

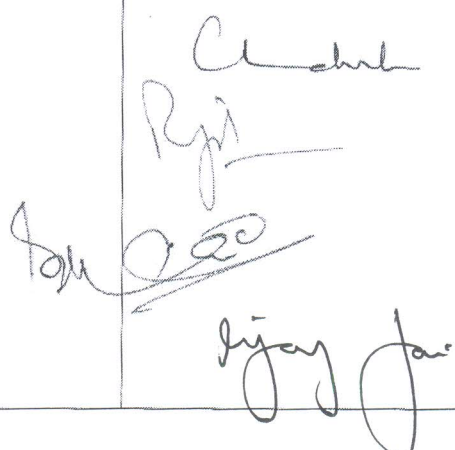


Gulshan Polyols Limited
Corporate Office:
G-81, Preet Vihar, Delhi-110092, India
Ph.: +91 1149999200
Fax: +91 1149999202
E-mail: gscdelhi@gulshanindia.com
Website: www.gulshanindia.com

CIN : L24231UP2000PLC034918

FORM A

Covering letter for the annual audit report filed with the Stock Exchange

1	Name of the company	Gulshan Polyols Limited
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	



GULSHAN

14th Annual Report 2013-2014

GULSHAN POLYOLS LIMITED

(ISO 9001:2000 Company)

Gulshan Polyols Limited

BOARD OF DIRECTORS

Dr. Chandra Kumar Jain	: Chairman and Managing Director
Mr. A. K. Vats	: Executive Director & CEO
Ms. Arushi Jain	: Executive Director
Mr. S. K. Tewari	: Executive Director
Ms. Aditi Pasari	: Executive Director
Mr. K. K. Pandey	: Independent Director
Mr. A. K. Maheshwari	: Independent Director
Mr. Ajay Jain	: Independent Director
Mr. J. J. Bhagat	: Independent Director
Mr. R. K. Gupta	: Independent Director

COMPANY SECRETARY

Ms. Nisha Gupta

CHIEF FINANCIAL OFFICER

Mr. Rajesh Agarwal

REGISTERED OFFICE

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

CORPORATE OFFICE & INVESTOR CELL

G-81, Preet Vihar, Delhi - 110 092
Tel. : 011-49999200, Fax : 011-49999202

PLANT LOCATION

1. Plot No. 762, Jhagadia Industrial Estate, Bharuch-393110 (Gujarat)
2. 9th K. M., Jansath Road, Muzaffarnagar, Uttar Pradesh-251001
3. Plot no. 769/2, G.I.D.C. Industrial Estate, Distt. Bharuch - 393110 (Gujarat)
4. Village Rampur Majri, Dhaula Kuan, Distt. Sirimour (H.P.)-173001
5. Plot No.-10, 11 & Part of 9, Borgaon Industrial Growth Centre, Tehsil - Sausar, Dist. Chhindwara, Madhya Pradesh
6. E-21& 22, RIICO Growth Centre Phase-II, Abu Road, Disst. Sirohi, (Rajasthan)
7. On-site Plant of PCC, Patiala (Punjab)
8. On-site Plant of PCC, Hooghly, (West Bengal)

VISIT US AT

www.gulshanindia.com

AUDITORS

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

BANKERS

Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENT

M/s Alankit Assignments Limited
1E/13, Alankit House, Jhandewalan
Extension, New Delhi 110055,
Phone No: 011-42541234/ 42541955
Fax No: 011-4254196
E-mail: rta@alankit.com

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NOTICE

Notice is hereby given that the 14th Annual General Meeting of the members of **GULSHAN POLYOLS LIMITED** will be held on Saturday, 20th September, 2014 at 11.30 a.m. at Lala Gulshan Rai Jain Charitable Trust Dharamshala, 54,Gher Khatti, New Mandi, Muzaffarnagar, Uttar Pradesh - 251001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. A.K. Vats (holding DIN no. 00062413), who retires by retire by rotation, and being eligible, offers himself for re-appointment.
3. To declare a dividend on Preference Shares for the Financial Year ended 31st March, 2014.
4. To declare a dividend on Equity Shares for the Financial Year ended 31st March, 2014.
5. To appoint auditors and authorize Board of Directors to fix their remuneration.

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Shahid & Associates, Chartered Accountants (Firm Registration No. 002140C), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of 14th Annual General Meeting (AGM) till the conclusion of 17th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

6. Appointment of Mr. Suresh Kumar Tewari as a Whole Time Director of the Company

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

"RESOLVED THAT pursuant to provisions of section 152, and subject to the applicable provisions of the Companies Act, 2013 including the applicable rules made thereunder, Mr. Suresh Kumar Tewari (holding DIN 00062373), be and is hereby appointed as a Director of the Company, whose period of office shall be liable for retirement by rotation.

RESOLVED FURTHER THAT pursuant to sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder read with schedule V to the Companies Act, 2013 (Corresponding to sections 198, 269, 309 and any other applicable provisions of Companies Act, 1956 read with schedule XIII to the Companies Act, 1956), the consent of the company, be and is hereby accorded to the appointment of Mr. Suresh Kumar Tewari as a Whole Time Director of the Company for a period of five years effective from 1st April, 2014 on the following terms & conditions of appointment including remuneration, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified under section 197, read with Schedule V of the Companies Act, 2013:

1. Basic Salary per month:

₹ 78,800/- in scale of ₹ 48,500/- to ₹ 1,33,000/- (With such annual/ special increments within the aforesaid scale as may be decided by the Board, on recommendation of Nomination and Remuneration Committee)

2. Perquisites and allowances:

- a. House Rent Allowance : 45% of Basic
- b. Medical Allowance : 5% of Basic
- c. Ex-Gratia : 8.33% of Basic

Gulshan Polyols Limited

3. **Commission on profits**, as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee for each financial year calculated with reference to net profits of the Company, subject to the overall ceiling stipulated in Section 197 and 198 read with Schedule V of the Companies Act, 2013 payable at such intervals, as may be decided by the Board of Directors.

4. **Other perquisites**

In addition to the perquisites and allowances as aforesaid, he shall also be entitled to the following benefits which will not be included in computation of the ceiling of remuneration specified in Para 1, 2 and 3 above.

- a. Gratuity: Gratuity payable as per the rules of the Company.
- b. Leave: Leaves as per the rules of the Company.
- c. Company Car and telephone: Use of the Company's Car, and telephone at the residence for official purposes as per rules of the Company.
- d. Other benefits as per rules of the Company.

7. **Variation in the Terms of remuneration of Mr. Ashwani Kumar Vats, 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 provisions of section 152 and subject to the applicable provisions of the Companies Act, 2013 including the applicable rules made thereunder, Mr. Ashwani Kumar Vats (holding DIN 00062413) who retires by rotation, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, without any break in his tenure as Whole Time Director of the Company.

RESOLVED FURTHER THAT pursuant to sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder read with schedule V to the Companies Act, 2013, the consent of the company, be and is hereby accorded for varying the terms and conditions of remuneration being paid to Mr. Ashwani Kumar Vats, Whole Time Director of the Company for the remaining tenure of his appointment effective from 1st April, 2014, as stipulated herein below:

1. **Basic Salary per month:**

₹ 95,000/- in scale of ₹ 68,000/- to ₹ 1,33,000/- (With such annual/ special increments within the aforesaid scale as may be decided by the Board, on recommendation of Nomination and Remuneration Committee).

2. **Perquisites and allowances:**

- a. House Rent Allowance : 45% of Basic
- b. Medical Allowance : 5% of Basic
- c. Ex-Gratia : 8.33% of Basic

3. **Commission on profits**, as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee for each financial year calculated with reference to net profits of the Company, subject to the overall ceiling stipulated in section 197 and 198 read with Schedule V of the Companies Act, 2013 payable at such intervals, as may be decided by the Board of Directors.

4. **Other perquisites**

In addition to the perquisites and allowances as aforesaid, he shall also be entitled to the following benefits which will not be included in computation of the ceiling of remuneration specified in Para 1, 2 and 3 above.

- a. Gratuity: Gratuity payable as per the rules of the Company.
- b. Leave: Leaves as per the rules of the Company.

- c. Company Car and telephone: Use of the Company's Car, and telephone at the residence for official purposes as per rules of the Company.
- d. Other benefits as per rules of the Company.

8. Appointment of Mr. Krishna Kumar Pandey as an Independent Director

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

"RESOLVED THAT Mr. Krishna Kumar Pandey (holding DIN 02241232), an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the company pursuant to Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, with effect from 1st April, 2014 for a term of five consecutive years."

9. Appointment of Mr. Akhilesh Kumar Maheshwari as an Independent Director

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

"RESOLVED THAT Mr. Akhilesh Kumar Maheshwari (holding DIN 00062645), an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the company pursuant to Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, with effect from 1st April, 2014 for a term of five consecutive years."

10. Appointment of Mr. Ajay Jain as an Independent Director

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

"RESOLVED THAT Mr. Ajay Jain (holding DIN 00062146), an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the Company pursuant to Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013, with effect from 1st April, 2014 for a term of five consecutive years."

11. Creation of charge/mortgage in terms of section 180(1)(a) of the Companies Act, 2013

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

"RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to lease, mortgage and/or charge, in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situated, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding ₹500/- crore (Rupees Five Hundred Crores only).

FURTHER RESOLVED THAT lease, mortgage/charge created and /or all agreements, documents executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified."

12. Borrowing powers of the Company under section 180(1)(c) of the Companies Act, 2013

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

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"**RESOLVED THAT** in supersession of the resolution passed under section 293(1)(d) of the Companies Act, 1956 at the 11th Annual General Meeting of the Company held on 24th September, 2011 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow from time to time, at its discretion, on such terms and conditions as to repayment, interest or otherwise, any sum or sums of monies which, together with money already borrowed by the company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business upto a limit of ₹ 500 Crores (Rupees Five Hundred Crores Only) over and above the aggregate of paid up share capital and free reserves of the Company."

13. Adoption of New Set of Articles of Association

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

"**RESOLVED THAT** pursuant to provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this Resolution."

14. Approval of Remuneration of Cost Auditor of the Company

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

"**RESOLVED THAT** pursuant to Section 148 and any other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) to Company's Cost Auditor, M/s. JMS & Co., Cost Accountants, for auditing the cost records maintained by the Company for the financial year ending 31st March, 2015."

15. Authorization for Related Party Transactions of the Company

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

"**RESOLVED THAT** pursuant to the provisions of section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to leasing property of any kind and /or appointment of such related party to any office or place of profit in the company or its subsidiary or associate company or any other transaction of whatever nature with related parties.

Name of the Related Parties

1. Dr. Chandra Kumar Jain
2. Mridula Jain
3. Aditi Pasari
4. Arushi Jain

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters, and things and to give such directions as may be

necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

16. Keeping of Registers and Annual Returns at a place other than the Registered Office

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

"RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act 2013 and any other applicable provisions, rules and regulations made thereunder, Consent of the Company be accorded to the Board of Directors for keeping and maintaining the Statutory registers, index, returns and copies of certificates and other documents at the Company's Corporate Office at G - 81, Preet Vihar, Delhi - 110092 and at the premises of Registrar & Share Transfer Agent (RTA).

RESOLVED FURTHER THAT Dr. C. K. Jain, Managing Director and Ms. Nisha Gupta, Company Secretary of the Company be and are hereby severally authorized to file the necessary e-forms with the Registrar of Companies."

17. Alteration in Object Clause in Memorandum of Association of the Company

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

"RESOLVED THAT pursuant to the Provisions of 13,110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded for alteration of the Main object clause of the Memorandum of Association of the Company by adding the following new clause after the existing clause no.12 thereof;

13. To carry on the business as manufacturer, producer, trader, seller, buyers, exporters, distributor, commission agents, brokers, stockiest, consignment and indenting agents in all kind of cosmetics & toiletries including skin care, beauty care, health care, body care products and Ayurvedic, Herbal, Allopathic, Unani, Siddha, Homeopathic, Bio-Chemic Medicines, Aroma therapy Products, their derivatives, by-products, residue, deodorants, all kinds of perfumery & other compounds, disinfecting and cleansing compounds, aerosol and pump- spray products, baby products, skin creams and other cosmetics creams, soaps & shampoos and other bath products, pre-shave shaving and after-shave shaving preparations, oils, greases, ointments, pomades, health tonics, general medicines, and other allied goods and cosmetics."

By the order of the Board of Directors

Date : May 28, 2014

Sd/-

Place: Delhi

Nisha Gupta
Company Secretary

NOTES:

- (a) The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 in respect of the special business under item nos. 6 to 17 are annexed hereto.
- (b) The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 6 to10 of the Notice, are also given.
- (c) **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, must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.**

Gulshan Polyols Limited

- (d) The register of Members and Transfer Books of the Company will be closed from Monday, 21st July, 2014 to Tuesday, 22nd July, 2014, both days inclusive.
- (e) Dividend on the Shares, if declared, will be paid at par after 20th September, 2014 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 19th July, 2014.
- (f) The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- (g) Members who have neither received nor encashed their dividend warrant(s) for the financial years 2006-07 to 2012-13, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).
- (h) In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2006-07 is due for transfer to the said Fund. In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said transfer.
- (i) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents (RTA), Alankit Assignments Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
- (j) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
- (k) Members who holds shares in physical form or in multiple folios, in identical names or joint holding in the order of names are requested to send share certificates to Company's Share Transfer Agent for consolidation into a single folio.
- (l) Members / Proxies should bring the Attendance slip duly filled in for attending the meeting along with their copy of the Annual Report.
- (m) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA /Depositories.
- (n) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company.
- (o) Voting through electronic means for Annual General meeting and for Postal Ballot Resolution.**
 - I. In compliance with the provisions of Section 108 and/ or 110 of the Companies Act, 2013 and Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members facility to exercise their right to vote at the Annual General Meeting (AGM) and for Postal Ballot by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The instructions for e-voting are as under:

The instructions / procedure for e-voting are as under:

 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

- a. Open email and open PDF file viz.: .Gulshan Polyols Limited_e-voting.pdf. with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>; Click on Shareholder - Login.
 - c. Put user ID and password as .Initial Password/ PIN noted in step (a) above. Click .Login.
 - d. Password change menu will appear. Change the Password / PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note your new password. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
 - e. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - f. Select .EVEN. of Gulshan Polyols Limited.
 - g. Now you are ready for e-voting as. Cast Vote. page opens.
 - h. Cast your vote by selecting appropriate option and click on. Submit. and also .Confirm. When prompted.
 - i. Upon confirmation, the message .Vote cast successfully will be displayed.
 - j. Once you have voted on a Resolution, you will not be allowed to modify your vote.
 - k. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to tarunkharbanda2008@rediffmail.com with a copy marked to evoting@nsdl.co.in;
- B. In case a member receives physical copy of the Notice of AGM and for Postal Ballot [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :
- (i) Initial password will be provided separately:

EVEN (E Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (b) to (k) above, to cast your vote electronically.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
 - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and Password / PIN for casting your vote.
 - IV. You are required to fill in the Postal ballot form and enclose it in a sealed pre-paid envelope and send it to the Scrutinizer. The ballot forms must be received by the scrutinizer on or before 16th September, 2014(6.00p.m.) Scrutinizer decision on the validity of the forms will be final. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the Postal ballot vote would be ignored.
 - V. The e-voting period commences for AGM on Monday, 15th September, 2014 (9:00 a.m.) and ends on Tuesday, 16th September, 2014 (6:00 p.m.) and period for e-voting commence for Postal Ballot on Monday, 18th August, 2014 (9:00 a.m.) and ends on Tuesday, 16th September, 2014 (6:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th July, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast, the member(s) shall not be allowed to change it subsequently.

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- VI. Mr. Tarun Kharbanda, of M/s Tarun Kharbanda & Co., Chartered Accountant, House No.-41, Lane No.-9, Gandhi Colony, Muzaffarnagar-255001, (U.P) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period of not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes cast in the presence of at least 2 (two) witnesses not in the employment of the Company and prepare a Scrutinizer's Report forthwith to the Chairman of the Company.
- VIII. The Results shall be declared on or after the date of the AGM. The Results declared along with the Scrutinizer. Report shall be placed on the website of NSDL within 2 (two) days of passing of the Resolutions at the AGM of the Company and communicated to BSE Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND PURSUANT TO CLAUSE 49 TO LISTING AGREEMENT

ITEM No 6

The tenure of Mr. Suresh Kumar Tewari, Whole Time Director of the Company, has expired on 31st March, 2014. The Board of Directors of your Company in the Board Meeting held on 28th May, 2014 has reviewed his performance and unanimously decided to re-appoint him as Whole Time Director of the Company for a period of five years effective from 1st April, 2014 on the terms and conditions including remuneration as set out in the above resolution and in respect of whom Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature as director of the Company and shall be liable to retire by rotation.

Mr. Suresh Kumar Tewari, aged 55 years, is being re-appointed as Whole Time Director of the Company. He is M. Tech, PGDPM and having a 33 year's experience in Projects and Managerial of Industrial Operations. He does not hold any Directorship/Committee membership in other companies.

Except Mr. Suresh Kumar Tewari, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned and interested or in the resolution set out at item no. 6.

ITEM NO. 2 & 7

In terms of the Explanation to section 152(6) of the Companies Act, 2013 for the purpose of computing the number of directors liable to retire by rotation, Independent Directors are not to be considered. Therefore, for the purpose of computing the number of directors liable to retire by rotation, only Executive Directors are to be considered, and hence, it is proposed to appoint Mr. A. K. Vats who retires by rotation and being eligible and offers himself for re-appointment as director of the Company. With this re-appointment, his tenure as Whole Time Director (WTD) will not break.

Further, Mr. A. K. Vats was appointed as Whole Time director of the Company in the AGM of the Company held on 22nd September, 2012, w.e.f. from 1st April, 2012 up to 31st March, 2015, at remuneration given in the resolution of that AGM, with annual increments effective 1st April every year, as may be decided by the Board, based on merit and taking into account the Company's performances, benefits, perquisites and allowances as determined by the Board from time to time.

Considering the performance of Mr. A. K. Vats as Whole Time Director of your Company, in leading the company consistently improved performance over the years, your Board considers the revision in the salary payable to him as appropriate and recommends the same for approval by the Members. All other terms and conditions of his appointment as WTD of the Company, as approved by the Members at the AGM of the Company held on 22nd September, 2012, remain unchanged.

He is, aged 52 years, B.Com, Diploma in Marketing and Management and having over a 30 years experience in matters related to marketing and production. He does not hold any Directorship/Committee membership in other companies.

Pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Act, the approval of the Members in General Meeting is required to be obtained for the revision in the terms of the remuneration of Mr. Vats as set out in Item No.7 of the Notice.

Except Mr. A. K. Vats, none of the Director and KMP of the Company and their respective relatives are concerned or interested in the resolution set out at item no. 2 & 7.

ITEM NO. 8, 9 & 10

Mr. Ajay Jain, aged 53 years, is an independent director of the Company. He is FCA and ACS and having a 27 years experience in Finance, Taxation and Management. He does not hold any Directorship/Committee membership in other companies.

He joined the Board of our company in October, 2005. He is the Chairman of Audit Committee and Nomination & Remuneration Committee and member of Stakeholders' Relationship Committee of the Board.

Mr. Akhilesh Kumar Maheshwari, aged 50 years, is an independent director of the Company. He is B.Com, FCA and ACS and having over a 30 years long and varied experience in Finance, Banking, Project Finance, Funds Raising, Taxation and Company Secretarial matters etc. He is also director in TKS Developers Ltd., Jhabua Power Ltd., Korba West Power Company Ltd., Jhabua Power investments Ltd., and Avantha energy Services Ltd.

He joined the Board in October, 2007. He is the Chairman of Stakeholders' Relationship Committee of the Board and member of Nomination and Remuneration Committee and Audit Committee of Board.

Mr. Krishna Kumar Pandey, aged 70 years, is an independent director of the Company. He is M.Com. LL.B., C.A.I.I.B and having over a 45 years long experience in banking sector. He does not hold any Directorship/Committee membership in other companies.

He joined the Board in June, 2008. He is a member of the Nomination & Remuneration Committee of the Board.

Under Section 149 and other applicable provisions of the Companies Act 2013, an independent director shall hold office for a term upto five consecutive years on the Board of the Company and is not liable to retire by rotation. Mr. Krishna Kumar Pandey, Mr. Akhilesh Kumar Maheshwari and Mr. Ajay Jain, being eligible to be appointed as Independent Directors under the Act, have given their consent to be appointed as Independent Directors of the Company.

Subject to the Act, and the rules and clarifications thereunder, it is proposed to appoint Mr. Krishna Kumar Pandey, Mr. Akhilesh Kumar Maheshwari and Mr. Ajay Jain as Independent Directors of the Company under the Act for a term of five consecutive years w.e.f. 1st April, 2014. Notices have been received from a member proposing their candidature as directors of the Company.

In the opinion of the Board, Mr. Krishna Kumar Pandey, Mr. Akhilesh Kumar Maheshwari and Mr. Ajay Jain fulfill the conditions specified in the Act and the rules made thereunder for their appointment as Independent Directors of the Company. Copies of the draft letters of appointment of Mr. Krishna Kumar Pandey, Mr. Akhilesh Kumar Maheshwari and Mr. Ajay Jain as Independent Directors setting out the terms and conditions are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that the continued association of Mr. Krishna Kumar Pandey, Mr. Akhilesh Kumar Maheshwari and Mr. Ajay Jain will be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the Resolutions No. 8, 9 & 10 for the approval of members.

Mr. Krishna Kumar Pandey, Mr. Akhilesh Kumar Maheshwari and Mr. Ajay Jain may be considered as interested in the respective resolutions for their appointments. None of the other directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

ITEM 11 & 12

The Company had earlier passed the Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for borrowing money from any bank(s) or any financial institutions, Central Government or State Government, body corporate, firm, other person(s) in excess of the aggregate of paid-up share capital and its free reserves, for the sum or sums of moneys aggregating to ₹ 500 crores (Rupees Five Hundred crores only).

Gulshan Polyols Limited

With the enactment of Companies Act, 2013 and rules framed thereunder and as per provisions of the Sections 180(1)(a) & 180(1)(c) of the Companies Act, 2013 with respect to creation of mortgage, charge and other encumbrances, if any, by the company and to borrow money in excess of the aggregate of the paid-up share capital of the Company and its free reserves respectively, approval of the shareholders need to be obtained by way of Special Resolution.

The Board of Directors of the Company recommends the above resolutions set out in item no. 11 & 12 for your approval by way of passing special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in the above resolutions.

ITEM NO. 13

Ministry of Corporate affairs (MCA) has so far notified 282 sections and 7 schedules of the Companies Act, 2013 ("the New act") to replace the corresponding sections/schedules of the Companies Act, 1956 ("the old Act"). Out of 282 sections, 98 sections came into effect from 12th September, 2013 and 184 sections came into effect from 1st April, 2014. Several regulations of the existing Articles of Association of the company contain references to various sections and schedules of the Companies Act, 1956 which are no longer in conformity with the Act.

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Consequently, it is considered necessary to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The existing Articles of Association of the Company along with the articles of Association incorporating therein the proposed alterations are available for inspection to all the members of the Company at the registered office of the Company during business hours of working days.

Pursuant to the provisions of section 14 of the new Act, amendment of Articles of Association would require approval of shareholders by way of special resolution. Accordingly, this matter has been placed before the shareholders for approval.

The Board of Directors commend passing of the resolution set out in item No. 13 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in the said resolutions.

ITEM NO. 14

The Board of Directors at its meeting held on 28th May, 2014 appointed M/s. JMS & Co., Cost Accountants (Firm Registration No. 0371), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2015, at a remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

None of the Directors, KMP or their relatives are concerned or interested in the resolution as set out at Item No. 14.

ITEM NO. 15

The Company has entered into transactions with related parties (before the commencement of new Companies Act, 2013) in respect of such transactions falling under Section 188 of the Companies Act, 2013 for a prescribed period given under an agreement with them respectively.

In the above context, the necessary Special Resolution is proposed for the approval of the members to comply with the requirement of section 188 of the Companies Act, 2013. The transactions have been approved by the Audit Committee in their meeting held on 28th May, 2014 and also by the Board of Directors subject to the approval of shareholders by passing a Special Resolution.

The particulars about the related party transactions are furnished below as per the requirements of the prescribed rules and the grounds for having the transactions.

1. Name of the related Party	Dr. Chandra Kumar Jain, Managing Director (MD)
Name of the Director / KMP who is related, if any	Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors (WTD) of the Company
Nature of relationship	Daughters of Dr. C. K. Jain
Nature , Material Terms, monetary value and particulars of the contract or arrangement;	Lease agreement for office premises and Remuneration in the capacity of Managing Director
Amount	₹ 41,40,000/- p.a. and ₹1,00,58,400/- p.a.
2. Name of the related Party	Mrs. Mridula Jain, Wife of MD
Name of the Director / KMP who is related, if any	Dr. C.K. Jain, Managing Director, Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors of the Company
Nature of relationship	Wife of MD and Mother of WTDs
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Lease agreement for : 1. Transit House 2. Residence cum office
Amount	₹ 7,14,000/- p.a. and ₹ 23,80,400/- p.a.
3. Name of the related Party	Ms. Aditi Pasari, Whole Time Director (WTD)
Name of the Director / KMP who is related, if any	Dr. C.K. Jain, Managing Director, Ms. Arushi Jain, Whole Time Director of the Company
Nature of relationship	Daughter of MD and sister of WTD
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Remuneration in the capacity of Whole Time Director
Amount	₹ 11,61,600/-p.a.
4. Name of the related Party	Ms. Arushi Jain, Whole Time Director (WTD)
Name of the Director / KMP who is related, if any	Dr. C.K. Jain, Managing Director, Ms. Aditi Pasari, Whole Time Director of the Company
Nature of relationship	Daughter of MD and Sister of WTD
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Remuneration in the capacity of Whole Time Director
Amount	₹ 11,61,600/-p.a.

The above transactions are Related Party Transactions and in terms of Section 188 of the Companies Act, 2013 and the applicable rules thereunder require approval of the Shareholders by passing Special Resolutions. Further, in terms of Section 188 of the Companies Act, 2013, the Dr. C. K. Jain, Mrs. Mridula Jain, Ms. Arushi Jain, Ms. Aditi Pasari, Ms. Anubha Jain, M/s Gulshan Holdings Pvt. Ltd., being interested, will not vote on these resolutions as shareholders of the Company.

Except the Dr. C. K. Jain, Ms. Arushi Jain, Ms. Aditi Pasari, none of the Directors or Key managerial persons of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the passing of this Resolution by way of special resolution.

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Item No. 16

Section 94(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other Rules framed thereunder allow the Company to keep the Register of Members together with Index of Members and copies of Annual Returns filed by the Company, at a place other than the Registered Office of the Company, if approved by the Members by way of Special Resolution.

Presently more than one - tenth of the total number of Members of the Company is residing in the state of Delhi. Accordingly the Board seeks approval of the Members to keep the Register of Members, copies of Annual Returns and all relevant documents/ registers, including, but not limited to, Register of members, with index, Register of Directors & KMP, Register of contracts or arrangements in which directors are interested, Register of Loans & Investments, Register of Charges, Record of beneficial owner, Attendance Register of Meetings of the Board and Committees, Register of Proxies, Attendance register of general meeting, Minute Books etc. maintained by the Company either physically or electronically at the corporate office of the company located at G-81, Preet Vihar, Delhi 110092 and / or at the office of the Registrar & Transfer Agents of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Resolution.

ITEM NO. 17

Your Board has identified new business (es) as diversification plan. For this purpose, the object clause of the company requires to be amended by adding the object as mentioned in above resolution. Accordingly, consent of the members is sought for approving the Special Resolution by Postal Ballot as set out in Item No. 17 for alteration in Object Clause of memorandum of Association of the Company by the shareholders at the ensuing Annual General Meeting of the Company.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

None of the Directors and Key Managerial Personnel is concerned or interested, financial or otherwise, in the resolution set out at an Item No. 17.

**SUPPLEMENTARY NOTICE
TO
ANNUAL GENERAL MEETING
(AGM) NOTICE**

This Supplementary AGM Notice is issued to transact the following Special Business in view of appointment of Mr. Jeewan Jyoti Bhagat (holding DIN No. 00007743) and Mr. Rakesh Kumar Gupta (holding DIN no. 06909233) as additional Directors of the Company subsequent to issue of AGM Notice dated 28th May, 2014.

As per the provisions of Section 161 of the Companies Act, 2013, they shall hold office upto the date of the Annual General Meeting. It is, therefore, proposed to regularize appointment of Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta as Directors of the Company by this Supplementary Notice which shall form part of the Notice dated 28th May, 2014.

SPECIAL BUSINESS

18. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to Section 149,152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Jeewan Jyoti Bhagat (holding DIN No. 00007743), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 2nd August, 2014 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Jeewan Jyoti Bhagat as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years up to 31st March, 2019, not liable to retire by rotation.”

19. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to Section 149,152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Rakesh Kumar Gupta (holding DIN No. 06909233) , who was appointed as an Additional Director of the Company by the Board of Directors with effect from 2nd August, 2014 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rakesh Kumar Gupta as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years up to 31st March, 2019, not liable to retire by rotation.”

For Gulshan Polyols Limited

Date : 2nd August, 2014
Place: Delhi

Sd/-
Nisha Gupta
Company Secretary

Gulshan Polyols Limited

THIS EXPLANATORY STATEMENT IS ISSUED PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND CLAUSE - 49 OF THE LISTING AGREEMENT

ITEM NO.18 & 19

The Board, at its meeting held on 2nd August, 2014, appointed Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta as Additional Directors of the Company with effect from 2nd August, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 116 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, they will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from member(s) along with deposit of prescribed amount proposing the candidature of Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Jeewan Jyoti Bhagat, aged 66 years, is an Independent Director of the Company. He is Post Graduate in Sugar Technology and having over 35 years long experience in Sugar and Allied Industries including Ethanol, Bio-Poner etc. He is also director in STM Projects Limited and Divya Energy Tech Private Limited.

Mr. Rakesh Kumar Gupta, aged 51 years, is an Independent Director of the Company. He is FCA and having a 26 years experience in Finance, Taxation and Management. He does not hold any Directorship/Committee membership in other companies.

The Company has received declaration, from both the directors, to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The resolution seeks the approval of members for the appointment of Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They both will not liable to retire by rotation.

No director, key managerial personnel or their relatives, except Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta, to whom the resolution relates respectively, is/are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 18 & 19 for the approval of the members.

Note: The proxy form and attendance slip sent alongwith the Annual report containing the Annual General Meeting Notice dated 28th May, 2014 will be valid for the aforesaid item no. 18 & 19 also.

DIRECTORS' REPORT

Dear shareholders,

Your Directors are pleased to present the 14th Annual Report on the business operations and financials of the Company for the Financial Year ended 31st March 2014

FINANCIAL HIGHLIGHTS

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Gross Turnover	34970.88	30487.13
Less : Excise Duty	2449.13	2255.94
Net Turnover & Other Income	32666.90	28437.40
Total Expenditure	29570.59	25575.03
Profit before Depreciation, Interest and Tax	4805.86	4709.54
Less: Depreciation	1354.32	1420.72
Less: Interest	355.23	426.46
Profit Before Exceptional items & Tax	3096.31	2862.36
Add: Exceptional items	63.15	-
Profit Before Tax (PBT)	3159.46	2862.36
Less: Provision for Taxation - Current Tax	659.40	569.19
Less : Mat Credit entitlement	(423.96)	-
- Deferred Tax	211.71	(119.76)
Net Profit after Tax (PAT)	2712.31	2412.94
Transfer to General Reserve Account	300.00	300.00
Dividend & Dividend Tax - Equity shares	247.10	245.47
Gross Cash Accruals	4066.63	3833.66
Equity Share Capital	422.42	422.42
Earning per Share - Basic & diluted (₹)	30.97	27.43

DIVIDEND

Your Directors are pleased to recommend & maintaining the rate of dividend @ 50% (₹ 2.50 per equity share on a face value of ₹ 5/-) on the equity share capital of the company for the year ended 31st March, 2014, subject to approval of shareholders in ensuing Annual General Meeting.

BUSINESS OPERATIONS

You will be pleased to know that your Company has recorded a turnover of ₹ 34970.88 lacs as compare to previous year of ₹ 30487.13 lacs recording growth of 14.7%. The Net Profit after tax (PAT) for the FY 2013-14 stood at ₹ 2712.31 lacs, increased by 12.41% as compared to previous year PAT of ₹ 2412.94 lacs. The Cash Accruals was ₹ 4066.63 lacs (Previous year ₹ 3833.66 lacs).

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 does not have any Employees Stock Option Scheme.

During the year, your Company has become a subsidiary company of Gulshan Holdings Private Limited (GHPL) by virtue of acquisition of 50% or more shareholding of the Company by GHPL.

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.

NEW BUSINESSES

During the year, the company has set up and commissioned the following projects:

- i. In competition with various MNC vendors, ITC Limited had awarded GPL to set up an Onsite PCC (Percipated Calcium Carbonate) plant for their specialty Paper division at Tribeni, West Bengal. Company

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has successfully commissioned and supply the desired quality for their Cigarette paper making plant. This is the 3rd Onsite PCC plant set up by the Company in India for supply of specialty PCC suitable for Paper industry.

- ii. Long awaited, commercial production of Indian Made Foreign Liquor (IMFL) has also been commenced at its bottling unit situated at Boregaon, Madhya Pradesh. The product is very well received in the market under the brand name of 'Tiger Gold'.
- iii. The Company has also received the environmental clearance from Ministry of Environment and Forest (MOEF), New Delhi, to set up a Grain based distillery at Boregaon. Further Clearance from Madhya Pradesh Pollution Control Board is expected soon.
- iv. The Company's Grain based plant for manufacturing Dextrose Monohydrate (DMH), Maltodextrin Powder (MDP) and Liquid Glucose has also started the commercial production at Muzaffarnagar, Uttar Pradesh.
- v. The Company has successfully commissioned the plant & equipment for updating the technology of Sorbitol manufacturing and making more environment friendly together with enhancement of capacity at Bharuch, Gujarat.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mr. A.K. Vats will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment, but his tenure as Whole Time Director will not break. Further, the Board has revised his remuneration, on recommendation of Nomination & Remuneration Committee, in the capacity of his services as Whole Time Director.

The Board of Directors has re-appointed Mr. S. K. Tewari as Whole Time Director of the Company w.e.f. 1st April, 2014 for a term of five years on the remuneration as recommended by the Nomination & Remuneration Committee and thereafter approved by the Board in their meeting held on 28th May, 2014.

Further in the same meeting, Board has appointed Mr. K. K. Pandey, Mr. A. K. Maheshwari and Mr. Ajay Jain as Independent Directors of the Company for a term of consecutive five years ending up to 31st March, 2019.

FIXED DEPOSITS

The Company invited Fixed Deposits from the Shareholders and/or Public during the year. The Fixed Deposits mobilized and outstanding aggregated to ₹ 345.47 lacs as on 31st March 2014 (Previous year ₹ 345.47 Lacs). No Fixed Deposit remained unclaimed as on 31st March, 2014. There were no delay/default in the re-payment of any Deposit.

CONTRIBUTION TO EXCHEQUER

Your Company has paid a substantial amount of ₹ 3687.61 lacs to the Exchequer during the year in the form of Excise Duty, VAT/CST and Direct Tax.

INSURANCE

All the insurable interests of your Company, including inventories, buildings, plant and machinery are insured against risk of fire and other risks.

DEMAT OF SHARES

Necessary arrangements are made for Dematerialization of Shares, with NSDL and CDSL. Out of the total, 95.00% 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 (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and as amended and to the extent applicable to the Company is annexed hereto as Annexure-1 and forms 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 a part of this Annual Report.

PARTICULARS OF EMPLOYEES

As required by provisions of Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employee are as under:

Name of the employee	Designation	Age	Experience	Remuneration received	Date of Commencement of employment	Name of Last Employment
Dr. C. K. Jain	Managing Director	65 years	42 years	₹ 1,41,47,600	20.10.2000	-

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Director's 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 departures;
- 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, 2014 and 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 an on-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. The Board records its appreciation of the commitment and support of employees at all levels

COST AUDITOR OF THE COMPANY FOR THE FY 2014-15

Name	Mr. Rahul Jain
Address	119, Parshv Vihar, IP Extn., Patparganj Delhi- 110092
Membership No.	32521
Order No.	Central Govt.'s order directing cost audit - 52/26/CAB/2010 dated 24/01/2012
Cost Audit relates	Organic & Inorganic Chemicals

AUDITORS AND AUDITOR'S REPORT

M/s. Shahid & Associates, Chartered Accountants, Auditors of the Company are due to retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to consider re-appointing them and to authorise the Board of Directors to fix their remuneration. The auditors, under the provisions of Companies Act, 1956, have furnished a certificate of eligibility for re-appointment.

The Auditor's Report to the Shareholders, read with relevant notes thereon, are self-explanatory and do not contain any qualifications, and hence do not call for any comments under section 217 of the Companies Act, 1956.

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 of the Company.

Date : May 28, 2014

Place : Delhi

For and on behalf of the Board of Directors

Dr. C.K. Jain
Managing Director

Arushi Jain
Whole Time Director

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:

A.	Power Consumption and Fuel Consumption:	31.03.2014	31.03.2013
	1. Electricity :		
	(a) Purchased:		
	Units	19006171	17230353
	Total Amount (₹)	125805866	108942158
	Average Rate (₹)/Unit	6.62	6.32
	(b) Own Generation:		
	(i) Through Diesel Generator :		
	Units	158103	722730
	Cost (₹)	2521452	6939321
	Cost (₹)/unit	15.95	9.60
	(ii) Through Steam Turbine/Generator :		
	Units	21384529	17911993
	Cost (₹)	110486005	70969227
	Cost (₹) /Unit	5.17	3.96
	2. Coal /Coke : (Used in Boiler, Microniser & Gas Producer)		
	Qty. (MT)	49955	41233
	Total Cost (₹)	274374101	195900365
	Average Rate (₹)	5492.34	4751.02
	3. Gas : (Used in Lime Killin)		
	Qty. (M3.)	322517	989390
	Total Cost (₹)	11842173	31835119
	Average Rate (₹)	36.72	32.18
	4. Agriculture Waste (Used in Boiler)		
	Qty. (MT)	16567	25493
	Total Cost (₹)	74204401	72373316
	Average Rate (₹)	4479.10	2838.95

	5. HSD : (Used in Microniser)		
	Qty. (Ltrs.)	44501	11958
	Total Cost (₹)	2521452	544107
	Average Rate (₹)	56.66	45.50
B.	Consumption Per Unit (MT) of Production		
	Products		
	Production (MT)		
	CALCIUM CARBONATE	106500	98102
	SORBITOL & SWEETNER	50155	46182
	Electricity (Units/Ton)		
	CALCIUM CARBONATE	257	250
	SORBITOL & SWEETNER	321	232
	Coal/Coke (MT/Ton)		
	CALCIUM CARBONATE (On Directly attributable Production)	0.28	0.18
	SORBITOL & SWEETNER	0.81	0.80
	Agriculture Waste (MT/Ton)		
	CALCIUM CARBONATE (On Directly attributable Production)	1.27	1.01
	Gas (M³/Ton)		
	CALCIUM CARBONATE (On Directly attributable Production)	29	63

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, the Company has made efforts on various fronts for promotion of exports.

Earnings by way of Export of Goods calculated on FOB basis ₹ 42,97,62,321 /- (Previous Year ₹ 26,30,33,360 /-). The foreign currency utilized during the year on payment of interest on loan taken was ₹60,58,282 /- (Previous year ₹ 72,85,057/-) and on payment of Commission on Export of Goods was ₹ 76,18,527 /- (Previous Year ₹ 52,89,035/-). Expenditure on foreign Traveling is ₹ 24,84,971/- (Previous Year ₹ 22,34,408/-).

Gulshan Polyols Limited

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for its stakeholders. As required under Clause 49 of the Listing Agreement with the Stock Exchange, following disclosures are set out towards achievements of good Corporate Governance.

II. Board of Directors

As on 31st March, 2014, The Board of Directors of the Company consists mix of Executive and Non-Executive & Independent Directors. The present composition of the Board meets the requirement of SEBI's guidelines as per the Clause 49 of the Listing Agreement. The Non-Executive Directors of the Company are highly experienced professionals in their fields and in the corporate world, and the Board is headed by a Non-Executive Chairman as decided in each meeting.

During the year, four Board meetings were held on 25.05.2013, 03.08.2013, 06.11.2013 and 07.02.2014. Attendance of each Director at the Board Meetings, last Annual General Meeting and their directorship and membership of committees of other companies as on March 31, 2014, is as under:

Name of Director	Category	No. of Directorship / Chairmanship / Committees' membership in other Public Limited Companies			Board Meeting Attended	Attendance at Last AGM
		Directorship	Chairman	Member		
Dr. C. K. Jain	MD	1	-	-	4	Yes
Mr. K.K. Pandey	NE & ID	-	-	-	2	No
Mr. Ajay Jain	NE & ID	-	-	-	4	Yes
Mr. A. K. Maheshwari	NE & ID	6	-	6	4	No
Mr. S. K. Tewari	WTD	-	-	-	3	No
Mr. A. K. Vats	WTD	-	-	-	4	Yes
Ms. Arushi Jain	WTD	1	-	-	2	No
Ms. Aditi Pasari	WTD	1	-	-	4	Yes

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

III. 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. A. K. Maheshwari (Independent Director) and Dr. C. K. Jain, Managing Director, being the members of the Committee. Chief Financial Officer and Statutory Auditors are invitees to the Committee and the Company Secretary officiates as the Secretary of the Committee. During the financial year 2013-14, the Committee met four (4) times- on 25.05.2013, 03.08.2013, 06.11.2013 and 07.02.2014. All members were present at these meetings.

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.

IV. Remuneration committee

a) Composition

The Remuneration Committee of the Board comprises 3 Non-executive and Independent Directors i.e. Mr. Ajay Jain (Chairman), Mr. A. K. Maheshwari and Mr. K. K. Pandey, being members of the Committee. During the financial year 2013-14, one meeting was held on 25.05.2013.

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.

c) Criteria for payments to Executive Directors:

The remuneration of the Executive Directors is recommended by the Remuneration Committee based on criteria such as, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), commission (variable components) to its Executive Directors.

Remuneration to Executive Directors: (As on 31st March, 2014)

(₹ in lacs)

Name	Salaries	Commission	Perks	Total
Dr. Chandra Kumar Jain	79.20	50.00	12.27	141.47
Mr. Suresh Kumar Tewari	11.56	-	-	11.56
Mr. Ashwani Kumar Vats	14.08	-	-	14.08
Ms. Arushi Jain	10.56	20.00	-	30.56
Ms. Aditi Pasari	10.56	15.00	-	25.56
Total	125.96	85.00	12.27	223.23

d) Criteria for payments to Non-Executive Directors

The Non-Executive Directors of your Company are paid sitting fees for attending meetings of the Board or Committees thereof. Apart from the sitting fees, the Non-Executive Directors are also paid commission not exceeding 1% of the net profits of the Company for the year, calculated as per provisions of the Companies Act, 1956, as may be decided by the Board.

Commission to Non-Executive Directors for the FY 2013-14:

Name	Amount of Commission (₹ in lacs)
Mr. Krishna Kumar Pandey	3.00
Mr. Akhilesh Kumar Maheshwari	3.00
Mr. Ajay Jain	3.00
Total	9.00

V. Shareholder's Grievance Committee

The Committee specifically looks into redressing of shareholders' complaints such as transfer of shares, non receipt of shares, non receipt of declared dividend, review the reports submitted by RTA, quarterly status of shareholders' complaints and the status of disposal and to ensure expeditious share transfer process. This Committee comprising Mr. A. K. Maheshwari (Chairman, Independent Director), Mr. Ajay Jain (Independent director) and Ms. Aditi Pasari (Executive director) being members of the Committee. Ms. Nisha Gupta, Company Secretary is the Compliance Officer. The committee met Four (4) times during the year as on 25.05.2013, 03.08.2013, 06.11.2013 and 07.02.2014. The Company received total 51 complaints as at 31st March, 2014. All the complaints were responded to as per applicable guidelines and regulations. There were no pending share transfers and shareholders complaints.

VI. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who process the transfers, in respect of physical and shares under Demat.
VII. Code for Prevention of Insider Trading Practices

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 read with amendments to the Regulations 2008, the Board has laid down "Code of Conduct for Prevention

Gulshan Polyols Limited

of Insider Trading" with the objective of preventing purchase and sale of shares by the Insider on the basis of unpublished price sensitive information.

VIII. Code of Conduct for Board/ Committee Members/ Senior Management

The Board of Directors has adopted a Code of Conduct for its members and senior personnel of the Company in terms of Clause 49 of the Listing Agreement. A declaration to this effect, duly signed by the Chief Executive Officer was placed before the Board and is enclosed forming part of this report.

IX. Whistle Blower Mechanism

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-

- 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.

X. General Body Meetings

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

Financial Year	Date	Time	Venue
2012-2013	17.07.2013	12.30 PM	9 th K.M. Jansath Road, Muzaffarnagar, Uttar Pradesh - 251001
2011-2012	22.09.2012	1.30 PM	9 th K.M. Jansath Road, Muzaffarnagar, Uttar Pradesh - 251001
2010-2011	24.09.2011	01.00 PM	9 th K.M. Jansath Road, Muzaffarnagar, Uttar Pradesh - 251001

Special Resolution passed at the last three year's Annual General Meetings (AGM):

11th AGM held on 24th September, 2011- Alterations of Main objects in the Memorandum of Association of the Company.

13th AGM held on 17th July, 2013 - Payment of Commission to Non Executive Directors of the Company.

A special resolution is proposed to be conducted through Postal ballot at the ensuing Annual General Meeting.

XI. Disclosures

- a) There were no transactions of material nature between the Company and its Directors or management and their relatives or promoters that may have a potential conflict with the interests of the Company. Related Party transactions are disclosed in the Notes to Accounts.
- b) There has been no instance 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.

XII. Means of Communication

Quarterly /Annual financial results of the Company are published in the Business Standard (English) and Business Standard (Hindi). Annual results are sent to each shareholder by post and by email. Management's Discussion & Analysis forms part of the Annual Report. All Price Sensitive Information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchange for dissemination to the shareholders. Annual Report, Quarterly results, Shareholding Patterns etc of the company are posted on the BSE website at www.bseindia.com and also on the Company's website on www.gulshanindia.com.

XIII. General Shareholders Information

- a. The 14th Annual General Meeting is proposed to be held on Saturday, 20th September, 2014 at 11.30 a.m. at Lala Gulshan Rai Jain Charitable Trust Dharamshala, 54,Gher Khatti, New Mandi, Muzaffarnagar, Uttar Pradesh - 251001

- b. **Financial Calendar:** 1st April to 31st March
- c. **Financial Reporting for 2014-15 is as follows:**
- First Quarter Mid of August 2014
 - Second Quarter Mid of November 2014
 - Third Quarter Mid of February 2014
 - Fourth Quarter Last week of May 2015
- d. **Date of Book Closures:** 21st July, 2014 to 22nd July, 2014 (both days inclusive).
- e. **Dividend payment date:** 22nd September to 30th September, 2014.
- f. **Listing of Equity Shares on Stock Exchange at:** Bombay Stock Exchange.
- g. **Demat ISIN Number for Equity Shares:** INE255D01016
- h. **Stock Code and Stock Market price data for the year 2013-14:**

Stock Market Data (In ₹/per share)

MONTH	BOMBAY STOCK EXCHANGE	
	532457	
	Month's High	Month's Low
April, 2013	68.85	50.00
May, 2013	74.75	55.60
June, 2013	69.90	59.20
July, 2013	69.40	55.05
August, 2013	63.00	52.15
September, 2013	63.00	56.00
October, 2013	64.00	59.50
November, 2013	65.80	59.00
December, 2013	79.40	62.00
January, 2014	86.00	71.00
February, 2014	75.00	70.00
March, 2014	94.90	69.00

- i. **Registrar and Share Transfer Agent:** M/s Alankit Assignments Ltd, 1E/13, Alankit House, Jhandewalan Extension, New Delhi 110055, and Phone No: 011-42541234/ 42541955, Fax No: 011-4254196, E-mail: rta@alankit.com.
- j. **Share Transfer System:** Shares sent for transfer in physical form are normally registered by our Registrar and Share Transfer Agent within 15 days of receipt of the Documents, if the same are found in order. Shares under objection are returned back within two weeks.
- k. **Dematerialization of Shares:** As on 31st March, 2014, 95% of the Company's total shares representing 8026211 shares were held in dematerialized form and the balance 422193 equity shares representing 5% shares were in Physical form.
- l. **Distribution of shareholding as on 31st March, 2014:**

No. of shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 1000	12039	97.93	1166720	13.81
1001- 2000	125	1.02	187220	2.22
2001- 4000	49	0.41	144048	1.71
4001- 6000	31	0.25	153999	1.82
6001- 8000	9	0.07	61771	0.73
8001- 10000	10	0.08	90417	1.07
10001- 20000	14	0.11	196656	2.32
20001 and above	16	0.13	6447573	76.32
Total	12293	100.00	8448404	100.00

Gulshan Polyols Limited

m. Categories of Shareholders as on 31st March, 2014 :

Category	No. of Shares held	% of shareholding
Financial Institution/Bank	200	0.00
Bodies Corporate (Promoters)	4372772	51.76
Promoters - Individual	1733237	18.09
General Public - Individuals/Trust	1941727	22.98
- Bodies Corporate	339005	4.01
- NRI	61463	0.73
Total	8448404	100.00

n. Plant Locations:

1. Plot no. 762, Jhagadia Industrial Estate, Distt. Bharuch - 393110 (Gujarat)
2. Plot no. 769/2, G.I.D.C. Industrial Estate, Distt. Bharuch - 393110 (Gujarat)
3. 9th K.M., Jansath Road, Muzaffarnagar, (Uttar Pradesh) - 251001
4. Village Rampur Majri, Dhaula Kuan , Distt Sirmour (Himachal Pradesh) -173001
5. E-21 & 22, RIICO Growth Centre, Phase - II, Abu Road, Disst. Sirohi, (Rajasthan).
6. Plot no.10 &11, Industrial Area, Borgaon, Distt. Chhindwara, Madhya Pradesh
7. On-site facilities of Precipitated Calcium Carbonate at Patiala (Punjab)
8. Onsite facilities of precipitated calcium carbonate at Hooghly, West Bengal

- o. Address for correspondence:** Registered office address is at 9th K.M. Jansath Road, Muzaffarnagar - 251001 (Uttar Pradesh) and phone: +131-3295880/ 3295888. Email: gsclmzn@gulshanindia.com. Corporate office address & Investor cell of the Company is located at G-81, Preet Vihar, Delhi 110092. Phone no 011-49999200 and Fax no. 011-49999202. Email of share department nishagupta@gulshanindia.com.

- p. Compliance of Non-Mandatory Requirement:** The Company has constituted a Remuneration Committee of Directors comprising of Non-Executive and Independent Directors

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

To,

The Members of
GULSHAN POLYOLS LIMITED

I, Ashwani Kumar Vats, 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 March 31, 2014.

Date : May 28, 2014
Place: Delhi

Ashwani Kumar Vats
Whole Time Director &
Chief Executive officer

CEO AND CFO CERTIFICATION

To,
The Board of Directors
GULSHAN POLYOLS LIMITED

We, Ashwani Kumar Vats, 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 2013-14 and that to the best of our 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 our knowledge and belief, no transactions entered into the company during the year, which are fraudulent or illegal 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 we are aware and the steps we 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.

Ashwani Kumar Vats
Whole Time Director
& Chief Executive officer

Rajesh Agarwal
Chief Financial Officer

Date : May 28, 2014
Place: Delhi

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Gulshan Polyols Ltd.

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended 31st March, 2014 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 : May 28, 2014
Place : Delhi

(MOHD. SHAHID)
Partner
Membership No : 70408

MANAGEMENT'S DISCUSSION & ANALYSIS

1. Business overview

Gulshan Polyols Limited (GPL) is a multi product manufacturing company operating from nine plants across India, with steadily growing revenues, impressive market share and consistent profitability, year on year.

GPL portfolio of clients includes renowned global corporations and mid to large size companies from India and other parts of the world. The company's Long-term engagements with most of its clients stand testimony to the sustainable value it brings to them. The company holds significant experience of supplying its products in a number of key industries including Paper, Pharma, FMCG, Food, and Foot Wear etc. Our focus on quality is maintained through in-house microbiology laboratory, including HPLC, C.G. equipments.

2. Product Categories

Your Company is a diversified company and very well known name in the domestic and international markets for manufacturing of the Calcium Carbonate and Sorbitol and of the by-products. The Company has the strategy of direct marketing and through distributors for smaller segment. The Company has its own power generation plants of 15 MW located at Muzaffarnagar and Bharuch plants that makes it self sufficient in meeting the energy demand 24x7.

As a step ahead, the Company has set up a facility of Liquid Glucose and MDP, Cattle feed and DMH at Muzaffarnagar site where the raw material as grain, which is available in plenty. This plant is built up for meeting of International Standards to match the foreign quality products.

During the year, the Company has also started IMFL bottling plant at Borgaon, Madhya Pradesh. Further, the Company is proposing to set up ENA manufacturing facility at the same location which will enhance the revenue and profitability of the Company as well as it will strengthen the positioning of the existing IMFL bottling plant.

2.1. Starch Sugars Business: includes product of Sorbitol-70%, Liquid Glucose, Maltro-Dextrin Powder (MDP), Dextrose Mono-Hydrate (DMH).

Company has successfully commissioned the plant & equipment for updating the technology of Sorbitol manufacturing to lower the cost of production, improve quality and making more environment friendly together with enhancement of capacity.

The Grain Processing Plant set up at the Muzaffarnagar, has started commercial production of Liquid Glucose, MDH, and DMH. The quality is well accepted in the market.

Starch Sugars are fastest growing business in the world. In major producer countries like China, year on year, growth in this segment had been more than 20% in last decades, the company expects the same growth path in our country in the same segment. Hence, preparing itself to take up the future challenges.

2.2 Grain Processing Business: After extracting the starch sugars out of corn and rice as raw material, there are other key by-products such as Germ, Gluten, Animal feed. These high value added products contains high nutrition including proteins and fats and popularly used for cattle and poultry feed and corn oil extracting.

Our Country is now focusing on 'shwet kranti', in other words country needs up scaling of milk production manifold. Consequently, cattle need to be developed, more requirement of nutritious food for them, which implies higher demands of grain by-products.

2.3 Your Company also produces over 19 grades of Calcium Carbonate (Precipitated, Activated, Wet and Ground Natural Calcite Powder) used in various industries. The Company has four integrated facilities to

manufacture Calcium Carbonate spread across the country.

The Calcium Carbonate is used in PVC irrigation and Cables, Paints, Dentifrice, Detergents, Rubbers, Plastics etc. Your company has imported technology from IVA Industrieberatung GmbH, Germany, for Ground Natural Calcite Powder. In order to make eco-friendly, all the plants of the company are well equipped with desired facilities.

- 2.4 The company is the 'FIRST' to introduce the concept of **On-site PCC making manufacturing plant** for Paper industry. Company's achievement has been recorded in the Limca Book of Records in 2010. The Company has so far installed three Onsite PCC plants for paper industry including ITC Limited.

The Company is in the process of supplying and setting up On-site PCC plant and Onsite WGCC plant for paper Mill in Bangladesh on turnkey basis. The plant is expected to be commissioned in this FY, visual further strengthen the company's position in this segment.

The Onsite Plant at ITC as well as Bangladesh had been awarded to the company in competition with reputed MNCs in this field.

The management hopes for the exponential growth in this segment in the Country, in line with the developed nations, where the PCC has become the integral part of writing, printing, photo copier, tissue paper making.

Your company is the only Indian company which is offering such technology & plants to Indian and Overseas corporate successfully.

Opportunities and Threats

Based on the growth pattern in the products of the Company and expected enhancement in overall demand by expanding the usage as well as expecting the growth in per capita consumption as compare to developed nation, the company foresee an opportunity in the business, it is already in.

Besides the domestic growth, the Company seeing the great opportunity in export markets for starch sugars business. your company is continuing to earn valuable foreign exchange by exporting Starch Sugars and further gearing up to cater the growing demand in international markets.

The Company is also foreseeing significant growth in the On-site PCC plant for its clients by adding the adequate manpower and enhancing competence and other capabilities required to be a leading player in the market. The company is confident of winning and executing large contracts against stiff competition.

Calcium carbonate (Activated Calcium Carbonate and Precipitated Calcium Carbonate) is linked to growth of PVC irrigation & Cables, Paints, Dentifrice, Detergents, Plastics etc. industries. Since the per capita consumption of these products gradually increasing in our Country. Consequently, it will grow in the same pattern.

The general threat perception on the company's products is linked to vagaries of weather, shortfall in rain resulting increase in raw material prices, Government policies linked to Energy cost, Foreign exchange volatility, Import-export policies and competition from un-organized sectors to a certain extent in Calcium Carbonate business.

In this scenario, your Company is fully competent to counter such threat from time to time and gearing up to minimize the effect of these threat by improving the efficiency in terms of consumption and yield.

Risks and Concern

The Company faces risk of lower realization in the event of cheap imports. Other risk faced by the Company is Starch Sugars Products which is based on the agro commodity, which is exposed to factors of Monsoon in the Country and increasing alternate and new usage of corn globally. In Indian context, besides the factors mentioned

Gulshan Polyols Limited

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.

Internal Control and Systems

The Company has in existence the Internal Control systems which are commensurate to its size and requirements. The review of the Systems and internal audit are being carried out at regular intervals. The Management is reasonably satisfied about the adequacy of internal control systems.

During the year under review ERP related to commercial functions like purchases, sales and accounts became fully operational locations of the Company. ERP related to manufacturing is under evaluation and is expected to be implemented thereafter.

Human Resource Development and Industrial Relations

People are the most valued assets of the Company. They work individually and collectively contributing to the achievement of the objectives of the business. The relation between the employees and the Company remained cordial throughout the year. Your Company's corporate culture and the vision and values help unite the workforce and provide standards for how your Company conducts the business.

Cautionary Statement

Statements in the management discussion and analysis describing the company's objective, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ from those either expressed or implied.

AUDITORS' REPORT

To the Members of Gulshan Polyols Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Gulshan Polyols Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements. Whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge audit and belief were necessary for the purpose of our audit ;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

Gulshan Polyols Limited

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss account & Cash flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.;
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1)(g) of the Act.

For **SHAHID & ASSOCIATES**
Chartered Accountants
(Registration No. 002140C)

Date : May 28, 2014
Place : Delhi

(MOHD. SHAHID)
Partner
Membership No : 70408

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred in Paragraph 1 under the heading of" Report on other Legal and Regulatory Requirements of our Report of even date)

- I. 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 has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- II. 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.
- III. 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) To the records of the Company and information given to us, the Company has not granted any loan to any party during the year.
 - b) (c) & (d) Since the Company has not granted any loan to any party, these points are not applicable to the Company.
 - e) According to the records of the Company and information given to us, the Company has not taken loans during the year from companies, firms or other parties covered in the register maintain u/s-301 of the Companies Act 1956

- IV. In our opinion, and according to the information and explanations given to us, there is 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.
- V. In respect of Transactions covered under section 301 of the Companies Act, 1956:
- 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.
 - 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.
- VI. 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.
- VII. In our opinion, the Company has an adequate Internal Audit System commensurate with its size and nature of its business.
- VIII. 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.
- IX. (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 March 31, 2014 for a period of more than 6 months from the date of becoming payable.
- (b) Details of Disputed Statutory dues which have not deposited as on March 31, 2014 on account of disputed matters pending before appropriate authorities are given below:

Name of the Statute	Nature of the Dues	Amount (₹ in Lacs.)	Period to which the amount relates	Forum where pending
Central Excise Act 1944	Excise Duty	44.92	2011-12	Additional Commissioner, Meerut
Central Excise Act 1944	Excise Duty	263.24	2007-08, 2008-09, 2009-10 & 2010-11	CESTAT, Delhi
Income Tax Act 1961	Income Tax	8.50	A.Y. 2003-04	Income Tax Appellate Tribunal, Delhi
Income Tax Act 1961	Income Tax	2.00	A.Y. 2004-05	Income Tax Appellate Tribunal, Delhi
Income Tax Act 1961	Income Tax	33.43	2007-08	Income Tax Appellate Tribunal, Delhi
Income Tax Act 1961	Income Tax	6.24	2009-10	Income Tax Appellate Tribunal, Delhi
Income Tax Act 1961	Income Tax	9.71	2011-12	Commissioner of Income Tax (Appeal), New Delhi

Gulshan Polyols Limited

- X. 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.
- XI. According to the records and information given to us, the company has not defaulted in repayment of dues to a financial Institution or bank.
- XII. 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.
- XIII. 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.
- XIV. 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.
- XV. The Company has not given corporate guarantees for loans taken by others from Bank/Financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of Company.
- XVI. 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.
- XVII. 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.
- XVIII. 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.
- XIX. No debentures have been issued by the company during the year.
- XX. The company has not raised any money by public issue during the year.
- XXI. 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
(Registration No. 002140C)

Date : May 28, 2014

Place : Delhi

(MOHD. SHAHID)
Partner
Membership No : 70408

BALANCE SHEET AS AT 31ST MARCH, 2014
(Amount in ₹)

	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	144,742,020	144,742,020
Reserves and Surplus	3	1,668,260,526	1,431,333,276
		<u>1,813,002,546</u>	<u>1,576,075,296</u>
NON-CURRENT LIABILITIES			
Long-term Borrowings	4	438,857,356	105,602,346
Deferred Tax Liabilities (Net)	5	72,319,995	51,149,164
Other Long Term Liabilities	6	-	21,000,000
		<u>511,177,351</u>	<u>177,751,510</u>
CURRENT LIABILITIES			
Short-term Borrowings	7	356,052,371	213,252,687
Trade Payables	8	177,834,153	129,674,402
Other Current Liabilities	9	152,249,587	48,077,349
Short-term Provisions	10	177,509,843	147,709,786
		<u>863,645,954</u>	<u>538,714,224</u>
		<u>3,187,825,851</u>	<u>2,292,541,030</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11	1,470,354,067	980,091,990
Capital Work-in-Progress	12	18,623,472	63,888,030
Non-Current Investments	13	4,748,075	4,748,075
Long-term Loans and Advances	14	18,410,972	41,093,442
		<u>1,512,136,586</u>	<u>1,089,821,537</u>
CURRENT ASSETS			
Current Investments	15	120,000,000	-
Inventories	16	433,400,873	255,742,883
Trade Receivables	17	599,268,237	550,828,488
Cash and Bank Balances	18	324,692,279	283,596,190
Short-term Loans and Advances	19	198,327,876	112,551,932
		<u>1,675,689,265</u>	<u>1,202,719,493</u>
		<u>3,187,825,851</u>	<u>2,292,541,030</u>
Significant Accounting Policies & Notes to Financial Statements	1		

As per our report of even date attached

For SHAHID & ASSOCIATES

Chartered Accountants
(Registration NO.-002140C)

(MOHD. SHAHID)

Partner
Membership No. 070408

Date : May 28, 2014

Place : Delhi

DR. C. K. JAIN

Managing Director

RAJESH AGRAWAL

Chief Financial Officer

A.K. VATS

Whole Time Director and CEO

NISHA GUPTA

Company Secretary

Gulshan Polyols Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Amount in ₹)

	Note No.	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
REVENUES			
Gross Revenue from Operations	20	3,497,088,437	3,048,713,586
Less: Excise Duty		244,913,496	225,594,081
Net Revenue from Operations		3,252,174,941	2,823,119,505
Other Income	21	14,514,894	20,620,935
Total Revenues		3,266,689,835	2,843,740,440
EXPENSES			
Purchases of Stock-in-Trade	22	53,781	1,435,616
Cost of Materials Consumed	22	1,258,371,391	1,099,557,596
Changes in Inventories	23	(20,319,591)	(22,076,120)
Employee Benefits Expenses	24	118,834,968	100,255,953
Manufacturing Expenses	25	934,315,474	784,450,417
Finance Costs	26	35,523,364	42,645,668
Depreciation and Amortization	27	135,432,453	142,071,894
Other Expenses	28	494,847,424	409,162,447
Total Expenses		2,957,059,264	2,557,503,471
Profit before Exceptional and Extraordinary items and Tax		309,630,571	286,236,969
Exceptional Items		6,315,437	-
Profit before Extraordinary items and Tax		315,946,008	286,236,969
Extraordinary Items		-	-
Profit before Tax		315,946,008	286,236,969
Tax Expenses:			
Current Tax	65,939,969		
Less: Mat Credit entitlement	42,396,158	23,543,811	56,918,867
Deferred Tax		21,170,831	(11,976,048)
Profit for the period from continuing Operations		271,231,366	241,294,150
Profit from Discontinuing Operations		-	-
Tax Expenses of Discontinuing Operations		-	-
Profit for the period		271,231,366	241,294,150
Earnings per Equity Share of Face value of ₹ 5/- each :			
Basic & Diluted		30.97	27.43

Significant Accounting Policies & Notes to Financial Statements

1

As per our report of even date attached

For SHAHID & ASSOCIATES

Chartered Accountants
(Registration NO.-002140C)

(MOHD. SHAHID)

Partner
Membership No. 070408

Date : May 28, 2014

Place : Delhi

DR. C. K. JAIN

Managing Director

RAJESH AGRAWAL

Chief Financial Officer

A.K. VATS

Whole Time Director and CEO

NISHA GUPTA

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014
(₹ in lacs)

	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	3,096.31	2,862.37
Adjustment for :		
Extra Ordinary Income	63.15	-
Finance Costs	355.23	426.46
Depreciation and Amortization Expenses	1,354.32	1,420.72
Loss/ (Gain) on Sale of Investment/Assets (Net)	(18.42)	(19.47)
Investing Activities (Net)	(108.02)	(168.43)
Operating profit before working capital changes	4,742.59	4,521.65
Changes in working Capital:		
Inventories	(1,776.58)	(218.74)
Trade and other Receivables	(1,115.33)	(2,025.00)
Trade and other Payables	2,034.50	365.51
Cash generation from Operation	3,885.17	2,643.42
Payment of Direct Taxes	(660.88)	(544.51)
Net Cash generated/ (used) - Operating Activities	3,224.29	2,098.91
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(5,813.87)	(1,051.43)
Sale of Fixed Assets	27.99	121.38
Purchase of Investments	(1,200.00)	-
Interest Received	107.29	167.69
Dividend Received	0.73	0.73
Net Cash Generated/ (Used) - Investing Activities	(6,877.87)	(761.63)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings (Net)	3,332.55	(300.87)
Proceeds/ (Repayment) of Short-term Borrowings (Net)	1,428.00	(79.19)
Finance Cost Paid	(355.23)	(426.46)
Dividend Paid (including Dividend Distribution Tax)	(340.78)	(218.04)
Net Cash Generated/ (Used) - Financing Activities	4,064.54	(1,024.56)
Net Increase/ (Decrease) in Cash and Cash Equivalents	410.96	312.72
Add : Opening Cash and Cash Equivalents	2,835.96	2,523.24
Closing Cash and Cash Equivalents	3,246.92	2,835.96

As per our report of even date attached

For SHAHID & ASSOCIATES

Chartered Accountants
(Registration NO.-002140C)

(MOHD. SHAHID)

Partner
Membership No. 070408

Date : May 28, 2014

Place : Delhi

DR. C. K. JAIN

Managing Director

RAJESH AGRAWAL

Chief Financial Officer

A.K. VATS

Whole Time Director and CEO

NISHA GUPTA

Company Secretary

1. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1.1 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.

1.2 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.

1.3 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.

1.4 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.

- 1.5 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.

1.6 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.

1.7 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 except in the case of long term liabilities, where they related to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets and corresponding effect of long term liabilities.

1.8 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.

1.9 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.

1.10 Turnover

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

1.11 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.

1.12 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.

1.13 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.

1.14 The interest accrued and due on secured and unsecured loans fall due on 31st March, 2014 and have been paid/ provided on that date. Therefore, the amount outstanding is Nil and has not been disclosed under respective heads.

Gulshan Polyols Limited

(Amount in ₹)

	As at 31 st March, 2014	As at 31 st March, 2013
2. SHARE CAPITAL:		
A. Authorized, Issued, Subscribed and Paid-up Share Capital		
Authorized:		
4,50,00,000 Equity Share of ₹ 5/- each	225,000,000	225,000,000
2,50,000, 0% Redeemable Preference Shares of ₹ 10/- each	2,500,000	2,500,000
14,50,000, 8% Redeemable Preference Shares of ₹ 100/- each	145,000,000	145,000,000
	<u>372,500,000</u>	<u>372,500,000</u>
Issued, Subscribed and Paid-up:		
84,48,404 Equity Shares of ₹ 5/- each fully paid-up	42,242,020	42,242,020
10,25,000 8% Preference Shares of ₹ 100/- each fully paid-up	102,500,000	102,500,000
	<u>144,742,020</u>	<u>144,742,020</u>

B. Reconciliation of Shares outstanding at the beginning and at the end of year are given below:

	2013-14		2012-13	
	Numbers	Amount	Numbers	Amount
Equity Shares outstanding at the beginning of the year	84,48,404	42,242,020	84,48,404	42,242,020
Add: Equity Shares Issued during the year - (a)	-	-	-	-
Less: Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	84,48,404	42,242,020	84,48,404	42,242,020

- During the year ended 31st March, 2009, the Company has allotted 21,35,407 Equity Shares of ₹ 5 each fully paid-up to the share holders of erstwhile Gulshan Sugars and Chemicals Limited pursuant to the Scheme of Amalgamation without payment being received in cash.
- During the year ended 31st March, 2011, the Company has allotted 1,00,697 Equity Shares of ₹ 5 each fully paid-up to the share holders of erstwhile Salil Industries Limited pursuant to the Scheme of Amalgamation without payment being received in cash.
- Terms of Authorised Preference Share Capital has been changed in last annual general meeting i.e. 25-09-2010 in which dividend rate varying from 0% to 10% and redemption period varying from 3rd year to maximum 15th year from the date of the issue.
- Terms of redemption of 10,25,000 issued Preference Share ₹ 100/- each has been fixed, the period of redemption will be 12th year from the date of its issue on 8% dividend rate effective from 1st April, 2011.

C. Detail of shareholder holding more than 5 percent shares of the Company as on reporting date are given below:

S. No.	Name of Shareholders	As at 31.03.2014		As at 31.03.2013	
		Numbers of Share held	Percentage of Holding	Numbers of Share held	Percentage of Holding
1	Gulshan Holdings Pvt Ltd.	4,372,772	51.76%	4,084,790	48.35%
2	Dr. C.K. Jain	957,022	11.33%	957,022	11.33%

(Amount in ₹)

	As at 31 st March, 2014	As at 31 st March, 2013
3. RESERVES AND SURPLUS		
Capital Reserve	13,235,000	13,235,000
Securities Premium Account	211,206,688	211,206,688
General Reserve	348,624,334	318,624,334
	<u>573,066,022</u>	<u>543,066,022</u>
Surplus i.e. balance in Statement of Profit and Loss - (b)	1,095,194,504	888,267,254
	<u>1,668,260,526</u>	<u>1,431,333,276</u>

(a). Additions and deductions since the last Balance Sheet under each head of Reserve are as under:

	As at 01.04.2013	Additions	Deductions	As at 31.03.2014
Capital Reserve	13,235,000	-	-	13,235,000
Securities Premium Account	211,206,688	-	-	211,206,688
General Reserve	318,624,334	30,000,000	-	348,624,334
	<u>543,066,022</u>	<u>30,000,000</u>	<u>-</u>	<u>573,066,022</u>

(b). Allocations and appropriations in Surplus i.e. balance in Statement of Profit and Loss are as under:

Opening Balance	888,267,254	711,050,861
Add: Profit for the period	271,231,366	241,294,150
	<u>1,159,498,620</u>	<u>952,345,011</u>
Less: Transfer to General Reserve	30,000,000	30,000,000
Less: Dividend on Equity Shares (including Dividend Distribution Tax)	24,710,526	24,547,471
Less: Dividend on Preference Shares (including Dividend Distribution Tax)	9,593,590	9,530,286
Closing Balance	<u>1,095,194,504</u>	<u>888,267,254</u>

4. LONG-TERM BORROWINGS

Secured

Term Loans:

From Banks	420,850,076	94,275,404
Long term maturities of Finance Lease obligations/ hire purchase finance	18,007,280	11,326,942
	<u>438,857,356</u>	<u>105,602,346</u>

(a). Nature of security for secured borrowings are given below:

Term Loans from Banks	458,688,034	128,631,765
The Immovable and Movable Assets of the Unit Loacated at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and Mauja Rampur Majri Tehsil Paonta Sahib, District Sirmor, Himachal Pradesh and movable fixed assets of unit located at Muzaffarnagar are charged to Bank of Baroda by way of First charge for Foreign Currency Term Loan of ₹ 45,86,88,034		
Long term maturities of Finance Lease obligations	18,007,280	11,326,942
Above loans are secured against vehicles purchased through them under hire purchase agreements.		

Gulshan Polyols Limited

			(Amount in ₹)	
			As at	As at
			31 st March, 2014	31 st March, 2013
(b). The aggregate amount of loans under each head guaranteed by Directors or others are given below:				
Term Loans from Banks	458,688,034		94,275,404	
Above term loans are secured by personal gurantees of the Promoter Director and Corporate Gurantee by Gulshan Holdings Pvt. Ltd.				
5. DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities on account of Depreciation and Amortization Expenses	72,319,995		51,149,164	
	72,319,995		51,149,164	
6. OTHER LONG-TERM LIABILITIES				
Dealers Securities	-		21,000,000	
	-		21,000,000	
7. SHORT-TERM BORROWINGS				
Secured : Working Capital Loan				
From Banks	321,505,371		178,705,687	
	321,505,371		178,705,687	
Unsecured				
Deposits	34,547,000		34,547,000	
	34,547,000		34,547,000	
	356,052,371		213,252,687	
(a). The Working Capital Loan is secured by the Hypothecation of Present and Future stock of Raw Materials, Stores, Stock in Process , Chemicals and Consumables , Fuels, Packing , Finished Goods etc. and Book Debts of the Compnay.				
The Loan is further secured by way of a Second Charge on Fixed Assets of the Company, personal gurantee of Promoter Director of the Company. The aforesaid loan is also secured by the Corporate gurantee of M/s Gulshan Holdings Pvt. Ltd.				
8. TRADE PAYABLES				
Payable to Other Entities	177,834,153		129,674,402	
	177,834,153		129,674,402	
9. OTHER CURRENT LIABILITIES				
Interest accrued but not due on borrowings	86,998		136,600	
Current maturities of long-term debt	37,837,958		34,356,361	
Unclaimed Dividends	3,845,091		3,903,255	
Customers' Credit Balances and Advances against orders	102,329,740		1,563,215	
Capital Liabilities	8,114,801		8,102,918	
Other Liabilities	34,999		15,000	
	152,249,587		48,077,349	

(Amount in ₹)

	As at 31 st March, 2014	As at 31 st March, 2013
10. SHORT-TERM PROVISIONS		
Employee Benefits	14,463,678	6,361,446
Proposed Dividends (including Dividend Distribution Tax)	34,304,116	34,077,757
Provision for Current Tax	65,939,969	56,918,867
Expenses Payables	62,802,080	50,351,716
	177,509,843	147,709,786

11. TANGIBLE ASSETS

Summary of cost and net carrying amount of each class of tangible assets are given below:

	Gross Block		Accumulated Depreciation		Net Carrying Amount	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Land	125,803,062	125,803,062	-	-	125,803,062	125,803,062
Buildings	228,216,708	171,936,203	92,418,741	83,062,349	135,797,967	88,873,854
Plant and Equipment	2,069,789,408	1,604,487,206	895,652,233	863,989,006	1,174,137,175	740,498,200
Furniture and Fixtures & Equipments	20,993,454	19,970,223	13,889,649	12,260,994	7,103,805	7,709,229
Vehicles and Aircraft	59,642,795	45,134,100	32,130,737	27,926,455	27,512,058	17,207,645
CURRENT YEAR	2,504,445,427	1,967,330,794	1,034,091,360	987,238,804	1,470,354,067	980,091,990
PREVIOUS YEAR	1,967,330,794	2,133,033,402	987,238,804	1,076,285,656	980,091,990	1,056,747,746

Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31.03.2014 are as under:

Cost	As at 01.04.2013	Additions	Disposals	As at 31.03.2014
Land	125,803,062	-	-	125,803,062
Buildings	171,936,203	56,280,505	-	228,216,708
Plant and Equipment	1,604,487,206	553,835,042	88,532,840	2,069,789,408
Furniture and Fixtures & Equipments	19,970,223	1,023,231	-	20,993,454
Vehicles and Aircraft	45,134,100	15,512,932	1,004,237	59,642,795
CURRENT YEAR	1,967,330,794	626,651,710	89,537,077	2,504,445,427
PREVIOUS YEAR	2,133,033,402	75,607,045	241,309,653	1,967,330,794

Accumulated Depreciation	As at 01.04.2013	Additions	Disposals	As at 31.03.2014
Land	-	-	-	-
Buildings	83,062,349	9,356,392	-	92,418,741
Plant and Equipment	863,989,006	119,286,127	87,622,900	895,652,233
Furniture and Fixtures & Equipments	12,260,994	1,628,655	-	13,889,649
Vehicles and Aircraft	27,926,455	5,161,280	956,998	32,130,737
CURRENT YEAR	987,238,804	135,432,454	88,579,898	1,034,091,360
PREVIOUS YEAR	1,076,285,656	142,071,894	231,118,746	987,238,804

Gulshan Polyols Limited

	(Amount in ₹)	
	As at 31 st March, 2014	As at 31 st March, 2013
12. CAPITAL WORK-IN-PROGRESS		
Construction Work-in-Progress	18,623,472	63,472,977
Expenditure during Construction pending allocation - (a)	-	415,053
	<u>18,623,472</u>	<u>63,888,030</u>
(a). Detail of expenditure during construction pending allocation are given below:		
Expenditure during the year:		
Water Expenses	-	114,642
Power & Electricity	1,503,684	920,384
Employee Benefits Expenses	1,285,410	1,818,137
Finance Charges	26,641,698	3,418
Other Expenses:		
Printing & Stationary	16,870	28,907
Rates and Taxes	158,500	98,150
Travelling Expenses	3,295,637	643,687
Legal & Professional Charges	80,429	224,241
Communication Charges	22,599	67,379
Repair and Maintenance	28,779	8,518
Miscellaneous Expenses	3,191	986,009
	<u>33,041,427</u>	<u>4,913,472</u>
Add: Balance brought forward from previous year	415,053	1,613,930
Less: Amount allocated to Fixed Assets	33,456,480	6,527,402
Balance pending allocation	-	-
13. NON-CURRENT INVESTMENTS		
Non Trade (at cost), unquoted long term Investments in Equity Instruments - (a)	4,748,075	4,748,075
	<u>4,748,075</u>	<u>4,748,075</u>
(a). Details of Investment		
(i) In Gujarat Environmental Infrastructure Ltd. 10,500 Equity Shares of ₹ 10/- each fully paid up	1,05,000	1,05,000
(ii) In Bharuch Eco-Aqua Infrastructure Ltd. 4,09,025 Equity Shares of ₹10/- each fully paid up	4,090,250	4,090,250
(iii) In Gulshan Mercantile Urban Co operative Bank Ltd., (A non scheduled Bank) 4778.25 Equity Shares of ₹ 100/- each fully paid up	477,825	477,825
(iv) In Eduspire Services Private Limited 750 Equity Shares of ₹ 100/- each fully paid up	75,000	75,000
	<u>4,748,075</u>	<u>4,748,075</u>
14. LONG-TERM LOANS AND ADVANCES		
Security Deposits (Secured, Considered Good)	18,410,972	18,480,821
Other loans and advances - (a) (Unsecured, Considered Good)	-	22,612,621
	<u>18,410,972</u>	<u>41,093,442</u>
(a). There is no outstanding loans and advances to related parties.		

(Amount in ₹)

	As at 31 st March, 2014	As at 31 st March, 2013
15. CURRENT INVESTMENTS		
-In Mutual Funds		
3996894.165 units of S.B.I Dynamic Bond Fund Growth	60,000,000	-
2021621.917 units of S.B.I Magnum Income Fund Growth	60,000,000	-
	<u>120,000,000</u>	<u>-</u>
16. INVENTORIES:		
(a) Regular Inventories		
Raw Materials	235,023,131	100,434,453
Work-in-Progress	35,227,319	36,760,266
Finished Goods	91,225,347	69,375,469
Stores and Spares	36,133,062	27,713,569
Coal and Fuel & Chemicals	27,164,985	21,459,126
(b) Other Inventories		
Work in Progress-Project Export	8,627,029	-
	<u>433,400,873</u>	<u>255,742,883</u>
17. TRADE RECEIVABLES		
Outstanding for a period exceeding six months (Unsecured, Considered Good)	26,715,773	23,153,517
Outstanding for a period less than six months (Unsecured, Considered Good)	572,552,464	527,674,971
	<u>599,268,237</u>	<u>550,828,488</u>
18. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balance with Banks:		
Current Accounts	208,982,698	128,445,598
Unclaimed Dividend Accounts	3,845,091	3,903,255
Cash on hand	571,522	948,442
	<u>213,399,311</u>	<u>133,297,295</u>
Other Balances		
Balance with Banks:		
Earmarked Balances	531,440	1,744,763
Deposits maturing within 12 months	110,761,528	148,554,132
	<u>111,292,968</u>	<u>150,298,895</u>
	<u>324,692,279</u>	<u>283,596,190</u>
19. SHORT-TERM LOANS AND ADVANCES		
Capital Advances		
(Unsecured, Considered Good)	32,475,060	-
Advance Current Tax		
(Secured, Considered Good)	65,748,767	55,825,219
Other loans and advances - (a)		
(Unsecured, Considered Good)	100,104,049	56,726,713
	<u>198,327,876</u>	<u>112,551,932</u>
(a). Other loans and advances mainly include prepaid expenses, advances to suppliers and service providers, advance and loans to employees, CENVAT/ VAT/ Service Tax credit receivable, etc.		

Gulshan Polyols Limited

	(Amount in ₹)	
	As at 31 st March, 2014	As at 31 st March, 2013
20. REVENUE FROM OPERATIONS:		
Sale of Products	3,150,518,674	2,728,421,146
Sales Tax Realised	57,907,140	51,738,188
Freight & Handling Charges Recovered	274,081,895	258,746,641
Other Operating Revenues		
Export and Other Incentives	9,713,214	5,562,756
Miscellaneous Receipts and Claims	4,867,514	4,244,855
Gross Revenue from Operations	<u>3,497,088,437</u>	<u>3,048,713,586</u>
Less: Excise Duty	244,913,496	225,594,081
Net Revenue from Operations	<u>3,252,174,941</u>	<u>2,823,119,505</u>
21. OTHER INCOME:		
Interest Income	10,728,650	16,769,462
Dividend Income On Long-term Investments	73,089	73,089
Profit/ (Loss) on Fixed Assets sold/ discarded (Net)	1,841,508	1,946,985
Other Non-Operating Income*	1,871,647	1,831,399
	<u>14,514,894</u>	<u>20,620,935</u>
*Other Non-Operating Income - include Agriculture Income of ₹ 15,81,334 (P.Y. ₹ 16,79,785)		
22. COST OF MATERIALS CONSUMED:		
Raw Material	1,258,371,391	1,099,557,596
Raw Material Purchase (Trading)	53,781	1,435,616
	<u>1,258,425,172</u>	<u>1,100,993,212</u>
23. CHANGES IN INVENTORIES:		
Opening Inventories		
Work-in-Progress	36,760,266	32,069,069
Finished Goods	62,282,183	46,986,907
	<u>99,042,449</u>	<u>79,055,976</u>
Less: Closing Inventories		
Work-in-Progress	35,227,319	36,760,266
Finished Goods	82,948,187	62,284,843
	<u>118,175,506</u>	<u>99,045,109</u>
	<u>(19,133,057)</u>	<u>(19,989,133)</u>
Add: Increase/ Decrease of Excise Duty on Inventories	(1,186,534)	(2,086,987)
	<u>(20,319,591)</u>	<u>(22,076,120)</u>
24. EMPLOYEE BENEFITS EXPENSES:		
Salaries and Wages	105,730,493	86,841,753
Contribution to Provident and other Funds	2,313,254	5,079,940
Employee Welfare	10,791,221	8,334,260
	<u>118,834,968</u>	<u>100,255,953</u>

(Amount in ₹)

	As at 31 st March, 2014	As at 31 st March, 2013
25. MANUFACTURING EXPENSES		
Process Chemicals & Consumables	224,842,350	206,178,602
Stores, Spare Parts & Packing	145,381,409	113,577,633
Power and Fuel	514,285,866	415,721,551
Excise Duty #	1,186,534	2,087,147
Repair & Maintenance:		
- Building	4,045,847	3,496,031
- Plant & Machinery	44,573,468	43,389,453
	<u>934,315,474</u>	<u>784,450,417</u>
# Excise duty shown under expenditure represents the aggregate of Excise duty borne by company and difference between excise duty on opening and closing stock of finished goods.		
26. FINANCE COSTS		
Interest & Charges on Bank borrowing for working Capital	15,564,593	12,721,071
Interest on Term and Other Loans	10,502,610	13,418,636
Net (Gain) /Loss on foreign currency transactions and translation	9,456,161	16,505,961
	<u>35,523,364</u>	<u>42,645,668</u>
27. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation and Amortization Expenses:	135,432,453	142,071,894
	<u>135,432,453</u>	<u>142,071,894</u>
28. OTHER EXPENSES		
Administrative Expenses		
Rates and Taxes	7,421,582	3,305,863
Rent	7,016,037	5,625,120
Printing and Stationary	1,967,711	1,893,445
Advertisement and Publicity	284,556	358,760
Subscription and Membership Fees	290,228	209,546
Travelling Expenses	16,536,012	14,377,768
Legal and Professional Expenses	7,350,542	3,901,615
Communication Charges	5,096,474	4,326,953
Repair and Maintenance	2,678,234	2,682,753
Insurance	1,825,233	1,817,295
Auditors' Remuneration - (a)	651,800	649,300
Prior Period Items (Net)	(56,627)	32,293
Donation	722,304	728,240
Wealth Tax	84,173	-
Miscellaneous Expenses	1,482,385	2,246,794
	A <u>53,350,644</u>	<u>42,155,745</u>
Selling and Distribution Expenses		
Commission & Discount	27,170,395	19,748,345
Freight and Forwarding Expenses	331,128,024	288,571,956
Trade Tax Paid	57,985,221	52,302,087
Others	25,213,140	6,384,314
	B <u>441,496,780</u>	<u>367,006,702</u>
TOTAL	A + B <u>494,847,424</u>	<u>409,162,447</u>
(a). Details of Auditors' Remuneration are as follows:		
Statutory Auditors:		
Audit Fees	395,000	395,000
Taxation matters	100,000	100,000
Fee for Certification	100,000	100,000
Reimbursement of expenses	56,800	54,300
	<u>651,800</u>	<u>649,300</u>

Gulshan Polyols Limited

29. DETAIL OF SALES, RAW MATERIAL CONSUMPTION, INVENTORIES, ETC. UNDER BROAD HEADS ARE GIVEN BELOW:

A. Raw Materials Consumed:	2013-14 (Amount in ₹)	2012-13 (Amount in ₹)
Rice	189,136	-
Corn/Starch	944,542,151	829,363,870
Lime & Lime Stone	313,640,104	270,193,726
	<u>1,258,371,391</u>	<u>1,099,557,596</u>

B. Traded Goods

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Lime & Lime Stone	53,781	1,187,013	-	1,218,015	-	248,603	-	-
Chemicals	-	-	-	-	-	-	-	-
	<u>53,781</u>	<u>1,187,013</u>	<u>-</u>	<u>1,218,015</u>	<u>-</u>	<u>248,603</u>	<u>-</u>	<u>-</u>

C. Manufactured Goods

Products	Sales		Opening Stock		Closing Stock	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1. Sorbitol & Sweetner	1,854,478,488	1,552,034,528	38,092,515	17,201,337	22,271,559	38,092,515
2. Calcium Carbonate	1,164,612,913	1,132,028,755	28,964,330	34,419,796	65,244,239	28,964,330
3. Trading Sale	-	1,218,015	-	-	-	-
4. By Products	218,502,812	128,030,597	2,318,624	369,414	3,709,549	2,318,624
	<u>3,237,594,213</u>	<u>2,813,311,895</u>	<u>69,375,469</u>	<u>51,990,547</u>	<u>91,225,347</u>	<u>69,375,469</u>

30. Key Managerial Personnel:

	2013-14 (Amount in ₹)	2012-13 (Amount in ₹)
Salary & Allowance	12,596,240	11,396,121
Perquisites	1,227,600	1,119,600
Commission on Profit	8,500,000	-
	<u>22,323,840</u>	<u>12,515,721</u>

31. Additional information pursuant to paragraphs 5 (viii) of Part II of Schedule VI to the Companies Act, 1956 are follows:

A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):

Raw Materials, Stores and Components	1,429,351	4,734,822
Capital Goods	87,879,655	-

B. Expenditure in foreign currency during the year:

Interest	6,058,282	7,285,057
Commission	7,618,527	5,289,035
Travelling	2,484,971	2,234,408

C. Value of Raw Materials, Coal and Fuel and Stores and Spares consumed during the year ended:

	(Amount in ₹)		Percentage (%)	
	2013-14	2012-13	2013-14	2012-13
Raw Materials:				
Imported	3,538,986	4,643,949	0.28%	0.42%
Indigenous	1,254,832,405	1,094,913,647	99.72%	99.58%
	1,258,371,391	1,099,557,596	100.00%	100.00%
Coal and Fuel:				
Imported	-	-	0.00%	0.00%
Indigenous	360,937,215	302,162,489	100.00%	100.00%
	360,937,215	302,162,489	100.00%	100.00%
Stores and Spares:				
Imported	1,429,351	120,707	7.24%	8.82%
Indigenous	18,313,262	13,058,898	92.76%	91.18%
	19,742,613	13,179,605	100.00%	100.00%

D. Earnings in Foreign Exchange:

	2013-14	2012-13
	(Amount in ₹)	(Amount in ₹)
Export of Goods on F.O.B. basis	429,762,321	263,033,360

32. The previous figure has been reclassified/ rearranged / regrouped in compliance of Revised Schedule VI to the corresponding figures of current year.

33. Contingent Liabilities in respect of:

- i) Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for ₹ 7,39,000/- (Previous year ₹ 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
- ii) Bank guarantees for ₹ 9,87,58,107/- in favour of Government Departments and others.

34. In compliance to the Accounting Standard-11, the Foreign Currency Term Loan of USD 59,19,450 availed during the year for acquisition of fixed assets has been decreased by ₹ 1,03,61,651/- on account of gain in foreign exchange rate difference as at 31.03.2014.

35. In compliance to the Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), Deferred Tax Liability of ₹ 2,11,70,831/- (Previous Year ₹ 1,19,76,048/- Deferred Tax Asset) has been provided as at 31st March 2014 and the same has been charged to the Profit & Loss account of the Company. This pertains to the timing difference in Depreciation on Assets as per books of accounts and WDV as per Income Tax Act. The Deferred Tax Liability 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.

36. Disclosure of Related Party transactions as per Accounting Standard 18 issued by ICAI :

- (a) Name of related party and nature of related party relationship where control exist
 - (i) Holding Company : Gulshan Holdings Pvt Ltd.
 - (ii) Subsidiary Company : Nil

Gulshan Polyols Limited

(b) Name of related party and nature of related party relationship other than those referred to in (a) above in transaction with the company :

- (i) Joint Ventures etc. : Nil
- (ii) Key Management Personnel : Dr. C.K. Jain, Managing Director
Mrs. Aditi Pasari, Whole Time Director
Mrs. Arushi Jain, Whole Time Director
Mr. S. K. Tewari, Whole Time Director
Mr. A. K. Vats, Whole Time Director

(i) Corporate entities over which key management personnel are able to exercise significant influence: Gulshan Lamee Pack Pvt. Ltd, Gulshan Holdings Pvt. Ltd, and Gulshan Speciality Minerals Private Limited.

(ii) Transactions with related parties of the period 01.04.2013 to 31.03.2014 :

Key Managerial Personnel	2013-14	2012-13
Remuneration to Key Personnel:		
- Salaries & Perks	1,38,23,840	1,25,15,721
- Commission on Profits	85,00,000	Nil
Rent Paid - Dr. C.K. Jain	36,00,000	30,00,000
- Mrs. Mridula Jain, Relative	26,91,000	23,40,000

37. Earning Per Share computed in accordance with Accounting Standard - 20:

S.N.	Particulars	Current Year 2013-14	Previous Year 2012-13
1	Net Profit After Tax	2712.31	2412.94
2	Dividend on Preference Shares	95.94	95.30
3	Net Profit After Tax available for Equity Shareholders	2616.37	2317.64
4	Weighted Average of number of Equity Share outstanding during the year	84,48,404	84,48,404
5	Basic Earning Per Share of ₹ 5/- each	30.97	27.43
6	Diluted Earning Per Share of ₹ 5/- each	30.97	27.43

38. 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.

39. The Company manufactures chemicals such as Sorbitol, Liquid Glucose and Calcium Carbonate and by products etc. Segment reporting is not applicable in terms of AS-17 of ICAI.

In terms of our separate report of even date

For SHAHID & ASSOCIATES

Chartered Accountants
(Firm Registration NO.-002140C)

(MOHD. SHAHID)
Partner
Membership No. 070408

DR. C. K. JAIN
Managing Director

A. K. VATS
Whole Time Director and CEO

Date : May 28, 2014
Place : Delhi

RAJESH AGRAWAL
Chief Financial Officer

NISHA GUPTA
Company Secretary

GULSHAN POLYOLS LIMITED

CIN: L24231UP2000PLC034918
Registered Office : 9th K.M. Jansath Road, Muzaffarnagar - 251 001 (Uttar Pradesh)



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name & Address of Member
Regd. Folio No.:**D.P. ID / Client ID**.....
E-mail Id:.....

I / WE, being a member(s) of _____ equity shares of the above named Company, hereby appoint
Name: _____ Email: _____
Address: _____
Signature: _____ or failing him/her
Name: _____ Email: _____
Address: _____
Signature: _____ or failing him/her
Name: _____ Email: _____
Address: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual general meeting of the company, to be held on the Saturday, the 20th September, 2014 at 11.30 a.m. at Muzaffarnagar and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution number	Resolution
Ordinary Business	
1	Adoption of Annual Accounts of the Company as on 31 st March, 2014
2	To appoint in place of retiring Director.
3	Declare a dividend on Preference Shares for the FY ended 31 st March, 2014
4	Declare a dividend on Equity Shares for the FY ended 31 st March, 2014
5	Appoint auditors and authorize Board of Directors to fix their remuneration.
Special Business	
6	Appointment of Mr. S. K. Tewari as a Whole Time Director of the Company
7	Variation in the Terms of remuneration of Mr. A. K. Vats, Whole Time Director
8	Appointment of Mr. Krishna Kumar Pandey as an Independent Director
9	Appointment of Mr. Akhilesh Kumar Maheshwari as an Independent Director
10	Appointment of Mr. Ajay Jain as an Independent Director
11	Creation of charge/mortgage in terms of section 180(1)(a) of the Companies Act, 2013
12	Borrowing powers of the Company under section 180(1)(c) of the Companies Act, 2013
13	Adoption of New Set of Articles of Association of the Company
14	Approval of Remuneration of Cost Auditor of the Company
15	Authorization for Related Party Transactions of the Company
16	Keeping of registers and Annual Returns at a place other than the registered office
17	Alteration in Object Clause in Memorandum of Association of the Company

Signed this.....day of..... 2014

Signature of shareholder _____ Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

.....X.....X.....X.....X.....X.....X.....

GULSHAN POLYOLS LIMITED

CIN: L24231UP2000PLC034918
Registered Office : 9th K.M. Jansath Road, Muzaffarnagar - 251 001 (Uttar Pradesh)



ATTENDANCE SLIP FOR ATTENDING ANNUAL GENERAL MEETING

Regd. Folio No..... No. of Shares held
DP. ID. No. Client ID. No.

I certify that I am a member / proxy for the member(s) of the Company.
I hereby record my presence at the 14th Annual General Meeting of the Company at Gulshan Rai Charitable Dharamshala, Muzaffarnagar-251001 (U.P), at 11.30 a.m on Saturday, 20th September, 2014.

.....
Member's / Proxy's Name in Block Letters _____ Signature of Member/ Proxy _____

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall.

BOOK-POST



GULSHAN

If undelivered, please return to :-

GULSHAN POLYOLS LIMITED

G-81, PREET VIHAR,

DELHI - 110 092