167	1.284
4001-6000	19	0.145	92334	1.106
6001-8000	4	0.031	26133	0.313
8001-10000	4	0.031	37977	0.455
10001-20000	6	0.046	84681	1.014
20001 and above	24	0.183	6795418	81.405
Total	13088	100.00	8347707	100.00

- (l) **Categories of Shareholders as on 31st March, 2010 :**

Category	No. of Shares held	% of shareholding
Financial Institution/Bank	200	0.002
Bodies Corporate (Promoters)	3670865	43.975
Promoters – Individual	1677957	20.101
General Public – Individuals/Trust	2105407	25.222
– Bodies Corporate	893278	10.700
Total	8347707	100.000

- (m) **Dematerialization of Shares:** As on 31st March, 2010, 94.04% of the Company's total shares representing 7850109 shares were held in dematerialized form and the balance 497598 equity shares representing 5.96% shares were in Physical form.
- (n) **Plant Locations:** i) Plot no. 762, Jhagadia Industrial Estate, Distt. Bharuch – 393110 (Gujarat), ii) 9th K.M., Jansath Road, Muzaffarnagar, (Uttar Pradesh) – 251001, iii) Village Rampur Majri, Dhaula Kuan, Distt Sirmour (Himachal Pradesh) -173001 and iv) On-site facilities of Precipitated Calcium Carbonate at Sahibabad (Uttar Pradesh).
- (o) **Address for correspondence:** The Company's Registered office is at 9th K.M. Jansath Road, Muzaffarnagar - 251001 (Uttar Pradesh). The Corporate office & Investor cell of the Company is located at G-81, Preet Vihar, Delhi 110092. Phone no 011-32991997, 32508619 and Fax no. 011-22157338. Email of share department and investor cell of the Company nishagupta@gulshanindia.com. Shareholders holding shares in Physical form should send shares to Common

Registrar M/s Alankit Assignments Ltd. However, the shareholders holding shares in Electronic mode should address all their correspondence to their respective Depository Participants (DPs).

- (p) **Secretarial Audit Report:** The secretarial audit report of the company prepared in terms of SEBI circular no D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares held in both the depositories viz. NSDL & CDSL and in physical form with the total issued/ paid up capital of the Company is placed before the Board of Directors and duly submitted to the Stock Exchange for every quarter.
- (q) **Compliance of Non-Mandatory Requirement:** The company has adopted the following non-mandatory requirements on Corporate Governance recommended under clause 49 of the Listing Agreement:
- (i) A Chairman's office with required facilities has been provided and maintained at Company's expenses for use by its non-executive Chairman.
 - (ii) A Remuneration Committee under the name of Remuneration Committee comprising 3 Non-Executive Directors for reviews and decides the Company's policy on specific remuneration packages for Executive Directors.
 - (iii) The Company publishes quarterly, half yearly and annual results in widely published newspapers in English, and Hindi languages and individual communication of yearly results is sent to the shareholders.
 - (iv) The Company has not proposed any resolution requiring approval of the shareholders by postal ballot.

DECLARATION BY THE CEO UNDER CLAUSE 49(I) (D) OF THE LISTING AGREEMENT

To
The Members of **Gulshan Polyols Limited**

I, Shiv Kumar Uppal, Whole Time director & Chief Executive Officer of Gulshan Polyols limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management personnel have affirmed Compliance with the Code of conduct of the Company for the year ended 31st March, 2010.

SHIV KUMAR UPPAL
Whole Time Director &
Chief Executive officer

Date : 27th May, 2010

Place : Delhi

Gulshan Polyols Limited

CEO AND CFO CERTIFICATION

To
The Board of Directors
GULSHAN POLYOLS LIMITED

We, Shiv Kumar Uppal, Whole Time Director & CEO and Rajesh Agarwal, CFO of the Company interalia, certify the following:

- a) We have reviewed financial statements and the Cash flow statement of the Company for the year 2009-10 and that to the knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control systems of the company and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and Audit committee:
 - i) Significant changes in internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system

Shiv Kumar UPPAL
Whole Time Director
& Chief Executive Officer

RAJESH AGARWAL
Chief Financial Officer

Date : 27th May, 2010
Place : Delhi

Auditor's Certificate on Corporate Governance

The Members,
Gulshan Polyols Ltd.

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended 31st March, 2010 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of 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.

For SHAHID & ASSOCIATES
Chartered Accountants

Date : 27th May, 2010
Place : Delhi

(MOHD. SHAHID)
Proprietor
Membership No : 70408

MANAGEMENT'S DISCUSSION & ANALYSIS (Forming part of Director's Report)

Gulshan Polyols Limited ("GPL" or "the Company" here onwards) is an industry leader operating in two business segments of inorganic chemicals. GPL is a market leader in 70% Sorbitol globally and domestic market leadership besides being a major producer of Calcium Carbonate. GPL has built these businesses on the platform of strong understanding of chemistry and intimate knowledge of customer needs. This focus on Chemistry and customer has helped GPL, develop unique competitive advantages for each of its businesses. A strong reinforcement of this belief has been recognition by industry through several awards the Company received during the year.

1. Business Environment

Subsequent to the financial crisis in 2008, the Government of India, through its stimulus packages has managed decent growth of Indian Economy. The Indian Stock Market responded well, with the Sensex crossing 16000+ mark. The Utilities reported a positive investment climate in 2009, driven by the public sector and government owned utilities. Private sector, in general remained cautious about new investments in 2009.

2. Industry Structure and developments

The Company is engaged in the business of producing Sorbitol and Calcium Carbonate. Sorbitol is a water soluble polyhydric alcohol having sweet taste and high stability besides properties of humectancy and plasticizing. It finds application as input material in various industrial sectors such as Tooth Paste, Pharmaceuticals, Vitamin-C, Cosmetics, Paper and Paints etc. Calcium Carbonate (CaCO_3) finds application as input material in various industrial sectors such as Tooth Paste, Pharmaceuticals, and PVC products, Rubber, Plastic, Polymer, Cable, Leather, Paper and Paints etc. The Calcium Carbonate Industry comprises organized and un-organized sectors. The un-organized sector consists of small and tiny units which are out of the purview of paying Excise Duty etc. Your Company is the single largest producer of Sorbitol and Calcium Carbonate in the Country in the organized sector, which meets the requirements of all the customers in the various industries, and the customer's list includes top corporations in Tooth Paste, Pharmaceuticals, Paper and Paints etc.

The Company achieved the capacity utilization of 97%, 20%, and 56% of the installed capacities of Sorbitol, Liquid Glucose and Calcium Carbonate plant respectively. The consumer industry i.e. Tooth Paste, Pharma, Cosmetic, Paint etc have shown growth which may lead to further improved business and margins to the company. The Sales and Other Income for the financial year under review were Rs. 22037.65 lacs (Previous year Rs. 21705.24 lacs). The Net Profits after tax were Rs. 1270.15 lacs (Previous year Rs. 1737.72 lacs). The Depreciation for the year was Rs. 1502.57 lacs (Previous year Rs. 668.70 lacs). The cash accruals were Rs. 2650.64 lacs (previous year Rs. 2308.75 lacs) showing a substantial increase of 15%.

Your Company is proud to bring in India the international trend currently prevalent in the global paper industry and has set up an India's first Onsite Percipated Calcium Carbonate (PCC) plant in the paper industry. To meet the increased demand of Activated Calcium Carbonate (ACC) the Company has also set up an Activated Calcium Carbonate (ACC) Plant at Ponta Sahib (Himachal Pradesh) heralding a new era in Calcium Carbonate industry and opening new vistas for growth.

3. Opportunities and Threats

The per capita consumption of Sorbitol and Calcium Carbonate in the Country is very less as compared to World consumption. The future of the industry lies in the increase of overall demand by expanding the usage of the product and reversal of the slowdown in the economy. The quality products of the Company are well accepted in the market. The Company is improving its operating efficiencies in terms of better utilization of plant capacities.

Gulshan Polyols Limited

The new usage of Sorbitol by replacing the existing alternate mix such as Glycerin has widely opened up the growth of the industry. Sorbitol is also used as a low calorie sweetener which has growing demand in the coming years as the people are becoming more health conscious. Sorbitol is globally acceptable now and the company is exporting Sorbitol in 14 countries. The Company faces the threats that some users of Sorbitol are changing their formulation to observe some of the quantities of cheaper or alternate material. Technically, this phenomenon is their strategy to cut their costs but it would not continue for long time at the cost of and quality of the product.

The Calcium Carbonate has a very wide application in the many industries such as Paper, Plastics, Paints, Construction and in other uses in dental products, glass etc. The quality products of the Company are well accepted in the market. The cost reduction plans of the company have provided an edge to the company to compete with unorganized sector. The company continues to face competition from unorganized players in calcium carbonate.

4. Product wise performance

The Company produces Sorbitol, Liquid Glucose and Calcium Carbonate. During the year, the company produced a total of 43814 MT of Sorbitol with over 11% growth against the previous year production of 39614 MT. The sales were also higher at 43429 MT against previous year sales of 39702 MT.

The Company produced a total of 2032 MT of Liquid Glucose against the previous year production of 3132 MT. The sales were 2008 MT against the previous year sales of 3160 MT.

The Company also produced a total of 77628 MT of Calcium Carbonate registering a growth of 13% against the previous year production of 77585 MT. The sales were 80184 MT against the previous year sales of 71010 MT.

The Company has taken necessary steps to reduce operational costs such as reduction in power costs, higher yield etc, which would make the product more competitive. The customer has shown tremendous confidence in the product quality and service, which your company would continue to consider its top priority.

5. Outlook

The Company is optimistic about its growth prospects in the future. During the year, the Company explored exports markets for the products and achieved significant business. It has ambitious plans to capture more new markets to expand the business. Economic environment provides an opportunity to improve the business climate. Indian economy with its strong macro economic fundamentals, positive investment climate, encouraging corporate performance and continued institutional support by foreign institutional investor, is poised for a higher growth.

The outlook for Sorbitol and Calcium Carbonate industry is encouraging and dependent upon the growth of the consumer industry. Improvement in overall economic scenario and replacement of other costly products by Sorbitol and Calcium Carbonate holds the key for steep growth of Sorbitol and Calcium Carbonate industry. The growth in industrial output and increase in investment in core and infrastructure sector should improve the sentiments of Economy. The growth in other sectors would also follow which in turn would increase the prospects of the company. Together with the GDP growth, the Company expects a reasonably good demand growth from various quarters, which in turn would lift the company's future.

6. Risks and Concern

The Company faces risk of lower realization in the event of cheap imports. Other risk faced by the Company is that Sorbitol is based on the agri commodity, which is exposed to factors of Mansoon in the Country and increasing alternate and new usage of corn globally. The Company is preparing and gearing itself by producing the goods at optimum cost and achieving higher yield. The cost reduction holds the key for its survival and to win over any eventual circumstances. In Indian context, besides

the factors mentioned above, agricultural income economic scenario, wholesale and consumer price level, impact of trade agreements with other countries and trade blocks etc. are some of the factors to be watched carefully.

7. Internal Control Systems and their adequacy

The Company has satisfactory internal control procedures commensurate with its size and nature of business. These internal control procedures ensure the following:

- i) Efficient use and protection of resources.
- ii) Compliance with policies, procedures and statutes.
- iii) Accuracy and promptness of financial reports.

The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures. The Internal Audit is carried out extensively throughout the year. The prime objective of such audits is to test the adequacy and effectiveness of all the internal controls laid down by the management and to suggest improvements. Pre-audit/post audit checks and reviews are carried out to ensure follow up on the observations made. The Audit Committee of the Board on a regular basis reviews the internal audit reports, progress in implementation of recommendations contained in the audit reports and the adequacy of internal controls.

8. Financial and Operational Performance

The Sales and Other Income for the financial year under review were Rs. 22037.65 lacs (Previous year Rs.21705.24 lacs). The Net Profits after tax were Rs. 1270.15 lacs (Previous year Rs. 1737.72 lacs). The Depreciation for the year was Rs. 1502.57 lacs (Previous year Rs. 668.70 lacs). The Cash accruals were higher at Rs. 2650.64 lacs (Previous year Rs 2308.75 lacs).

The earnings include an amount of 28.44 lacs (Previous year Rs. 83.47 lacs) as other Income, which comprised of agricultural income Rs. 26.20 lacs, dividend income of Rs. 0.11 lacs and Interest of Rs. 2.13 lacs. The Company spent an amount of Rs. 441.21 lacs on Repairs and Maintenance of Plant & Machinery, which were necessitated to maintain and upgrade the life of the equipments. The resource mobilization of the Company during the year has been from cash accruals, existing cash and cash equivalent, increase/ unutilized working capital limits from bank, and realization and sale of Investment etc. The Company has repaid institutional dues in time and without delay. The total deferred tax liability up to 31st March 2010 including for earlier years works out to Rs. 810.37 lacs and the same has been adjusted against the General Reserves of the Company over the years. The Company declared a dividend @ 25%. An amount of Rs. 1500 lacs was transferred to General reserves.

9. Human Resource Development and Industrial Relations

The Company has identified Human Resource Development as a major strategic initiative since it believes that people's contribution will be the main engine for growth. Current efforts include building the skills, attracting and retaining talent and nurturing and developing leadership potential. Job evaluation exercise, revamping the Reward system and installing a process for measuring key HR parameters, which have a crucial impact on business, are some of the other important HR initiatives, which have been launched.

10. Cautionary Statement

Statements in the management discussion and analysis describing the company's objective, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include change in government regulations, tax laws, economic and political developments within and outside the country and such other factors.

Gulshan Polyols Limited

AUDITORS' REPORT

To the Members of,
Gulshan Polyols Ltd.
Muzaffarnagar (U.P)

Ladies and Gentlemen,

We have audited the attached Balance Sheet of **GULSHAN POLYOLS LIMITED** as at 31st March 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material mis-statement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies Auditor's Report (Amendment) Order 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-

- (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company.
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. Subject to Note No.-8 of Notes on accounts.
- (v) In our opinion and to the best of our information and according to the explanations given to us, none of the Directors is, as at 31st March, 2010, prima-facie disqualified from being appointed as a Director in terms of Clause (g) of Sub-section (1) of the Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements subject to Note no.- 8 of notes on accounts read together with the significant Accounting Policies and the other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and;
 - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For SHAHID & ASSOCIATES
Chartered Accountants

Date : 27th May, 2010
Place : Delhi

(MOHD. SHAHID)
Proprietor
Membership No. 70408

ANNEXURE TO AUDITORS' REPORT
(Referred in Paragraph 3 of our Report of even date)

1. In respect of Fixed Assets :
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, these Assets have been physically verified by the Management at reasonable intervals, having regard to the size of the company and nature of its assets, no material discrepancies were noticed on such verification.
 - (c) In our opinion, company have not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of Inventories :
 - (a) As explained to us, physical verification of inventory has been conducted by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were notified on physical verification of inventories as compared to book records.
3. In respect of Loans, secured or unsecured granted or taken by the company to/from companies, firms and other parties covered in the register maintained u/s 301 of Companies Act 1956 :
 - (a) Company has not taken any Loans, Secured or Unsecured from the Companies, firms or Other Parties covered in the register maintained u/s-301of the Companies Act 1956 Consequently, the requirement of clause (iii) (f) and(iii)(g) of paragraph 4 of the Order are not applicable. However it has given Loan of Rs. 20,87,017 durring the year to one Company under the same management Maximum amount outstanding at any time Rs. 27,16,817 (P.Y. Rs.6,29,800) and the Year end balance is Rs. 27,16,817 (P.Y. Rs.6,29,800).
 - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the loans given are not prima facie prejudicial to the interest of the company, However there is no stipulation as regards the interest on such loan.
 - (c) The principal amount is repayable on demand and there is no repayment schedule.
 - (d) In respect of said loan, the same is repayable on demand and therefore the question of overdue amount does not arise.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the Purchase of Inventory and fixed Assets , for the Sale of Goods and services. During the course of audit, we have not observed any major weaknesses in the Internal controls system.
5. In respect of Transactions covered under section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956, in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has accepted Fixed Deposits from the public within the meaning of Section 58-A of the Companies Act, 1956 and the rules framed there under and have complied with all the rules thereof.

Gulshan Polyols Limited

7. In our opinion, the Company has an adequate Internal Audit System commensurate with its size and nature of its business.
8. The Central Government has prescribed the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company .We have broadly reviewed the accounts & records of the Company in this connection and are of the opinion ,that prima facie , the prescribed accounts and records have been made and maintained .We have not, however ,carried out a detailed examination of the same.
9. (a) According to the records of the company and explanations given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, cess, Wealth tax, Service Tax and any other statutory dues with the appropriate authorities, According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more that 6 months from the date of becoming payable.
(b) As explained to us and information given to us, there are no dispute in case of dues of Sales Tax/ Income Tax/ Custom Duty / Wealth Tax/Service Tax/ Excise Duty/ Cess.
10. The Company has no accumulated losses and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year .
11. According to the records and information given to us, the company has not defaulted in repayment of dues to a financial Institution or bank.
12. In our opinion and according to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other security.
13. In our opinion and According to the information and explanations given to us, the company is not a chit fund or Nidhi or mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies Auditors Report(Amendment),Order 2003 is not applicable to the company.
14. In our opinion and According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has not given any corporate guarantee for any loans taken by others from Bank/ Financial institutions.
16. According to the records of the company and according to the information and explanations given to us, term loans taken by the company were used for the purpose for which the loans were obtained.
17. According to the records of the company and according to the information and explanations given to us and on overall examination of the balance sheet, we opine that the funds raised on short term basis have not been used for long term investment during the year covered under audit.
18. During the year, the company has not made any preferential allotment of shares to the parties and the companies covered in the register maintained under section 301 of the Companies Act 1956.
19. No debentures have been issued by the company during the year.
20. The company has not raised any money by public issue during the year.
21. As explained to us and information given to us, no fraud on or by the company has been noticed by or reported during the year.

For SHAHID & ASSOCIATES
Chartered Accountants

Date : 27th May, 2010
Place : Delhi

(MOHD. SHAHID)
Proprietor
Membership No. 70408

BALANCE SHEET AS AT 31st MARCH, 2010

	SCHEDULE NO.		CURRENT YEAR 31.03.2010 (Amount in Rs.)		PREVIOUS YEAR 31.03.2009 (Amount in Rs.)
SOURCES OF FUNDS:					
SHAREHOLDERS' FUNDS:					
Share Capital	1	144238535		144238535	
Reserves & Surplus	2	895926707	1040165242	909311602	1053550137
LOAN FUNDS:					
Secured Loans	3	422023644		502338215	
Unsecured Loans	4	57563000	479586644	61573000	563911215
DEFERRED TAX LIABILITY			81036682		86234565
			1600788568		1703695917
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block	5	1789216526		1652323381	
Less: Depreciation		808819622		533398051	
Net Block		980396904		1118925330	
Add: Capital Work in Progress		50580823	1030977727	79096807	1198022137
INVESTMENTS	6		3683825		13683825
CURRENT ASSETS, LOANS & ADVANCES:					
Inventories	7	184567780		191645863	
Receivables	8	398727751		325099631	
Cash & Bank Balances	9	55174468		13917870	
Loans & Advances	10	65580704		65733576	
		704050703		596396940	
Less: Current Liabilities & Provisions	11	161808941		134121025	
Net Current Assets			542241762		462275915
MISCELLANEOUS EXPENDITURE:					
(To the extent not written off or adjusted)					
Deferred Revenue expenditure			23885254		29714040
			1600788568		1703695917
NOTES ON ACCOUNTS	21				

The Schedules referred to herein above form an integral part of the Balance Sheet In terms of our separate report of even date.

For SHAHID & ASSOCIATES
Chartered Accountants

Dr. C. K JAIN
Managing Director

MRIDULA JAIN
Director

(MOHD. SHAHID)
Proprietor
Membership No. 70408

RAJESH AGARWAL
Chief Financial Officer

NISHA GUPTA
Company Secretary

Date : 27th May, 2010
Place : Delhi

Gulshan Polyols Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	SCHEDULE NO.	CURRENT YEAR 31.03.2010 (Amount in Rs.)	PREVIOUS YEAR 31.03.2009 (Amount in Rs.)
INCOME:			
Manufacturing Turnover	12	2200920736	2162177116
Other Income	13	2844059	8347366
Increase in Stock	20	(16369102)	42540840
		2187395693	2213065322
EXPENDITURE:			
Raw Materials Consumed	14	769570700	656637576
Manufacturing Expenses	15	575879418	624097631
Excise duty	-	117808306	192747780
Personnel	16	69942853	60466391
Finance Charges	17	54635097	55126343
Administrative Expenses	18	45947347	58101216
Selling & Distribution Exp	19	257134596	266027555
Depreciation	5	150257177	66869748
		2041175494	1980074240
Profit before Tax		146220199	232991082
Provision for Taxation - Current Tax		24403031	16154327
- Deferred Tax (net)		(5197883)	41899481
- Fringe Benefit Tax		0	1165484
Profit after Tax		127015051	173771790
Less/Add: Prior Period Expenses		198654	422270
Add: Balance brought forward		485870088	342286968
Amount Available for Appropriations		612686485	515636488
APPROPRIATIONS:			
Transfer to General Reserve		150000000	20000000
Proposed Dividend		10434634	8347707
Dividend Tax		1773366	1418693
Surplus carried over to Balance Sheet		450478485	485870088
Earnings per share (Rs.) - Basic & Diluted (Face value of Rs. 5/- each)		15.22	20.82

NOTES ON ACCOUNTS

21

The Schedules referred to herein above form an integral part of the Balance Sheet.
In terms of our separate report of even date.

For **SHAHID & ASSOCIATES**
Chartered Accountants

Dr. C. K JAIN
Managing Director

MRIDULA JAIN
Director

(**MOHD. SHAHID**)
Proprietor
Membership No. 70408

RAJESH AGARWAL
Chief Financial Officer

NISHA GUPTA
Company Secretary

Date : 27th May, 2010
Place : Delhi

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31-3-2010

(Rs. in lacs)

	CURRENT YEAR	PREVIOUS YEAR
	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES:	1433.87	2187.40
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		
ADJUSTMENTS FOR:		
DEPRECIATION	1502.57	668.70
NON CASH EXPENSES WRITTEN OFF (NET)	56.90	58.44
INTEREST	240.50	194.41
DIVIDEND	(0.11)	(5.64)
(PROFIT)/LOSS ON SALE OF INVESTMENTS/ASSETS	15.40	0.55
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3249.14	3103.86
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	(740.82)	57.82
INVENTORIES	70.78	(587.43)
TRADE PAYABLES	186.48	(300.04)
BANK LIMITS	(214.93)	152.71
CASH GENERATED FORM OPERATIONS AFTER	2550.65	2426.92
ADJUSTMENTS FOR WORKING CAPITAL CHANGES		
INTEREST PAID	(240.50)	(194.41)
DIRECT TAXES	(186.16)	(212.09)
PREVIOUS YEAR ADJUSTMENT	(1.99)	(4.22)
CASH FLOW AFTER ADJUSTED FOR WORKING CAPITAL	2122.00	2016.20
CHARGES BUT BEFORE EXTRA ORDINARY ITEMS		
EXTRA ORDINARY ITEMS (NET)	29.72	143.18
NET CASH FROM OPERATING ACTIVITIES	2151.72	2159.38
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(1124.87)	(1733.94)
SALE OF FIXED ASSETS	12.81	23.59
PURCHASE OF INVESTMENTS	0.00	(5.70)
SALE OF INVESTMENTS	84.60	200.00
DIVIDEND RECEIVED	0.11	5.64
OTHER CAPITAL EXPENDITURE	0.00	0.00
NET CASH USED IN INVESTING ACTIVITIES	(1027.36)	(1510.41)
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	0.00	0.00
PROCEEDS FROM LONG TERM BORROWINGS (NET)	(628.32)	(475.75)
DIVIDENDS PAID	(83.48)	(200.34)
NET CASH SURPLUS/USED IN FINANCING ACTIVITIES	(711.80)	(676.09)
NET DECREASE IN CASH AND CASH EQUIVALENTS	412.56	(27.12)
CASH AND CASH EQUIVALENTS AS AT 1-4-2009	139.18	166.30
(OPENING BALANCE)		
CASH AND CASH EQUIVALENTS AS AT 31-3-2010	551.74	139.18
(CLOSING BALANCE)		

As per our Report of Even date annexed

For SHAHID & ASSOCIATES

Chartered Accountants

(MOHD. SHAHID)

Proprietor

Membership No. 70408

Date : 27th May, 2010

Place : Delhi

Dr. C. K JAIN

Managing Director

RAJESH AGARWAL

Chief Financial Officer

MRIDULA JAIN

Director

NISHA GUPTA

Company Secretary

Gulshan Polyols Limited

	CURRENT YEAR 31.03.2010 (Amount in Rs.)	PREVIOUS YEAR 31.03.2009 (Amount in Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised:		
3,80,00,000 Equity Shares of Rs. 5/- each	190000000	190000000
2,50,000 0% Redeemable Preference Shares of Rs. 10/- each	2500000	2500000
14,50,000 ,0% Redeemable Preference Shares of Rs. 100/- each	<u>145000000</u>	<u>145000000</u>
	<u>337500000</u>	<u>337500000</u>
Issued, Subscribed & Paid Up:		
83,47,707 Equity Shares of Rs. 5/- each fully paid up	41738535	41738535
1025,000 0% Redeemable Preference Shares of Rs. 100/- each fully paid up	<u>102500000</u>	<u>102500000</u>
	<u>144238535</u>	<u>144238535</u>
Note: Redeemable Preference Shares are to be redeemed in the 8th year from the date of their respective allotments.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
General Reserve		
Opening Balance	194143372	174143372
Addition during the year	150000000	20000000
Less: Adjustment Due to Change of Method of Depreciation (Refer Note No-8)	<u>127213097</u>	<u>0</u>
Capital Reserve	12180000	12180000
Revaluation Reserve	5131260	5911454
Share Premium	211206688	211206688
Profit & Loss Account	<u>450478485</u>	<u>485870088</u>
	<u>895926707</u>	<u>909311602</u>
SCHEDULE - 3		
SECURED LOANS:		
A. Term Loans:		
From Public Financial Institutions/Bank	191813254	252754961
B. Hire Purchase Finance		
From Bank/ Financial Companies	11120609	9000757
C. Working Capital Loan:		
	<u>219089781</u>	<u>240582497</u>
	<u>422023644</u>	<u>502338215</u>
SCHEDULE - 4		
UNSECURED LOANS:		
Fixed Deposits from Public	36563000	34573000
Dealers Security	<u>21000000</u>	<u>27000000</u>
	<u>57563000</u>	<u>61573000</u>

SCHEDULE - 5 FIXED ASSETS

(Amount in Rs)

Name of Assets	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost as on 1-4-2009	Additions/ during the year	Deductions during the year	Total Upto 31-03-2010	Depreciation Upto 31-03-2009	Adjustment of Depreciation Due to Change of Method Up to 31-03-2009	Adjustment for Assets sold	For the year	Dep. on Revolution portion of Assets	Total Upto 31-03-2010	W.D.V. as on 31-03-2010	W.D.V. as on 31-03-2009
COMPLETED ASSETS:												
Land & Site Development	64001485	23745661	0	87747146	0	0	0	0	0	0	87747146	64001485
Building	123436729	14553347	0	137990076	36303359	14594114	0	8547961	236458	59681892	78308184	87133370
Plant & Machinery	142497255	100323012	3969433	1521331834	478457635	109815336	2730970	137150470	543736	723236207	798095627	946520620
Office Furniture & Equipments	12050687	742498	0	12793185	6100791	957312	0	942826	0	8000929	4792256	5949896
Vehicles	27856225	1638737	140677	29354285	12536265	1846335	97926	3615920	0	17900594	11453691	15319960
CURRENT YEAR 'A'	1652323381	1411003255	4110110	1789216526	533398050	127213097	2828896	150257177	780194	808819622	980396904	1118925331
PREVIOUS YEAR 'A'	1358219718	301518302	7414639	1652323381	471250816	0	5001323	66869748	278810	533398051	1118925330	886988902
CAPITAL WORK IN PROGRESS:												
Site Development	0	23745661	23745661	0	0	0	0	0	0	0	0	0
Building & Civil Work	0	15975907	14553347	1422560	0	0	0	0	0	0	1422560	0
Plant & Machinery	77046551	71793940	100323012	48517479	0	0	0	0	0	0	48517479	77046551
Development Expenditure (Pending Allocation)	2050256	302938	1712410	640784	0	0	0	0	0	0	640784	2050256
CURRENT YEAR 'B'	79096807	111818446	140334430	50580823	0	0	0	0	0	0	50580823	79096807
PREVIOUS YEAR 'B'	207221558	166521113	294645864	79096807	0	0	0	0	0	0	79096807	207221558
CURRENT YEAR (A + B)	1751420188	252821701	144444540	1839797349	533398050	127213097	2828896	150257177	780194	808819622	1030977727	1189022138
PREVIOUS YEAR (A + B)	1565441276	468039415	302060503	1731420188	471250816	0	5001323	66869748	278810	533398051	1198022137	1094190460

Note : The Company has revalued during the year 1993-94 some of its Land, Buildings and Plant & Machinery at replacement/market value which had resulted in a net increase of Rs. 2,54,59,370/-. The revaluation reserve is depleting due to provision of Depreciation. Due to change in Depreciation Method, Depreciation was recomputed and credited to General Reserve.

Gulshan Polyols Limited

	Current Year 31.03.2010 (Amount in Rs.)	Previous Year 31.03.2009 (Amount in Rs.)
SCHEDULE - 6		
INVESTMENTS: (At Cost) - Non Trade- Unquoted Long Term		
(i) In Gujrat Environmental Infrastructure Ltd. 10,500 Equity Shares of Rs. 10/- each fully paid up	105000	105000
(ii) In Bharuch Eco-Aqua Infrastructure Ltd. 2,75,000 Equity Shares Of Rs. 10/- each fully paid up	2750000	2750000
(iii) In Dhaulana Sugar Industries Ltd. – 100 Equity Shares of Rs. 10/- each fully paid up – 350000 Equity Shares of Rs. 10/- each called & paid up @ Rs. 1/- per share	1000 350000	1000 350000
(iv) In Gulshan Mercantile Urban Co operative Bank Ltd. (A non scheduled Bank) (4778.25 Equity Shares of Rs. 100/- each fully paid up)	477825	477825
(v) In Mutual fund of Birla Sun life - Special Situation Fund -Growth NIL (P.Y.'-9,77,995.110 units -@Rs.10.2250 each)	0	10000000
	3683825	13683825
SCHEDULE - 7		
INVENTORIES		
(As valued & Certified by the Management)		
Raw Materials	57816878	51413403
Stock in Process	25657994	26464533
Finished Goods	58544787	74107351
Stores, Spares & Packing	15682439	11449910
Fuels, Chemicals & Consumables	26819961	28210666
Stock of Goods Traded	45721	0
	184567780	191645863
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured but considered good)		
Debts outstanding for a period exceeding Six Months	11593703	13638912
Other Debts	387134048	311460719
	398727751	325099631
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash in hand	306992	857990
<u>Balance with Scheduled Banks</u>		
– In Current Accounts	48843847	7463261
– In Unclaimed Dividend Accounts	5431945	5373705
– In Fixed Deposit Account	96972	40813
– Margin money	0	85000
<u>Balance with Non-Scheduled Bank</u>		
– In Current Account	494712	97101
	55174468	13917870

	Current Year 31.03.2010 (Amount in Rs.)	Previous Year 31.03.2009 (Amount in Rs.)
SCHEDULE - 10		
LOANS & ADVANCES		
(Unsecured but considered good)		
(Advances recoverable in cash or in kind or for value to be received)		
Inter Corporate Deposit	2716817	629800
Advance for Fixed Assets	16697141	22371253
Advance for Supplies & Services	4062360	5239021
Balance with Excise Authorities & Cenvats Recoverable	4663409	5774349
Security with Government Departments	14161690	8074329
Other Advances & Prepaid Expenses	6082012	5840363
Advance Payment of Taxes (Net)	17197275	17804461
	<u>65580704</u>	<u>65733576</u>
SCHEDULE - 11		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors for Supplies & Services	88549015	70562711
Sundry Creditors for Expenses	28291940	23542959
Sundry Creditors for Fixed Assets	1230080	7179072
Interest accrued but not due	537289	396367
Unclaimed Dividend	5411945	5353705
Others	1177641	0
B. Provisions		
Proposed Dividend	10434634	8347707
Provision for Tax on Income	24403031	17319811
Provision for Tax on Dividend	1773366	36611031
	<u>161808941</u>	<u>1418693</u>
		<u>27086211</u>
		<u>134121025</u>
SCHEDULE - 12		
MANUFACTURING TURNOVER		
Sales	1857399373	1750295786
Consignment/Trading Sales	8837911	162250
Excise Duty	117111108	190187462
Sales Tax Realised	42608147	44013350
Freight & Handling Charges Recovered	174964197	177518268
	<u>2200920736</u>	<u>2162177116</u>
SCHEDULE - 13		
OTHER INCOME		
Agriculture Income (Net of Expenses)	2620225	2797404
Dividend Received	10500	563724
Interest Received	213334	0
Foreign exchange fluctuations	0	4986238
	<u>2844059</u>	<u>8347366</u>

Gulshan Polyols Limited

	Current Year 31.03.2010 Amount in (Rs.)	Previous Year 31.03.2010 (Amount in Rs.)
SCHEDULE - 14		
RAW MATERIAL CONSUMED		
Opening Stock	51413403	51053296
Add: Purchases	770215623	656997683
	821629026	708050979
Less: Closing Stock	57862599	51413403
	763766427	656637576
Consignment/Trading Purchase	5804273	0
	769570700	656637576
SCHEDULE - 15		
MANUFACTURING EXPENSES		
Process Chemicals & Consumables	149299926	169595866
Stores, Spare Parts & Packing	81313836	68645620
Fuels & Power Generation	300614253	354261149
Repair & Maintenance:		
- Building	530657	838101
- Plant & Machinery	44120746	30756895
	575879418	624097631
SCHEDULE - 16		
PERSONNEL		
Salary, Wages & Bonus	60139388	54205110
Contribution to Provident Fund & Other Funds	2850226	2130139
Workman & Staff Welfare Expenses	6953239	4131142
	69942853	60466391
SCHEDULE - 17		
FINANCE CHARGES		
Interest and Charges on Bank Borrowing for Working Capital	29380352	35685333
Interest on Term and Other Loans	24050157	19441010
Foreign exchange fluctuations	1204588	0
	54635097	55126343

	Current Year 31.03.2010 (Amount in Rs.)	Previous Year 31.03.2009 (Amount in Rs.)
SCHEDULE - 18		
ADMINISTRATIVE EXPENSES		
Rent	3691500	3367732
Printing & Stationery	2933356	2111505
Rates & Taxes	2296397	4433504
Advertisement & Publicity	514417	713947
Subscriptions	76862	271387
Travelling Expenses:		
- Directors	5830832	3827411
- Others	<u>6357930</u>	<u>10491181</u>
Legal & Professional Charges	3312252	1903910
Communication Charges	4146421	3837353
Charities & Donation	161704	111461
Auditors Remuneration		
Audit Fee	300000	300000
Tax Audit Fee	75000	70000
Fee for Certification	100000	100000
Expenses	<u>40854</u>	<u>45605</u>
Repair & Maintenance	1379942	1357421
Insurance	6890655	18610865
Misc. Expenses	608579	648960
Preliminary/Deferred Revenue Expenses written off	5690476	5844439
Loss on Sale of Investment /Assets (Net)	<u>1540170</u>	<u>54535</u>
	<u><u>45947347</u></u>	<u><u>58101216</u></u>
SCHEDULE - 19		
SELLING & DISTRIBUTION EXPENSES		
Commission & Discounts	13654529	21669958
Freight & Handling Charges	196124041	195784854
Trade Tax Paid	42865856	44486216
Others	<u>4490170</u>	<u>4086527</u>
	<u><u>257134596</u></u>	<u><u>266027555</u></u>
SCHEDULE - 20		
INCREASE IN STOCK		
Opening Stock		
Finished Goods	74107350	38610269
Goods in Process	<u>26464533</u>	<u>19420774</u>
	TOTAL (A) <u><u>100571883</u></u>	<u><u>58031043</u></u>
Closing Stock		
Finished Goods	58544787	74107350
Goods in Process	<u>25657994</u>	<u>26464533</u>
	TOTAL (B) <u><u>84202781</u></u>	<u><u>100571883</u></u>
NET INCREASE/(DECREASE)	<u><u>-16369102</u></u>	<u><u>42540840</u></u>

Gulshan Polyols Limited

SCHEDULE – 21 ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Significant Accounting Policies

1. Basis of Preparation

The Financial Statements have been prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant disclosure requirements of the Companies Act, 1956 under historical cost convention and on the basis of going concern.

Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles followed by the company.

2. Fixed Assets

Fixed Assets are stated at acquisition cost (net of modvat/cenvat if any) including directly attributable cost of bringing them to their respective working conditions for the intended use less accumulated depreciation. Assets acquired on Hire Purchase are stated at their cash values. The cost of acquisition in respect of fixed assets pertaining to amalgamated company (Gulshan Sugars & Chemicals Ltd) as on appointed date i.e. April 1, 2007 is the value at which these were standing in the books of transferor (GSCL) Company. These include certain assets which were earlier revalued and the cost of such assets includes the resultant surplus.

3. Depreciation

Depreciation on fixed Assets have been Provided on Written Down Method basis in accordance with the provisions of schedule XIV of the Companies Act 1956. Company have Changed the Method of Charging Depreciation from Straight Line Method to Written Down Method from this Year.

4. Inventory Valuation

The company has valued its inventory on “cost or net realizable value whichever is lower” basis and is in compliance with the Accounting Standard-2 issued by ICAI . However, stock-in-process has been valued on estimated cost. Further, the valuation of inventory is inclusive of Excise Duty component wherever applicable as required u/s 145A of the Income Tax Act, 1961.

5. Consumption of Raw Materials, Stores, Fuels, Chemicals, Consumables & Packing are accounted for after reckoning the Closing Stock of respective items as ascertained by the Company’s experts at the end of the year from the total of the Opening Stock and purchases.

6. Revenue Recognition

The Company follows mercantile system of accounting where all the Income and Expenditure items having material bearing on the financial statements are recognized on accrual basis.

7. Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the Profit & Loss Account.

8. Retirement Benefits

The retirement benefits such as Contribution to Provident Fund, Leave encashment etc. are accounted for on accrual basis and the payment and provision for Gratuity is made on the basis of actuarial valuation done by life Insurance Corporation of India.

9. Excise Duty

Excise Duty is recognized at the point of Production and the value of finished goods lying in the factory as well as at depots are inclusive of Excise Duty. Other inventories are also inclusive of Excise Duty Component wherever applicable.

10. Miscellaneous Expenditure

- (a) Expenditure being in the nature of preliminary expenses are amortized over the period as prescribed u/s 35-D of the Income Tax Act, 1961.
- (b) Expenditure incurred on various heads against which the benefit is to flow into future period is treated as deferred revenue expenditure and are charged to revenue account over the expended duration of benefit.

11. Turnover

Turnover include sale of goods, excise duty, trade/sales tax and other recoverable expenses.

12. Borrowing Costs

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

13. Provision for Current & Deferred Tax

The provision for Current Tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. The deferred tax liability as per Accounting Standard (AS-22) resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the Balance Sheet date. The deferred tax Asset/credit is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

14. Investments

The Investments being long-term investments are valued at cost, after providing for any diminution in value, if such diminution is of a permanent nature.

15. The interest accrued and due on secured and unsecured loans fall due on 31st March, 2010 and have been paid/ provided on that date. Therefore, the amount outstanding is Nil and has not been disclosed under respective heads.

B. Notes Forming part of the Accounts

1. (a) Previous year figures along with the figures of amalgamated company have been reworked, rearranged, regrouped and reclassified, wherever considered necessary.
(b) Figures have been rounded off to the nearest Rupees.
2. In the opinion of the Board of Directors, Current Assets, Loans & Advances have a value of realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet. The provisions for all known liabilities are adequate and not in excess of amount considered reasonable necessary.
3. The immovable and movable assets of the unit located at Jhagadia Industrial Estate, District Bharuch (Gujarat) are charged to Bank of Baroda (BOB) and Industrial Development bank of India Ltd. (IDBI) by way of First pari-passu Charge for Rupee and Foreign Currency Term Loans of Rs. 6,82,16,750/-

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(Previous Year Rs. 10,23,25,125/-) and Rs. 6,65,00,000/- (Previous Year Rs. 7,00,00,000/-) respectively. Similarly, the immovable and movable assets of the unit located at 9th K.M., Jansath Road, Muzaffarnagar (UP) are charged to Industrial Development Bank of India Ltd (IDBI) for its rupee term loan of Rs. 5,00,00,004/- (Previous Year Rs. 7,33,33,336/-) by way of first charge.

The above loans are further secured by the personal guarantee(s) of the Promoter Directors of the company. The corporate guarantee of M/s Gulshan Holdings Private Limited has also been provided to secure entire BOB's term loan and IDBI's loan.

Bank of Baroda (BOB) has floating charge on the remainder asset of the company. The floating charge is, however, subject to the prior charge of BOB against borrowing for working capital.

4. Loan from Life Insurance Corporation of India (LIC) Rs. 70,96,500/- (Previous Year Rs. 70,96,500/-) is secured by the pledge of Keymen Insurance Policies taken by the company on the life of Keymen.
5. Company has taken Hire Purchase finance of Rs 1,11,20,609/-(Previous Year Rs 90,00,757/-) from various Banks and Finance companies, which are secured against Vehicles purchased through them under Hire Purchase Agreement.
6. The Working Capital Loan Rs. 21,90,89,781/- from Bank of Baroda (Previous Year Rs. 24,05,82,497/-) is secured by Hypothecation of present & future stocks of Raw Materials, Stores, Stock-in-process, Chemicals & Consumables, Fuels, Packing Material, Finished Goods etc. and Book Debts of the company. The loan is further secured by way of a Second Charge on the Fixed Assets of the company, personal guarantee of the Promoter Director of the company. The aforesaid loan is also secured by the Corporate Guarantee of M/s. Gulshan Holdings Pvt. Ltd.
7. Dr. C.K. Jain, Managing Director is the Chairman of Gulshan Mercantile Urban Co-operative Bank Ltd. (a Non-Scheduled Bank) in which company has maintained current accounts (maximum balance outstanding during the period Rs 52,59,966/-) (Previous year Rs. 22,61,859/-). The Company has also invested a sum of Rs. 4,77,825/- (Previous year Rs. 4,77,825/-) in the equity shares of GMUCB and borrowed funds for Hire purchase asset as per note above.
8. Company have Changed the method of Charging Depreciation from Straight Line to Written Down Value from this Year and the difference between the amount computed by the two methods up to 31-03-2009 Rs.12,72,13,097 have been directly charged to General Reserve and difference for the current year Rs.6,40,22,577 have been adjusted in the current year Profit and Loss Account.
9. Managerial Remuneration for Managing Director and Whole Time Directors include.

(In Rupees)

	Current Year 31.03.2010 Amount in (Rs.)	Previous Year 31.03.2010 (Amount in Rs.)
Salaries & Allowances	63,60,000	44,60,000
Perquisite	-	1,09,807
TOTAL	63,60,000	45,69,807

Computation of Net Profit in accordance with section 309(5) of the Companies Act, 1956 is not given, as the Company has not paid any commission to any of its Directors.

10. The amount owed to small Scale Industries outstanding for more than 45 days as at 31st March, 2010 and the sum exceeding Rs. 1 Lacs in each case was Rs. 24,57,546/- (PY – NIL)

11. Miscellaneous Expenditure to the extent not written off or adjusted 2,38,85,254/- (Previous Rs. 2,97,14,040/-)
12. Contingent Liabilities in respect of:
- Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for Rs. 7,39,000/- (Previous year Rs. 7,39,000/-) on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units
 - Bank guarantee for Rs. 3,30,000/- towards U.P.P.C.B (Previous Year 3,30,000/-),
13. In compliance to the Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), a net amount of Rs. 51, 97,883/- (Previous Year Rs. 4,18,99,481/- Deferred Tax Liability) has been provided as Deferred Tax Assets as at 31st March 2010 and the same has been charged to the Profit & Loss account of the Company. This pertains to the difference in Depreciation on Assets as per books of accounts and WDV as claim for tax purposes. The Deferred Tax Assets has been calculated by applying tax rate that have been enacted and applicable as on the Balance Sheet date. No Liability has been computed in respect of difference considered to be of permanent nature.
14. Disclosure of Related Party transactions as per Accounting Standard 18 issued by ICAI :
- Name of related party and nature of related party relationship where control exist
 - Holding Company : Nil
 - Subsidiary Company : Nil
 - Name of related party and nature of related party relationship other than those referred to in (a) above in transaction with the company :
 - Joint Ventures etc. : Nil
 - Key Management Personnel : Dr. C.K. Jain, Managing Director
Mrs. Mridula Jain, Director
Mrs. Aditi Pasari, Director
Mrs. Arushi Jain, Director
Mr. S. K. Uppal, Whole Time Director
Mr. A. K. Vats, Whole Time Director
 - Corporate entities over which key management personnel are able to exercise significant influence: Genus Prime Infra Ltd., Salil Industries Ltd., Gulshan Lamee Pack Pvt. Ltd, Gulshan Holdings Pvt. Ltd, and Gulshan Speciality Minerals Private Limited.
 - Transactions with related parties of the period 01.04.2009 to 31.03.2010 :

Particulars	Corporate Associates	Key Managerial Personnel	O/S as on 31-03-2010
Remuneration to Key Personnel	-	63,60,000 (45,69,807)	-
Loans Given- Gulshan Speciality Minerals Pvt. Ltd.	20,87,017 (6,29,800)	-	27,16,817 (6,29,800)
Commission	NIL (64,67,402)	-	-
Rent Paid- Dr. C.K Jain Mrs. Mridula Jain	-	23,40,000** (23,40,000) 1,02,000 (NIL)	-

*Figure in brackets indicate previous year.

** Net of Service Tax as applicable.

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15. Earning Per Share computed in accordance with Accounting Standard – 20:

	Particulars	Current Year 2009-10	Previous Year 2008-09
1	Net Profit After Tax available for Equity Shareholders (Rs In Lacs)	1270.15	1737.72
2	Weighted Average of number of Equity Share outstanding during the year	8347707	8347707
3	Basic Earning Per Share of Rs. 5/- each	15.22	20.82
4	Diluted Earning Per Share of Rs. 5/-	15.22	20.82

16. In terms of Accounting Standard (AS-28) on 'Impairment of Asset' issued by the Institute of Chartered Accountants of India (ICAI), the company during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Accounting Standard. The company has identified that no asset of the company has been impaired during the year.

17. The Company manufactures inorganic chemicals such as Sorbitol, Liquid Glucose and Calcium Carbonate etc. Segment reporting is not applicable.

18. The Additional information as required under Clause 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 is as under:-

A. CAPACITY, PRODUCTION & STOCKS:

Product	Licensed	Installed	Actual	OPENING STOCK		CLOSING STOCK	
	Capacity	Capacity	Production	Quantity	Value in	Quantity	Value in
	M.T.	M.T.	M.T.	M.T.	Rs.	M.T.	Rs.
1. Sorbitol (70%)							
Current Year	N.A.	45000	43813.935	924.607	17286385	1309.497	26354149
Previous Year	N.A.	45000	39613.800	1012.779	23246072	924.607	17286385
2. Glucose							
Current Year	N.A.	10000	2031.665	30.900	602565	54.600	1096737
Previous Year	N.A.	10000	3131.700	58.800	1383756	30.900	602565
3. Calcium Carbonate-							
Current Year	N.A.	138000	77628.000	7725.250	55220349	5168.813	30480352
Previous Year	N.A.	105000	77584.750	1150.300	9670022	7725.250	55220349
4. By Products							
Current Year	N.A.	N.A.	N.A.	NIL	NIL	-	613549
Previous Year	N.A.	N.A.	N.A.	NIL	NIL	-	998052

B. MANUFACTURING TURNOVER:

	CURRENT YEAR		PREVIOUS YEAR	
	Quantity M.T.	Value in Rs.	Quantity M.T.	Value in Rs.
1. Sorbitol (70%)	43429.045	1177587605	39701.972	1180202000
2. Glucose	2007.965	37963172	3159.600	50247306
3. Calcium Carbonate	80184.437	832056328	71009.800	803967039
4. Trading Sale				
- Quick Lime	1578.000	8442300	-	-
- Chemicals	-	395610	-	-
5. By Products	-	144475721	-	127760771
		2200920736		2162177116

C. RAW MATERIAL CONSUMED:

	CURRENT YEAR		PREVIOUS YEAR	
	Quantity M.T.	Value in Rs.	Quantity M.T.	Value in Rs.
Starch	701.000	12885074	926.000	22792558
Corn-	61213.034	596190843	56927.850	502745725
Lime Stone	60098.068	92478445	73774.820	92355649
Lime Stone Powder	129.435	573547	2179.975	8139206
Quick Lime	20231.600	61684239	8803.230	30604438
Quick Lime-Trading	1578.000	5758552	0.000	0
		<u>769570700</u>		<u>656637576</u>

D. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES, SPARES & COMPONENTS CONSUMED:

	Value in Rs.	Percentage	Value in Rs.	Percentage
(i) RAW MATERIAL:				
Imported	NIL	NIL	NIL	NIL
Indigenous	769570700	100%	656637576	100%
(ii) STORES, SPARES & COMPONENTS:				
Stores & Spare Parts:				
Imported	NIL	NIL	NIL	NIL
Indigenous	11576669	100%	9407204	100%

E. C.I.F. VALUE OF IMPORTS:

Raw Materials, Stores & Components	318738	23113872
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F. EXPENDITURE IN FOREIGN CURRENCY:

On Import of Capital Goods	NIL	NIL
On Foreign Travelling of Directors	3938806	3384999
On Payment of Interest on Foreign Currency Loan	5224014	6157502
On repayment of Foreign Currency Loan Instalment	34108375	40265877

G. EARNING IN FOREIGN EXCHANGE:

(i) Export of Goods calculated on F.O.B.basis	170402003	129386858
(ii) Inflow of Foreign Currency Term loan	NIL	NIL

For SHAHID & ASSOCIATES
Chartered Accountants

Dr. C. K JAIN
Managing Director

MRIDULA JAIN
Director

(MOHD. SHAHID)
Proprietor
Membership No. 70408

RAJESH AGARWAL
Chief Financial Officer

NISHA GUPTA
Company Secretary

Date : 27th May, 2010
Place : Delhi

Gulshan Polyols Limited

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.	:	L24231 UP2000 PLC 034918
Balance Sheet date	:	31-03-2010

2. Capital Raised during the year (Amount in Rs./Lacs)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3. Position on Mobilization and Deployment of funds (Amount in Rs./Lacs)

Total Liabilities	16007.88	Total Assets	16007.88
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Sources of Funds

Paid up Capital	1442.39
Secured Loans	4220.23
Reserves & Surplus	8959.26
Unsecured Loans	575.63
Deferred Tax Liability	810.37

Application of Funds

Net Fixed Assets	10309.77
Net Current Assets	5422.42
Accumulated Losses	NIL
Investments	36.84
Misc. Expenditure	238.85

4. Performance of Company (Amount in Rs. /Lacs)

Turnover & Other Income	22037.65	Total Expenditure	20411.75
Profit before Tax	1462.20	Profit After Tax	1270.15
Earning per share (Rs.)	15.22	Dividend Rate %	25%

5. Generic Name of Principal Product of the company

Item Code No. (ITC Code) : 2905.44, 2505.90

Product Description : Sorbitol

Liquid Glucose and Calcium Carbonate



GULSHAN POLYOLS LIMITED

Registered Office: 9th K.M. Jansath Road, Muzaffarnagar – 2510 001
(Uttar Pradesh)

FORM OF THE PROXY FOR THE 10th ANNUAL GENERAL MEETING

I/We, the undersigned Equity Shareholder(s) of the above company hereby appoint Mr. _____ of _____ and failing him Mr. _____ of _____ as my/our proxy, to vote for me/us at the 10th Annual General Meeting of the Equity Shareholders of the company to be held at the registered office of the Company at 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (Uttar Pradesh) on Saturday, 25th September 2010 at 1.00 p.m. or any adjournment or adjournments thereof.

Dated this _____ day of _____ 2010

Signature: _____ Folio No./Client ID _____

No. of shares held _____

Address:

Note: The proxy must be returned and should reach the Registered Office of the Company not less than 48 hours before the time holding the aforesaid meeting. The proxy need not be a member of the company.

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**ATTENDANCE SLIP
GULSHAN POLYOLS LIMITED**

Registered Office: 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (Uttar Pradesh)

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional attendance slip on request.

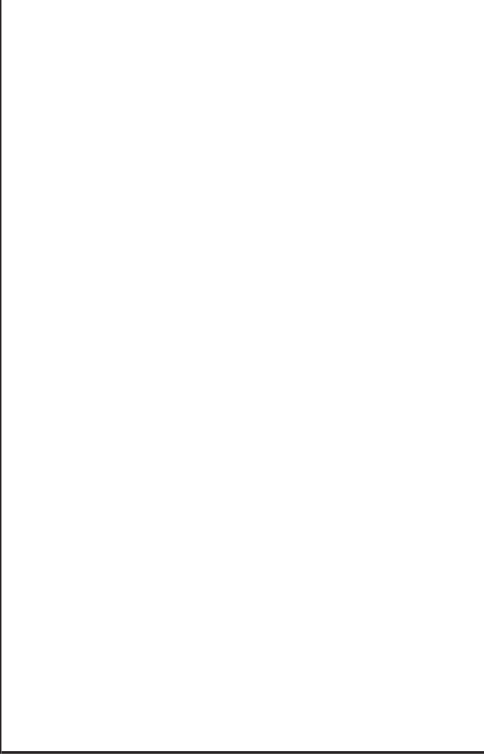
Name and Address of the Shareholder: _____ Folio No./Client ID _____

I hereby record my presence at the 10th Annual General Meeting of the company held on Saturday, the 25th September, 2010 at the registered office of the Company at 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (Uttar Pradesh).

SIGNATURE OF THE SHAREHOLDER OR PROXY

Strike out whichever is not applicable.

**PRINTED MATTER
BOOK-POST**



If undelivered, please return to:

GULSHAN POLYOLS LIMITED

G-81, PREET VIHAR,

DELHI - 110 092