


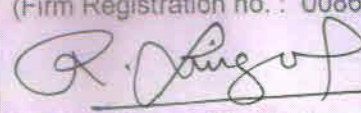




Gulshan Polyols Limited
 CIN : L24231UP2000PLC034918
 Corporate Office: G-81, Preet Vihar,
 Delhi-110092, India
 Phone : +91 11 49999200
 Fax : +91 11 49999202
 E-mail : gscldelhi@gulshanindia.com
 Website: www.gulshanindia.com

FORM A
(Audit Report with unmodified opinion)

Compliance under Regulation 33(3)(d) & 52(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1	Name of the company	Gulshan Polyols Limited
2	Annual financial statements for the year ended	Annual Audited Financial Statements for the year ended 31 st March, 2019
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by-	<p>For Gulshan Polyols Limited Mr. A. K. Vats CEO & Executive Director (DIN: 00062413)</p> <p>For Gulshan Polyols Limited Mr. Rajiv Gupta Chief Financial Officer</p> <p>For Gulshan Polyols Limited Mr. Ajay Jain Chairman – Audit Committee (DIN: 00062146)</p> <p>Auditor of the Company</p>
		<p></p> <p></p> <p></p> <p>Refer our Audit Report dated 29th May, 2019 on the Financial Statements of "Gulshan Polyols Limited"</p> <p>For Rajeev Singal & Co. Chartered Accountants (Firm Registration no. : 008692-C)</p> <p></p> <p>(Rajeev Kumar Singhal) Partner Membership No. 077834</p>



Muzaffarnagar, U.P.

Committed to Growth



GULSHAN

19th Annual Report
2018-19

Chairman's Statement



Dear Friends & Indian Voters,

Strengthening Democracy!

India is the world's largest democracy. Voting in India is a Constitutional right if one is a citizen over 18 years of age. However, that also makes it optional. It has been a tendency among voters, especially in the urban areas, to treat the voting day as a day of rest. While skipping the vote may not seem to cause any harm, the long-term consequences are disastrous.

This year in 2019 Indian general election was held in seven phases from 11 April to 19 May 2019 to constitute the 17th Lok Sabha.

*In **Gulshan Polyols** we have laid great stress on encouraging each and every individual whether direct or indirect employee/associate/partner to exercise his/her right diligently.*

Companies Overall Performance:

It gives me pleasure to share with you an update on the overall performance of your Company in 2018-19. It was yet another difficult year for the global economy, characterized by low growth and geopolitical uncertainties. In India, rural demand continued to be sluggish in the early part of the year on the back of two consecutive poor monsoons. The overall market showed a steep downfall owing to steep rise in raw material prices thus imposing great pressure on selling prices and also leading to exports getting unviable for a majority of our products.

During the Financial Year ended 31st March 2019, Revenue from operations increased to ₹ 67388.61 lakhs from ₹ 62403.80 lakhs in the previous year. Registered growth is 8% on net revenue basis.

EBIDTA of ₹ 8561.28 lakhs for the year against ₹ 7083.31 lakhs in the previous year, a growth of 21% Year on Year Basis. Profit after tax (PAT) of ₹ 2142.52 lakhs in F.Y 2018-19 against ₹ 1824.20 lakhs in the previous year.

Your Company in the tune of progressive Dividend Policy, the Board of Directors declared and paid an interim dividend of 40 percent (₹ 0.40 per fully paid-up equity share of ₹ 1/- each) in November, 2018. The financial year 2018-19 concluded with recommending a final dividend of 30 percent (₹ 0.30 per fully paid-up equity share of ₹ 1/- each) aggregating to 70 percent i.e. amounting to ₹ 328.42 lakhs, subject to the approval of the shareholders at the Annual General Meeting.

Despite significant pressure on margins due to higher raw material prices, higher depreciation and slower economic growth, your Company has sustained its profitable growth story.

Your Company is also committed to its social responsibility agenda and contribute meaningfully to the communities that it operates in. Your Company continues to focus in the areas of Health, Community Welfare, Education, Health & Hygiene, Rural development and Water management to enhance the livelihoods of people in its operating communities. These initiatives, along with several others, reaffirm our belief that addressing societal needs and business growth go hand-in-hand.

It has been a year of further progress – strategically, operationally and financially. In rapidly changing markets we continue to focus our energies on shorter decision timelines, rapid deployment and strong customer focus. We can only do this successfully with excellent people and, on behalf of the Board. I would like to thank all our employees and partners for their very considerable efforts in the past year. I look forward with confidence to your Company's response to further changing customer demands in the year ahead.

Jai Hind!!



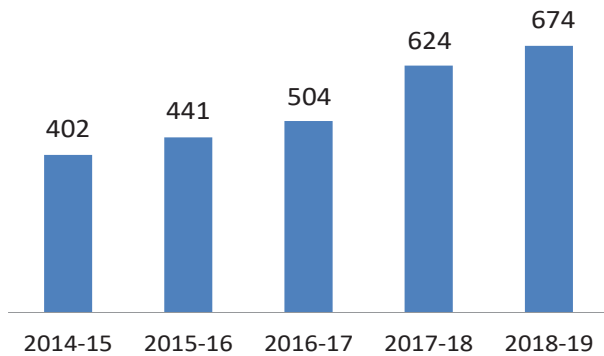
Dr. C. K. Jain
Chairman & Managing Director



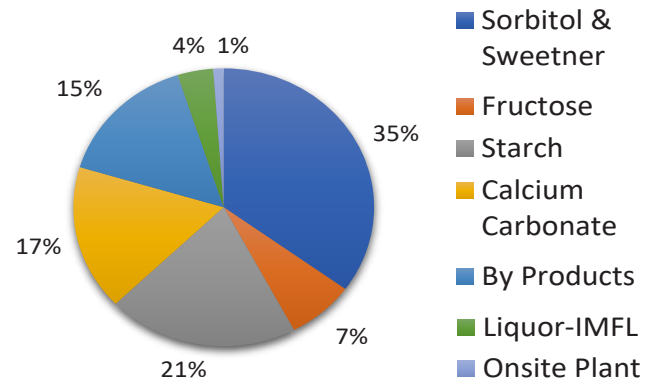
Company's efforts to encourage voters

FINANCIAL HIGHLIGHTS

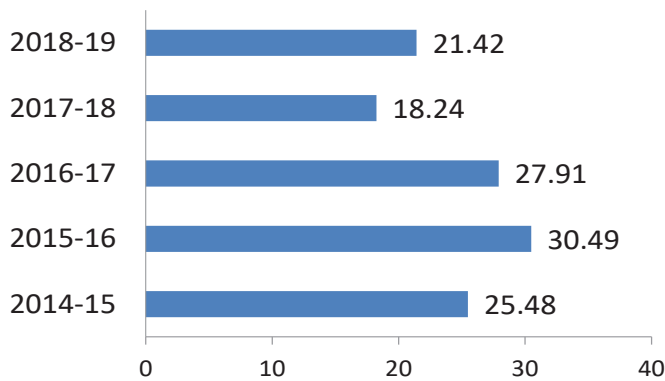
NET SALES (₹ in Crore)



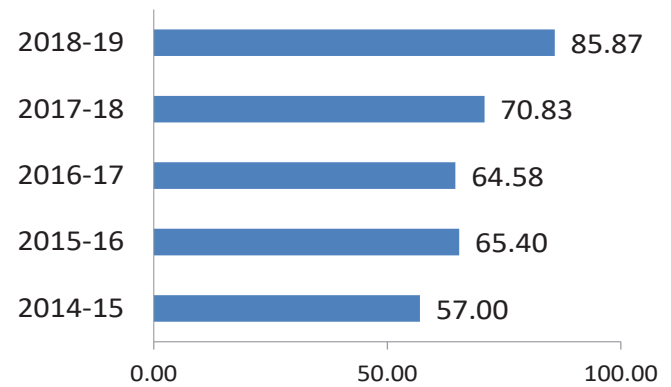
PRODUCT WISE REVENUE BREAK-UP



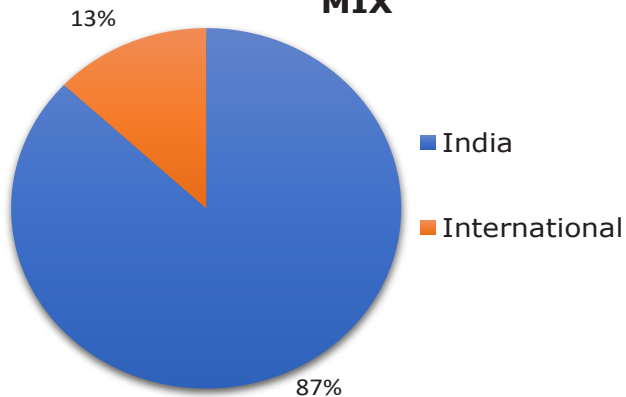
PROFIT AFTER TAX (₹ in Crore)



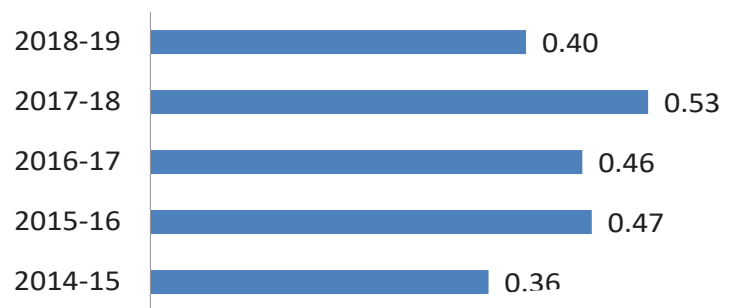
EBITDA (₹ in Crore)



INDIA INTERNATIONAL REVENUE MIX



DEBT EQUITY RATIO (in times)



Corporate Information

BOARD OF DIRECTORS

Dr. C. K. Jain
Chairman & Managing Director

Ms. Arushi Jain
Whole Time Director

Ms. Aditi Pasari
Whole Time Director

Mr. Ashwani Kumar Vats
Executive Director & CEO

Mr. Suresh Kumar Tewari
Whole Time Director

Mr. Ajay Jain
Independent Director

Mr. A. K. Maheshwari
Independent Director

Mr. J. J. Bhagat
Independent Director

Mr. Rakesh Kumar Gupta
Independent Director

Mr. K. C. Gupta
Independent Director

AUDIT COMMITTEE

Mr. Ajay Jain
Chairman

Mr. A. K. Maheshwari
Member

Dr. C. K. Jain
Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. A. K. Maheshwari
Chairman

Mr. Ajay Jain
Member

Ms. Aditi Pasari
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Ajay Jain
Chairman

Mr. A. K. Maheshwari
Member

Mr. Rakesh Kumar Gupta
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ajay Jain
Chairman

Ms. Arushi Jain
Member

Ms. Aditi Pasari
Member

CHIEF FINANCIAL OFFICER

Mr. Rajiv Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vijay Kumar Garg

BANKERS

Bank of Baroda
Citi Bank
HSBC Bank

REGISTRAR & SHARE TRANSFER AGENT

M/s Alankit Assignments Limited
1E/13, Alankit Heights,
Jhandewalan Extension,
New Delhi - 110055
Ph. No: 011-42541234/ 955
Fax No: 011-42541201
E-mail: rta@alankit.com

AUDITORS

Rajeev Singal & Co.,
Muzaffarnagar

COST AUDITORS

Rahul Jain & Associates,
Cost Accountants, Delhi

SECRETARIAL AUDITORS

Mr. Sanjay Chugh,
Practicing Company Secretaries,
Delhi

REGISTERED OFFICE

9th K.M., Jansath Road,
Muzaffarnagar, Uttar Pradesh -
251001
Tel: 0131-32958800
Fax: 0131 - 2661378
Email: gsclmzn@gulshanindia.com
Website: www.gulshanindia.com
CIN: L24231UP2000PLC034918

CORPORATE OFFICE

G-81, Preet Vihar, Delhi- 110092
Tel: 011-49999200
Fax: 011-49999202

PLANT LOCATIONS

Plot No. 762, Jhagadia Industrial
Estate, Bharuch, Gujarat-393110

9th K. M., Jansath Road,
Muzaffarnagar, U.P. - 251001

Plot No. 769/2, G.I.D.C.
Industrial Estate, Distt. Bharuch,
Gujarat - 393110

Village Rampur Majri, Dhaula
Kuan, Distt. Sirmour, Himachal
Pradesh -173001

E - 21 & 22, RIICO Growth
Centre Phase-II, Abu Road,
Disst. Sirohi, Rajasthan- 307026

Plot No.-10, 11 & Part of 9,
Borgaon Industrial Growth
Centre, Tehsil - Sausar, Dist.
Chhindwara, Madhya Pradesh

On-site Plant of PCC at DSG
Papers Pvt. Ltd., Patiala, Punjab

On-site Plant of PCC at ITC Ltd.,
Hooghly, West Bengal

On-site Plant of PCC at Orient
Paper Mills, Amlai, Madhya
Pradesh

WHAT'S INSIDE

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51	Cash Flow Statement
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**NOTICE**

Notice is hereby given that the 19th Annual General Meeting of the members of **GULSHAN POLYOLS LIMITED** will be held on Saturday, 21st September, 2019 at 12.30 p.m. at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh-251002 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on Preference Shares for the financial year ended on 31st March, 2019.
3. To confirm the payment of interim dividend during the financial year 2018-19 and to declare a final dividend on equity shares for the financial year ended on 31st March, 2019.
4. To appoint a director in place of Ms. Arushi Jain (holding DIN no. 00764520), who retires by rotation and, being eligible, offers herself for re-appointment.
5. To ratify the appointment of Rajeew Singal & Co. (Firm Registration no.-008692C), Statutory Auditors of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and all other applicable provisions, if any, read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, the appointment of Rajeew Singal & Co. (Firm Registration no. - 008692C), Chartered Accountants, as Statutory Auditors of the Company be and is hereby approved and ratified from the conclusion of 19th Annual General Meeting (AGM) till the conclusion of 20th AGM of the Company to be held in the year 2020, 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. **Revision in terms of remuneration of Mr. Ashwani Kumar Vats, Whole Time Director & CEO of the Company**

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

"RESOLVED THAT pursuant to sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with schedule V to the Companies Act, 2013, and also as recommended by the Nomination and Remuneration/Compensation Committee and approved by the Board of Directors of the Company, approval of the members be and is hereby accorded for revision and varying the terms and conditions of remuneration being paid to Mr. Ashwani Kumar Vats (holding DIN 00062413), Whole Time Director & CEO of the Company, for the remaining tenure of his appointment, effective from 1st April, 2019, as stated in the Explanatory Statement annexed to the Notice and details stipulated herein below:

1. Basic Salary per month:

Basic Salary: Rs.2,65,000/- per month w.e.f. April 01, 2019 in scale of Rs. 1,50,000/- to Rs. 4,00,000/- (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.



7. Re-appointment and Revision in terms of remuneration of Mr. Suresh Kumar Tewari, 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 FURTHER THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other rules framed thereunder read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and subject to such other approvals as may be required, consent and approval of the Members of the Company, and also as recommended by the Nomination and Remuneration/ Compensation Committee, be and is hereby accorded to the re-appointment of **Shri Suresh Kumar Tewari (holding DIN 00062373)**, as the Whole Time Director of the Company for a further period of 3 (three) years, with effect from 1 April 2019 to 31 March 2022, whose term of office shall be liable to retirement by rotation, upon the terms and conditions including those relating to remuneration and perquisites more specifically set out in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice, and details stipulated herein below.”

1. Basic Salary per month:

Basic Salary: Rs.1,83,000/- per month w.e.f. April 01, 2019 in scale of Rs. 1,50,000/- to Rs. 4,00,000/- (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. Re-appointment of Mr. Ajay Jain as an Independent Director of the Company

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration/Compensation Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the approval of the Members of the Company be and is hereby accorded for re-appointment of **Mr. Ajay Jain (DIN:00062146)**, Non-Executive and Independent Director of the Company, Who is reappointed for second term for a period of 5 years w.e.f 1st April 2019 to 31st March 2024 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non Executive Director of the Company, whose term shall not be subject to retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution”



9. **Re-appointment of Mr. Akhilesh Kumar Maheshwari as an Independent Director of the Company.**

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration/Compensation Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the approval of the Members of the Company be and is hereby accorded for re-appointment of **Mr. Akhilesh Kumar Maheshwari (DIN:00062645)**, Non-Executive and Independent Director of the Company, Who is reappointed for second term for a period of 5 years w.e.f 1st April 2019 to 31st March 2024 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non Executive Director of the Company, whose term shall not be subject to retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution”

10. **Re-appointment of Mr. Rakesh Kumar Gupta as an Independent Director of the Company.**

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration/Compensation Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the approval of the Members of the Company be and is hereby accorded for re-appointment of **Mr. Rakesh Kumar Gupta (DIN: 06909233)**, Non-Executive and Independent Director of the Company, Who is reappointed for second term for a period of 5 years w.e.f 1st April 2019 to 31st March 2024 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non Executive Director of the Company, whose term shall not be subject to retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution”

11. **Re-appointment of Mr. Jeewan Jyoti Bhagat as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration/Compensation Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the approval of the Members of the Company be and is hereby accorded for re-appointment of **Mr. Jeewan Jyoti Bhagat (DIN: 00007743)**, Non-Executive and Independent Director of the Company, Who is reappointed for second term for a period of 5 years w.e.f 1st April 2019 to 31st March 2024 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non Executive Director of the Company, whose term shall not be subject to retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution”



12. 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 Ordinary Resolution

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other provisions of applicable law, the consent of the members be and is hereby accorded, approving and ratifying the transactions between the Company and Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors of the Company (related parties as defined under section 2(76) of the Companies Act, 2013) for entering into contracts and/or agreements with respect to their re-appointment to the office or place of profit in the company.

"RESOLVED FURTHER although all the related party transactions are generally based on ordinary course of business and at the arms' length basis, the aforesaid consent is being sought as an abundant caution and thus the Board of Directors of the Company and/or Audit Committee is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above, if any, and to settle all matters arising out of and incidental thereto and to do all acts, deeds, things as may be necessary proper or expedient to give effect to these resolutions."

13. Approval for waiver of Recovery of Excess Managerial Remuneration paid to Dr. Chandra Kumar Jain (Din: 00062221) Chairman cum Managing Director of the Company for the period 01st April, 2018 to 31st March 2019.

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 197, read with Schedule V and other applicable provisions of the Companies Act, 2013 (the "Act") and the rules made thereunder (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and subject to receipt of necessary consents and approvals, if any, and also as recommended by the Nomination and Remuneration/Compensation Committee and subject to such other approvals as may be required, consent and approval of the Members of the Company for waiver of the recovery of excess remuneration paid to **Dr. Chandra Kumar Jain (DIN: 00062221)**, Chairman and Managing Director, amounting to Rs. 12,33,421/- for the financial year 2018-19 which is in excess of the limits of 5% of the Net Profit of the Company but is within the limit of 10% of prescribed under Section 197 of the Act."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") and/or the Nomination and Remuneration Committee of the Directors of the Company ("NRC") and/or any other person authorized by the Board or the NRC, be and is hereby authorized to take necessary actions and steps required to give effect to the aforesaid resolution and settle any question or difficulty arising in connection therewith or incidental thereto."

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 members be and is hereby accorded for the payment of remuneration of Rs.80,000/- (Rupees Eighty Thousand only) to Company's Cost Auditor, M/s. Rahul Jain & Associates, Cost Accountants, for carrying out Cost Audit of the Company for the financial year 2019- 20."

Explanatory Statement Pursuant to section 102 of the Companies Act, 2013 and Pursuant to Regulation 36 (3) of the Listing Regulations

Item No. 6

Mr. Ashwani Kumar Vats was appointed as Whole Time director of the Company in the AGM of the Company held on 19th September, 2015, w.e.f. from 1st April, 2015 up to 31st March, 2020, 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. Ashwani Kumar 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 19th September, 2015, remain unchanged. He is, aged 57 years, B.Com, Diploma in Marketing and Management and having over a 35 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. Ashwani Kumar Vats as set out in Item No.6 of the Notice.

Except Mr. Ashwani Kumar 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. 6.

**Item No. 7**

The tenure of Mr. Suresh Kumar Tewari, Whole Time Director of the Company, was expired on 31st March, 2019. The Board of Directors of your Company in the Board Meeting held on 13th February, 2019 has reviewed his performance and unanimously decided to re-appoint him as Whole Time Director of the Company for a period of Three years effective from 1st April, 2019 to 31st March, 2022 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 59 years, is being re-appointed as Whole Time Director of the Company. He is M. Tech, PGDPM and having a 33 years' 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. 7.

ITEM No. 8, 9, 10 & 11

The Nomination and Remuneration/Compensation Committee (NRC) of the Board of Directors at its Meeting held on 13 February 2019 & 27th March 2019 was recommended the appointment of 1. Mr. Ajay Jain, 2. Mr. Akhilesh Kumar Maheshwari, 3. Mr. Jeewan Jyoti Bhagat and 4. Mr. Rakesh Kumar Gupta, as a Non-Executive Independent Director to the Board of the Company for a period of five years with effect from 01st April 2019 to ending 31st March 2024, Subject to the approval of the Members.

1. Mr. Ajay Jain, aged 58 years, is an independent director of the Company. He is FCA and ACS and having a 32 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. Ajay Jain holds 435 Equity Shares of the Company

Mr. Ajay Jain's first term commenced from 1st April 2014 to 31st March 2019 for five consecutive years as an Independent Director on the Board of the Company after enacting the Companies Act 2013. Previously his appointment was confirmed at the Annual General Meeting of the Company (AGM) held on 20th September 2014, Seeking Shareholder/Member's approval for the second consecutive term commencing from 01st April 2019 to ending 31st March 2024 in the forthcoming AGM for re-appointment as an Independent Director of the Company.

2. Mr. Akhilesh Kumar Maheshwari, aged 55 years, is an independent director of the Company. He is B.Com, FCA and ACS and having over a 35 years long and varied experience in Finance, Banking, Project Finance, Funds Raising, Taxation and Company Secretarial matters etc. He is also director in ACE Integrated Solutions Limited and New Habitat Housing Finance And Development Limited. He joined the Board in October, 2007. He is the Chairman of Stakeholders' Relationship Committee of the Board and member of Nomination and Remuneration//Compensation Committee and Audit Committee of Board.

Mr. Akhilesh Kumar Maheshwari holds 2610 Equity Shares of the Company.

Mr. Akhilesh Kumar Maheshwari's first term commenced from 1st April 2014 to 31st March 2019 for five consecutive years as an Independent Director on the Board of the Company after enacting the Companies Act 2013. Previously his appointment was confirmed at the Annual General Meeting of the Company (AGM) held on 20th September 2014, Seeking Shareholder /Member's approval for the second consecutive term commencement from 01st April 2019 to ending 31st March 2024 in the forthcoming AGM for re-appointment as an Independent Director of the Company.

3. Mr. Jeewan Jyoti Bhagat, aged 71 years, is an Independent Director of the Company. He is Post Graduate in Sugar Technology and having over 40 years long experience in Sugar and Allied Industries including Ethanol, Bio-Poner etc. He is also director in STM Projects Limited and Divya Energytech Private Limited.

Mr. Jeewan Jyoti Bhagat holds 15370 Equity Shares of the Company

Mr. Jeewan Jyoti Bhagat's first term commenced from 2nd August 2014 to 31st March 2019 for five consecutive years as an Independent Director on the Board of the Company after enacting the Companies Act 2013. Previously his appointment was confirmed at the Annual General Meeting of the Company (AGM) held on 20th September 2014, Seeking Shareholder /Member's approval for the second consecutive term commencement from 01st April 2019 to ending 31st March 2024 in the forthcoming AGM for re-appointment as an Independent Director of the Company.

4. Mr. Rakesh Kumar Gupta, aged 56 years, is an Independent Director of the Company. He is FCA and having a 31 years' experience in Finance, Taxation and Management. He is also director in Exhume Services Private Limited.

Mr. Rakesh Kumar Gupta holds 1000 Equity Shares of the Company

Mr. Rakesh Kumar Gupta's first term commenced from 2nd August 2014 to 31st March 2019 for five consecutive years as an Independent Director on the Board of the Company after enacting the Companies Act 2013. Previously his appointment was confirmed at the Annual General Meeting of the Company (AGM) held on 20th September 2014, Seeking Shareholder /Member's approval for the second consecutive term commencement from 01st April 2019 to ending 31st March 2024 in the forthcoming AGM for re-appointment as an Independent Director of the Company.

All Four re-appointed Directors have submitted declarations Individually, confirming the criteria of independence under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.



The Board consider that the continued association of Mr. Ajay Jain, Mr. Akhilesh Kumar Maheshwari, Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta, will be of immense benefit to the Company and it is desirable to continue to avail their services for second term as Independent Directors.

The resolution seeks the approval of members for the appointment of Mr. Ajay Jain, Mr. Akhilesh Kumar Maheshwari, Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta as an Independent Director of the Company up to March 31, 2024 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. Further they are not liable to retire by rotation.

Mr. Ajay Jain, Mr. Akhilesh Kumar Maheshwari, Mr. Jeewan Jyoti Bhagat and Mr. Rakesh Kumar Gupta 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.

A copy of the draft letter of appointment as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and public holidays.

No directors, key managerial personnel or their relatives, except Mr. Ajay Jain, Mr. Akhilesh Kumar Maheshwari, 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. 8,9,10 & 11 for the approval of the members.

Item No. 12

The provisions of Section 188(1) of the Companies Act, 2013 read with applicable rules and Regulation 23 of the SEBI [Listing Obligations and Disclosure Requirements (LODR)] Regulations, 2015 that govern the material related party transactions, require a company to obtain prior approval of the Audit Committee/Board of Directors and in case the transactions exceeds specified limits, the prior approval of shareholders by way of ordinary resolution is required.

All transactions with related party(ies) were in the ordinary course of business and at arm's length basis and also fall under the ambit of related party as per Section 2(76) of the Companies Act, 2013. The Company has not entered into any transaction of a material nature with the related party (ies) which is in conflict with the interest of the Company.

The Company has already entered into contract / agreement / transaction with Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors (related parties) in respect of such transactions falling under Section 188(1)(f) of the Companies Act, 2013 for a prescribed period given under an agreement with them respectively, and therefore require your approval/ ratification.

Additional information required to be disclosed pursuant to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014:

Sr. No.	Particulars	Details												
1.	Name of Related Party(ies).	Ms. Arushi Jain, Whole Time Director Ms. Aditi Pasari, Whole Time Director												
2.	Name of Director or Key Managerial Personnel who is related, if any, and nature of relation.	Directors or key managerial personnel of the Company, who are related to Ms. Arushi Jain and Ms. Aditi Pasari are as under: <table border="1"> <thead> <tr> <th>Name</th> <th>Position in the Company</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>Dr. C. K. Jain</td> <td>Managing Director</td> <td>Father of Ms. Arushi Jain & Ms. Aditi Pasari</td> </tr> <tr> <td>Ms. Aditi Pasari</td> <td>Whole-time Director</td> <td>Sister of Ms. Arushi Jain</td> </tr> <tr> <td>Ms. Arushi Jain</td> <td>Whole-time Director</td> <td>Sister of Ms. Aditi Pasari</td> </tr> </tbody> </table>	Name	Position in the Company	Relationship	Dr. C. K. Jain	Managing Director	Father of Ms. Arushi Jain & Ms. Aditi Pasari	Ms. Aditi Pasari	Whole-time Director	Sister of Ms. Arushi Jain	Ms. Arushi Jain	Whole-time Director	Sister of Ms. Aditi Pasari
Name	Position in the Company	Relationship												
Dr. C. K. Jain	Managing Director	Father of Ms. Arushi Jain & Ms. Aditi Pasari												
Ms. Aditi Pasari	Whole-time Director	Sister of Ms. Arushi Jain												
Ms. Arushi Jain	Whole-time Director	Sister of Ms. Aditi Pasari												
4.	Nature, material terms, monetary value and particulars of the contract or arrangement.	Related parties' appointment to the office or place of profit in the capacity of Whole Time Director of the Company on the remuneration as set out in their resolution above in the Notice.												
5.	Other terms and conditions.	All related party contracts/arrangements/transactions are generally carried out on arms-length basis in the ordinary course of business.												

In the above context, the necessary Ordinary 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 29th May, 2019 and also by the Board of Directors subject to the approval of shareholders by passing an Ordinary Resolution.

Further, in terms of Section 188 of the Companies Act, 2013, the Dr. C. K. Jain, Ms. Arushi Jain, Ms. Aditi Pasari, 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 ordinary resolution.

Item No. 13

The Members of the Company at their Annual General Meeting held on 29th September, 2018 had, by way of a special resolution, approved an increase in remuneration of Dr. Chandra Kumar Jain (DIN: 00062221) as Managing Director of the Company, for a period Starting from 1st April 2017 to 31st March 2020 or till the date of his remaining tenure as Managing Director, whichever is earlier.

Under Section 197 of the Companies Act, 2013, The managerial remuneration payable by a public company, to Managing directors shall not exceed 5% of the net profit of the company for the financial year computed in the manner laid down in section 198 of the Act.

Provided that the company in general meeting may authorise the payment of remuneration exceeding 5% per cent of the net profits of the company, subject to the approval of the company in general meeting by Passing a Special Resolution.

Name & designation	Period of remuneration	Payment of Remuneration (in Rs.)*	Celling Limit as per Act	Amount of excess remuneration (in ₹)
Dr. Chandra Kumar Jain (DIN: 00062221) Managing Director	1st April 2018 to 31st March 2019	₹1,62,24,600	5% of Net Profit =₹1,49,91,179	₹12,33,421

* Paid / accrued basis, as per Financial Statements.

Although the remuneration paid to Dr. Chandra Kumar Jain for the financial year ended 31st March, 2019 was within the limits sanctioned by the members at its general meeting held on 29th September, 2018.

The resolution at item 13 for waiver of recovery of the excess remuneration and for approval of payment of such excess remuneration is being placed before the shareholders.

The management of the Company believes that the remuneration, as previously approved by the members of the Company, paid to Dr. Chandra Kumar Jain was justified in terms of his key role within the Company.

The Nomination and Remuneration/Compensation Committee and the Board have at their respective meeting(s) held on 29th May, 2019, subject to the approval of the members of the Company, accorded their approvals for waiver of the recovery of excess managerial remuneration paid by the Company to Dr. Chandra Kumar Jain and, in the interest of the Company have recommended the aforesaid resolution as set out in this Notice for approval of the Members.

Accordingly, it is proposed that consent of the members of the Company by way of a special resolution be obtained for the waiver of recovery of excess remuneration paid to Dr. Chandra Kumar Jain.

Except Dr. Chandra Kumar Jain, himself, Ms. Arushi Jain and Ms. Aditi Pasari Director of the Company (Daughters of Dr. Chandra Kumar Jain), none of the other Directors, Key Managerial Personnel of the Company / their relatives is in any way concerned or interested, in the special resolution set out at No. 13 of the Notice.

The Board recommends the special resolution set out at Item No. 13 of the Notice for approval by the members.

The information as required to be disclosed under paragraph (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 is given in the Annexure to the Notice.

Item No. 14

The Board of Directors at its meeting held on 29th May, 2019 appointed M/s. Rahul Jain & Associates, Cost Accountants (Firm Registration No. 101515), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2020, at a remuneration amounting to Rs. 80,000/- (Rupees Eighty 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

By the order of the Board of Directors

Date: 29nd May, 2019
Place: Delhi

Vijay Kumar Garg
Company Secretary
ACS-37151

**The information required under Section II, Part II of Schedule V of the Companies Act, 2013 in case of Special Resolution are as follows**

General Information				
1.	Nature of Industry	Gulshan Polyols Limited is Manufacturing of diversified products viz. Calcium Carbonate, Starch Sugars; Alcohol Business; Agro Based Animal Feed & On-Site PCC plants.		
2.	Date or expected date of commencement of commercial production	Commercial operations commenced in the year 2000.		
3.	Financial Performance based on given indicators	Financial Year ended		
Particulars		31st March, 2019 (₹ In Lakhs)	31st March, 2018 (₹ In Lakhs)	31st March, 2017 (₹ In Lakhs)
	Revenue from operations	67388.61	62403.80	52681.57
	Other Income	196.30	183.49	412.57
	Total Revenue	67584.91	62587.29	53094.14
	Total Expenses	64883.18	60233.18	50061.17
	Profit/(Loss) before tax	2701.73	2354.11	3032.97
	Tax expense	559.21	529.91	298.59
	Profit/(Loss) after tax	2142.52	1824.20	2734.38
	Paid-up Share Capital	469.17	469.17	469.17
	Reserves and Surplus (excluding revaluation reserve)	28586.11	26842.25	25426.42
4.	Foreign investments or collaborators, if any	The Company has not entered into any foreign collaboration and no direct capital investment has been made in the company in the last three financial years. Foreign investors, mainly comprising NRIs, FIIs and /or Foreign Nationals are investors in the Company on accounts of past issuance of securities /secondary market purchase.		

II.		Information about the appointee As Per Annexure -1
III.	Other information	
1.	Reasons of loss or inadequate profits	The Company does not envisage any loss or inadequate profits. However, hike in the interest rate, rising running cost and challenging business environment may affect the profitability of the Company in future. The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.
2.	Steps taken or proposed to be taken for improvement	The Company is always looking forward to take all such steps and measures including expansion, diversification, restructuring which are in the best interest of the company. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins
3.	Expected increase in productivity and profits in measurable term	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.
IV.	Disclosures	
1.	The information, as required, is provided under Corporate Governance Section of the Annual Report 2019. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.	



Annexure - 1

Brief Profile of Directors seeking Re-appointment at the 19th (Nineteen) Annual General Meeting of the Company

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. Ashwani Kumar Vats	Mr. Suresh Kumar Tewari	Mr. Ajay Jain	Mr. Akhilesh Kumar Maheshwari	Mr. Rakesh Kumar Gupta	Mr. Jeewan Jyoti Bhagat
Director Identification Number (DIN)	00062413	00062373	00062146	00062645	06909233	00007743
<i>Designation</i>	<i>Whole Time Director & CEO</i>	<i>Whole Time Director</i>	<i>Independent Director</i>	<i>Independent Director</i>	<i>Independent Director</i>	<i>Independent Director</i>
<i>Date of Birth & Age</i>	<i>15.06.1962 (57 Years)</i>	<i>20.09.1959 (59 Years)</i>	<i>04.11.1960 (60 Years)</i>	<i>20.08.1964 (55 Years)</i>	<i>27.09.1962 (53 Years)</i>	<i>05.08.1947 (72 Years)</i>
<i>Nationality</i>	<i>Indian</i>	<i>Indian</i>	<i>Indian</i>	<i>Indian</i>	<i>Indian</i>	<i>Indian</i>
<i>First Date of Appointment (DD/MM/YYYY)</i>	<i>30-Oct-2008</i>	<i>01-Apr-2011</i>	<i>05-Oct-2005</i>	<i>29-Oct-2007</i>	<i>02-Aug-2014</i>	<i>02-Aug-2014</i>
<i>Qualification</i>	<i>B.Com and Diploma in Marketing and management</i>	<i>M.Tech, PGDPM</i>	<i>FCA and ACS</i>	<i>B.Com, FCA and ACS</i>	<i>FCA</i>	<i>Post Graduate in Sugar Technology</i>
<i>Nature of expertise in specific functional areas</i>	<i>Having over a 35 years of Experience in matter related to Marketing and Production.</i>	<i>Having over a 38 Year of Experience in Project and Managerial of Industrial Operations.</i>	<i>Having over a 32 Years of experience in Finance, Taxation and Management</i>	<i>Having over a 35 years long and varied experience in Finance, Banking, Project Finance, Funds Raising, Taxation and Company Secretarial matters</i>	<i>Having Over a 31 years Long experience in Finance, Taxation & Management</i>	<i>Having over a 40 years long experience in Sugar and Allied Industries including Ethanol, Bio-Poner etc.</i>
<i>Number of Equity Shares held in the Company</i>	<i>NIL</i>	<i>NIL</i>	<i>435</i>	<i>2610</i>	<i>1000</i>	<i>15370</i>
<i>Number of Board Meetings attended during the F.Y 2018-19</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>3</i>
<i>Directorships held in other Companies</i>	<i>NO</i>	<i>NO</i>	<i>NO</i>	<ul style="list-style-type: none"> • ACE Integrated Solutions Limited • New Habitat Housing Finance and Development Limited 	<i>NO</i>	<ul style="list-style-type: none"> • STM Projects Limited • Divya EnergyTech Private Limited
<i>Chairmanships of Committees</i>	<i>NO</i>	<i>NO</i>	<i>Audit Committee and Nomination & Remuneration Committee</i>	<i>Stakeholders' Relationship Committee</i>	<i>NO</i>	<i>NO</i>
<i>Memberships of Committees</i>	<i>NO</i>	<i>NO</i>	<i>Stakeholders' Relationship Committee</i>	<i>Audit Committee and Nomination & Remuneration Committee</i>	<i>Nomination & Remuneration Committee</i>	<i>NO</i>
<i>Relationships between Directors of the Company inter-se</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and Remuneration last drawn by such person</i>	<i>Revision of Managerial remuneration as per appointment T&C and Entitled to Sitting Fees for attending Meeting of the Board as Executive/ Whole Time Director</i>	<i>Revision of Managerial remuneration as per appointment T&C and Entitled to Sitting Fees for attending Meeting of the Board as Executive/ Whole Time Director</i>	<i>Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director</i>	<i>Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director</i>	<i>Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director</i>	<i>Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director</i>

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A proxy shall not have right to speak at AGM and shall not be entitled to vote except on poll.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder.
4. Proxies in order to be effective must be received at the Company's Corporate Office at G- 81, Preet Vihar, Delhi- 110092 not less than 48 hours before the time fixed for the meeting or Adjourned meeting at which the person named in the instrument proposes to vote. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the appointing organization. A form of Proxy and Admission Slip is enclosed. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy verification of attendance at the Meeting.
6. The Register of Members and Share transfer books of the Company will remain closed from Saturday, 14th September, 2019 to Saturday, 21th September, 2019 (both days inclusive) in terms of Section 91 of the Companies Act, 2013.
7. Dividend on the Shares, if declared, will be paid at par after 21st September, 2019 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 13th September, 2019.
8. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special business at item no. 6 to 14 is enclosed.
9. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2011-12 to 2018-19 including Interim Dividend 2018-19, 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).
10. In terms of the provisions of Section 124 of the Companies Act, 2013 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 2011-12 is due for transfer to the said Fund. The Company has transferred 487095 shares into Investor Education and Protection Fund. In terms of provisions of Section 124 of the Companies Act, 2013, no claim shall lie against the Company or the said Fund after the said transfer.
11. The Notice of the AGM along with the Annual Report 2018-19 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.
12. **Voting through electronic means for 19th Annual General meeting**
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19th AGM by Electronic means and business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
 - II. The voting period begins at 9:00 A.M. on 18th September, 2019 and ends at 5:00 P.M. on 20th September, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - III. The process and manner for remote e-voting is as under:

The shareholders should Log on to the e-voting website www.evotingindia.com.

 - i) Click on "Shareholders" tab to cast your votes.
 - ii) Now enter your User ID



	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company

Next enter the image verification as displayed and click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

- iv) If you are first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Dividend Bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio.
Bank Details	Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter any one of the details in order to login. In case either of the details are not recorded with the depository or Company, please enter the member id / folio number (User ID) in the Dividend Bank details field.

After entering these details appropriately, click on "SUBMIT" tab.

- vi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password filed. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- viii) Click on the relevant EVSN for Gulshan Polyols Limited.
- ix) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xiv) If demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xv) **Shareholders can also cast their vote using CDSL's mobile app m- voting available for android based mobiles. The m- Voting app can be download from Google Play Store.**
- xvi) Please follow the instructions as prompted by the mobile app while voting on your mobile.



xvii) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

xviii) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

xix) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

xx) The Company has appointed Ms. Megha Aggarwal, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchanges (BSE & NSE).

13. Members can also download the notice of AGM from the website of the Company i.e. www.gulshaindia.com.
14. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), change of address, change of name, e-mail address, contact numbers, nominations etc., to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to RTA.
15. Members holding shares in physical form or in multiple folios, in identical names 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.
16. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA /Depositories.
17. Details of directors seeking re-appointment at Item Nos. 7 & 8-11 as required under Regulation 36 (3) of the Listing Regulations is given in the Explanatory Statement.
18. Copies of all documents referred to in the Notice are available for inspection at the Registered Office of the Company during normal business hours (11.00 a.m. to 5.00 p.m.) on all working days till the date of the AGM.

**DIRECTORS' REPORT**

Dear shareholders,

Your Directors have pleasure in presenting their 19th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2019

1. A. The State of Companies Affairs**(Rs. in lakhs)**

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
REVENUE		
Revenue from Operations	67,388.61	62403.80
Other Income	196.30	183.49
TOTAL REVENUE (I)	67,584.91	62587.29
EXPENSES (II)	59,023.63	55503.98
Earnings before Interest, Tax, and Depreciation & Amortization (EBITDA) (I - II)	8,561.28	7083.31
Less: Finance Cost	1,425.88	1080.72
Depreciation	4,433.67	3648.48
PROFIT BEFORE TAX (PBT) (III)	2,701.73	2354.11
Less - Current Tax	592.68	508.33
Add - MAT Credit entitlement	44.82	(508.33)
- Deferred Tax	(78.30)	529.91
PROFIT AFTER TAX (PAT) (IV)	2,142.52	1824.20
OTHER COMPREHENSIVE INCOME (V)	(3.02)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IV)+(V)	2,139.50	1824.20
Dividend & Dividend Tax	226.08	225.87
Cash Accruals	6576.19	5472.68
Equity Share Capital	469.17	469.17
Earnings per Share - Basic	4.57	3.89
- Diluted (Rs.)	4.57	3.89

B. Results of Operations

The Financial Year 2018-19 was a challenging year on multiple fronts, and your Company has delivered a resilient performance. The performance in F.Y 2018-19 should be viewed in light of the several challenges faced.

During the financial year ended 31st March 2019, Revenue from operations increased to Rs. 67388.61 lakhs from Rs. 62403.80 lakhs in the previous year. Registered growth is 8% on net revenue basis. EBITDA of Rs. 8561.28 lakhs for the year against Rs. 7083.31 lakhs in the previous year, a growth of 21% Year on Year Basis. Profit after tax (PAT) of Rs. 2142.52 lakhs in F.Y 2018-19 against Rs. 1824.20 lakhs in the previous year.

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.

2. TRANSFER TO RESERVES

Your Board recommends to transfer to general reserves of Rs. 300 lakhs (previous year Rs. 300 lakhs). Consequently, the surplus in the statement of Profit and Loss as at 31st March, 2019 would stand at Rs. 19765.95 lakhs (Previous Year Rs. 18322.10 lakhs).

3. DIVIDEND

During the year, the Board of Directors had declared and paid an interim dividend of 40%, on equity shares of face value ₹ 1/- each amounting to ₹ 0.40 per share. Your Directors are pleased to recommend a final dividend of 30% on equity shares of face value ₹ 1/- each amounting to Rs. 0.30 per share for the year ended 31st March, 2019, subject to the approval of the members at this Annual General Meeting. Thus, total dividend for the year amounts to 70% on equity shares (i.e. ₹ 0.70 per share on face value of Rs. 1/- each)

During the year 2018-19, the Company has transferred unclaimed dividend of Rs. 2,64,518.75 /- to Investor



Education and Protection Fund, as per Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001

4. EMPLOYEES STOCK OPTION SCHEMES

Gulshan Polyols Limited Employees Welfare Trust ("ESOP Trust") was created on dated 29th December 2018: ESOP Trust acquired 29692 equity shares between 20th March 2019 to 29th March 2019, from the secondary market for the purpose of implementation of ESOP Scheme 2018.

The Company has One (1) Employees Stock Option Schemes namely: GPL Employees Stock Option Scheme, 2018 ("ESOP 2018")

ESOP 2018: During F.Y 2019, No options were granted under the scheme to the employees of the Company and No equity shares were transferred to the employees pursuant to exercise of options.

No change in paid up capital is expected due to exercise of options as it is envisaged to transfer the equity shares held by ESOP Trust to the employees on exercise of options.

The applicable disclosure under SEBI (Share Based Employee Benefits) Regulations, 2014 (the "ESOP Regulations") as at March 31, 2019 will upload on the website of the Company.

There has been no material change in the ESOP 2018 (collectively referred as "ESOP Schemes") of the Company and the ESOP Schemes are in compliance with the ESOP Regulations.

5. NEW DEVELOPEMENTS & RECOGNITIONS

- During the year the Company has successfully commissioned its 7th on site Plant with a installed capacity of producing 18000 DMT PA of PCC at Silverton Paper Mills Ltd Muzaffarnagar U.P.
- The Company has bagged an order of USD 3.8 Million from M/s Meghna Paper Mills Ltd Dhaka Bangladesh for setting up a plant to produce GCC, CCC & onsite WGCC Plant on turnkey basis.
- The Company has successfully Produced 5615.376 KL of ENA and Rectified Spirit in Bargaon industrial area in Chhindwara (M.P.) during the year 2018-19.

6. PUBLIC DEPOSITS

During the financial year 2018-19, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Companies Act, 2013 and rules framed thereunder

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 16 to the Financial Statements.

8. DISCLOSURE REGARDING SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES

M/s Gulshan Holdings Pvt. Ltd. is an associate company by holding 40.24% equity share capital of the Company. There are no other holding, subsidiary, and joint venture or associate company.

9. CREDIT RATINGS

Your Company has adequate liquidity and a strong Balance Sheet. During the year, Credit Analysis & Research Limited (CARE) has maintained the ratings of CARE A+ [Single A Plus] for your Company's long- term facilities having tenure of more than one year and CARE A1 + [A one plus] for your Company's short-term facilities having a tenure upto one year.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31st MARCH, 2019 AND 29th MAY, 2019 (DATE OF THE REPORT)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2019) and the date of the Report (29th May, 2019).

11. MATERIAL ORDERS BY GOVERNING AUTHORITIES AND COURTS

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

12. ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH RESPECT TO THE FINANCIAL STATEMENT

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Internal Audit Reports were reviewed periodically by Audit Committee as well as by the Board. Further, the Board annually reviews the effectiveness of the Company's internal control system.

The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

**13. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-A** to this report.

14. CORPORATE SOCIAL RESPONSIBILITY OF THE COMPANY

During the year, the meeting of CSR Committee was held on 22th May, 2018 for discussing contribution require to be made by Company for fulfilling the objectives as per Company's CSR policy. The contributions in this regard have been made by both ways i.e. directly and corpus to the registered trust / Society. The Annual report on CSR activities is annexed herewith as **Annexure B**.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)**Change in Directors and KMPs**

During the year under review, there is no change in Directors and KMPs

Retirement by rotation

In terms of Section 152 of the Companies Act, 2013, Ms. Arushi Jain Whole Time Director would retire by rotation at the forthcoming AGM. Being eligible, she has offered herself for re-appointment.

Statement on declaration given by Independent Directors

The Board of the Company consist five independent directors and all the Independent Directors have given the declaration that they meet the criteria of independence as provided in section 149 (6) of the Companies Act 2013.

Performance evaluation

On the advice of Board of Directors, the Nomination and Remuneration Committee of the Board of Directors of the Company formulated the criteria for the evaluation of the performance of the Board of Directors & its Committees, Independent Directors, Non-Independent Directors and the Chairperson of the Board. Based on that performance valuation has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated.

Remuneration Policy

Remuneration Policy of the Company aims at recommending and reviewing the remuneration to Managing Director, Non-Executive Directors and Key Managerial Personnel of the Company and is based on evaluation criteria such as industry benchmarks, company's annual performance & its strategy, expertise, talent and meritocracy including criteria for determining qualification, positive attributes, independence of a director etc. The detailed policy is available on website of the Company i.e. www.gulshanindia.com.

Number of Meetings

The Board of Directors duly met Four times in the Financial Year on 1) 22th May 2018, 2) 03th August 2018, 3) 13th November, 2018, and 4) 13th February, 2019.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' state that;

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

17. RELATED PARTY TRANSACTION

During the financial year 2018-19, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure



Requirements), 2015. Further, there were no transactions with related parties which qualify as material transactions under Regulation 23 of SEBI (LODR), 2015.

All transactions with related parties entered by the Company in the normal course of business were periodically reviewed and approved by the Audit Committee. The Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure (C)**

18. DEMAT OF SHARES

Necessary arrangements are made for Dematerialization of Shares, with NSDL and CDSL. Out of the total, 97.68% 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.

19. 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.

20. INSURANCE

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

21. 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.

22. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board of Directors of the Company has formulated Risk Management Policy which aims at enhancing Shareholder's value and providing an optimum risk reward trade off. The risk management approach is based on the clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation reserves.

23. VIGIL MECHANISM

Pursuant to provisions of Section 177(10) of Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has established a Vigil Mechanism for directors and employees to report the instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said policy is explained in the Corporate Governance Report and also displayed on Company's website www.gulshanindia.com under investors/policy documents/Vigil Mechanism Policy link.

24. SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint under this policy during the year 2018- 2019.

25. PARTICULARS OF EMPLOYEES

The particulars of employee(s), as per Section 197 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 60 lacs per annum is given as under:

Name	Designation	Remuneration received	Nature of Employment	Qualification & Experience	Date of appointment	Age	Last employment	% of equity held	Such employee relative of director in the Co.
Dr. C. K. Jain	Managing Director	Rs.1.62 cr	Contractual	Phd. in Science & 50 yrs. Exp.	20.10.2000	71yrs	No	10.33%	Ms. Arushi Jain Ms. Aditi Pasari

a. AUDIT OBSERVATIONS

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory.

**b. AUDITORS:****i) Statutory Auditors:**

M/s Rajeev Singal & Co., Chartered Accountants (Firm Registration No. 008692C), have been appointed as Statutory Auditors of the Company at the Annual General Meeting held on 9th September, 2017 for a period of five years subject to ratification by members at every consequent Annual General Meeting. Members are requested to consider the ratification of the appointment of M/s Rajeev Singal & Co., Chartered Accountants and authorize the Board of Directors to fix their remuneration.

M/s Rajeev Singal & Co., Chartered Accountants have submitted a certificate, confirming that their appointment, if ratified, will be in accordance with Section 139 read with Section 141 of the Act.

ii) Internal Auditors:

a. M/s Shahid & Associates, Chartered Accountants have been appointed as Internal Auditors for the FY 2019-20 for all the Units of the Company except Bharuch Sorbitol Unit. They will perform the duties of internal auditors of the Company and their report will be reviewed by the audit committee from time to time.

b. M/s Anil Ram Kumar & Co., Chartered Accountants have been appointed as Internal Auditor for audit of Bharuch Sorbitol Unit for the F.Y 2019-20.

iii) Cost Auditors:

M/s Rahul Jain & Associates, Cost Accountants have been appointed as Cost Auditors for auditing the cost accounts of your Company for the year ending 31st March, 2020 by the Board of Directors. Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, Members are requested to consider the ratification of the remuneration payable to M/s Rahul Jain & Associates. The Cost Audit Report for the year 2017-18 has been filed under XBRL mode.

iv) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and (The Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at its meeting held on 29th May, 2019 has appointed Mr. Sanjay Chugh, Practicing Company Secretary (CP No.:3073, FCS: 3754) as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as '**Annexure D**'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

c. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as '**Annexure E**'.

d. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate '**Annexure F**', together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Regulation 27 of Listing Regulations, 2015.

ACKNOWLEDGEMENT

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.

For and on behalf of the Board of Directors

Date : 29th May, 2019
Place : Delhi

Sd/-
Dr. C.K. Jain
Chairman and Managing Director



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-A

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:	31.03.2019	31.03.2018
1	Electricity :		
a	Purchased:		
	Units	38227010	39123193
	Total Amount (₹)	281425209	291642501
	Average Rate (₹)/Unit	7.36	7.45
b	Own Generation :		
i	Through Diesel Generator :		
	Units	0	0
	Cost (₹)	0	0
	Cost (₹)/Unit	0	0
ii	Through Steam Turbine/Generator :		
	Units	27404618	29750106
	Cost (₹)	89191312	89226561
	Cost (₹)/Unit	3.25	3.00
2	Coal /Coke : (Used in Boiler ,Microniser & Gas Producer)		
	Qty. (MT)	61402	60886
	Total Cost (₹)	420212419	455626720
	Average Rate (₹)	6843.63	7483.28
3	Agriculture Waste : (Used in Boiler, Microniser & Gas Producer)		
	Qty. (MT)	33937	15917
	Total Cost (₹)	173970301	73799324
	Average Rate (₹)	5126.27	4636.51
4	HSD : (Used in Microniser)		
	Qty. (Ltrs)	0	0
	Total Cost (₹)	0	0
	Average Rate (₹)	0	0
B	Consumption Per Unit (MT) of Production		
1	Products – Production		
	Calcium Carbonate (in MT)	83184	97540
	Sorbitol & Sweetner (in MT)	77176	87618
	Starch (in MT)	56017	46449
	Liquor -ENA/IMFL (Kilo Ltr.)	5615376	1674901
2	Electricity (Units/Ton)		
	Calcium Carbonate (in MT)	192	194
	Sorbitol & Sweetner (in MT)	394	353
	Starch (in MT)	285	378
	Liquor -ENA/IMFL (Units/Ltr.)	0.48	1.19



3	Coal/Coke (MT/Ton) : (On Directly attributable Production)		
	Calcium Carbonate (in MT)	0.08	0.15
	Sorbitol & Sweetner (in MT)	0.44	0.43
	Starch (in MT)	0.17	0.23
	Liquor -ENA/IMFL (Units/Ltr.)	0.002	0.003
4	Agriculture Waste (Mt/Ton) : (On Directly attributable Production)		
	Calcium Carbonate (in MT)	0.11	0.10
	Sorbitol & Sweetner (in MT)	0.06	0.21
	Starch (in MT)	0.36	0.16

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.

(Amount in ₹)

S.No.	PARTICULARS	2018-19	2017-18
(i)	Earnings by way of Export of Goods calculated on FOB basis	857706329	738531267
(ii)	Payment of interest on loan taken	15906733	19579393
(iii)	Payment of Commission on Export of Goods	5368407	9152435
(iv)	Expenditure on foreign Traveling	2627014	2777267
(v)	Expenditure on Testing/ Analysis Service	2077992	1972940
(vi)	Expenditure on Legal & Professional fee	255388	1063998

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken**

At Gulshan, we have always considered sustainable development the keystone of our business strategy. Our strategy includes nurturing close and continuous interaction with the people and communities around our manufacturing divisions, bringing qualitative changes in their lives and supporting the underprivileged.

Our focus is on the all-round development of the communities around our plants located mostly in distant rural areas with focus on the following:

- a. Enhance the quality of life of the people in areas surrounding the plant and offices;
- b. Create a positive impact by making sustainable developments in the society and promote good environmental practices;
- c. Be responsible and responsive corporate citizen through endeavors to create a safe, harmonious and ecologically balanced environment for its members and the community at large;
- d. Maintain commitment to quality, health and safety in every aspect of the business and people.

The CSR policy contains the activities that can be undertaken by the Company, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/ projects. The said policy is placed on the website and is available on the following web link www.gulshanindia.co.in.

In line with CSR Policy and in accordance with Schedule VII to the Act, the Company has undertaken the following CSR projects:

- a. Promoting Education
- b. Providing Sanitation Facilities
- c. Promoting healthcare including preventive healthcare
- d. Ensuring Environment Sustainability
- e. Rural Development

The Company has undertaken the above CSR activities directly and also through registered trust or registered society having an established track record of more than 3 years.

2. The Composition of the CSR Committee:

- a. Mr. Ajay Jain - Chairman
- b. Ms. Arushi Jain - Member
- c. Ms. Aditi Pasari - Member

3. Average net profit of the company for last three financial years: Rs. 3056.00 Lakhs**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 61.12 Lakhs****5. Details of CSR spend for the financial year 2018-19:**

- a. Total amount spent for the financial year : Rs. 34.66 Lakhs
- b. Amount unspent if any : Rs. 131.68 Lakhs

Year	2016-17	2017-18	2018-19
Avg. Profit of 3 Yrs. (₹ In Lakhs)	3372.00	3349.00	3056.00
2% Profit (₹ In Lakhs)	67.44	66.98	61.12
Spent Amt. (₹ In Lakhs)	14.79	14.41	34.66
Unspent Amt. (₹ In Lakhs)	52.65	52.57	26.46
Total Unspent Amt. (₹ In Lakhs)			131.68



c. Manner in which the amount spent during the financial year is detailed below: (In ₹)

1	2	3	4	5	6	7	8
Sr No.	CSR project or activity identified	Sector covered For CSR	Locations	Amount (Budget)	Amount (Spend)	Cumulative expenditure	implementing agency
1	Organized Free Eye Checkup and Contract eye surgery Camp	"Preventive Healthcare"	Delhi & Muzaffarnagar	As Decided By CSR Committee From Time to Time based on necessary	268,950.36	268,950.36	Direct
2	Organized Blood donation camp	"Preventive Healthcare"	Delhi H.O		27,242.00	27,242.00	Direct
3	Primary and secondary School development	Promoting Education	Bharuch and Muzaffarnagar		311,092.00	311,092.00	Direct
4	Solar Power Plant Establish Expenses Social Welfare	Social /Rural development projects	Bharuch and Muzaffarnagar		79,750.00	79,750.00	Direct
5	Other CSR Expenses						
	- Other Social/Rural Development As per Schedule VII of the Companies Act 2013	Social /Rural development projects	All India		27,78,965.64	27,78,965.64	Direct
	Total				34,66,000.00	34,66,000.00	

We hereby confirm that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Date: 29th May, 2019
Place: Delhi

Dr. C.K. Jain
Managing Director

Ajay Jain
Chairman of CSR Committee

ANNEXURE C TO THE DIRECTORS' REPORT
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not on an arm's length basis:

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Nil
2	Nature of contracts/arrangements/transaction	Nil
3	Duration of the contracts/arrangements/transaction	Nil
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5	Justification for entering into such contracts or arrangements or transactions'	Nil
6	Date of approval by the Board	Nil
7	Amount paid as advances, if any	Nil
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188 of the Companies Act, 2013	Nil
9	Amount paid as advances, if any	Nil

2. Details of material contracts or arrangement or transactions on an arm's length basis:

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Nil
2	Nature of contracts/arrangements/transaction	Nil
3	Duration of the contracts/arrangements/transaction	Nil
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5	Date of approval by the Board	Nil
6	Amount paid as advances, if any	Nil

For and on behalf of Board of Directors

Sd/-
(Dr. C. K. Jain)
Chairman and Managing Director



FORM No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year ended on 31st March, 2019

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

To,
The Members,
GULSHAN POLYOLS LIMITED
9th KM Jansath Road,
Muzaffarnagar,
Uttar Pradesh-251001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gulshan Polyols Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering financial year ended on **March 31, 2019** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; **Gulshan Polyols Limited Employees Welfare Trust ("ESOP Trust")** was created on dated 29th December 2018 and ESOP Trust acquired 29692 equity shares up to March 31, 2019 from Secondary Market for the purpose of implementation of ESOP Scheme 2018.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any debt securities)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**
- vi) **OTHER APPLICABLE LAWS.**
 - (a) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and
 - (b) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.



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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing

Agreements entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above without any material non-compliance.

To comply with section 135 of the Companies Act, 2013 read with the Companies (Corporate Responsibility Policy) Rules 2014, the Company has not spent eligible amount on Corporate Social Responsibility during the financial year(F.Y).

We further report that,

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes (during the year under review there were no instance recorded in the minutes where any director has dissented to any particular resolution).

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

**SANJAY CHUGH
COMPANY SECRETARY
FCS No: 3754
C.P.NO. 3073**

Place: New Delhi
Date: 29th May, 2019

ANNEXURE A'

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

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

**SANJAY CHUGH
COMPANY SECRETARY
FCS No: 3754
C.P.NO. 3073**

Place: New Delhi
Date: 29th May, 2019

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2019****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014****I. REGISTRATION & OTHER DETAILS:**

CIN	L24231UP2000PLC034918
Registration Date	20 th October 2000
Name of the Company	Gulshan Polyols Limited
Category/Sub-category of the Company	Limited by Shares and having share capital
Address of the Registered office & contact details	9 th K.M., Jansath Road, Muzaffarnagar, Uttar Pradesh, 251001, India Contact Details: 0131-3295880, 09837823893 Fax No. (0131) 2661378 Email : cs@gulshanindia.com Website : www.gulshanindia.com
Whether listed company	Yes, at National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE)
Scrip name/ ID	GULPOLY (NSE) and 532457 (BSE)
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Alankit Assignments Limited 1E/13, Jhandewalan Extension, New Delhi- 110055 Contact Details: (011) 42541234 / 23541234 Fax No. (011) 42541201

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sorbitol & Sweeteners	106-21,23,24,26,29	35.02
2	Calcium Carbonate	20119	16.90
3	Starch	1702	20.51

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Gulshan Holdings Pvt. Ltd. G-81, Preet Vihar, Delhi-92	U74899DL1985PTC022582	Associate	40.24%	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	8748065	0	8748065	18.646%	8925161	0	8925161	19.023%	0.377%
b) Bodies Corporates	18881035	0	18881035	40.243%	18881035	0	18881035	40.243%	0.000%



Total Shareholding of Promoter (A)	27629100	0	27629100	58.889%	27806196	0	27806196	59.267%	0.377%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Banks/FI	18157	0	18157	0.039%	124	0	124	0.000%	-0.038%
c) Central Govt.									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Portfolio Investor	2175000	0	2175000	4.636%	2175000	0	2175000	4.636%	0.000%
i) Others (specify)									
SUB TOTAL (B) (1):	2193157	0	2193157	4.675%	2175124	0	2175124	4.636%	-0.038%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	1726196	73480	1799676	3.836%	1316150	65320	1381470	2.944%	-0.891%
ii) Foreign	2500000	0	2500000	5.329%	2500000	0	2500000	5.329%	0.000%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	10464352	1224460	11688812	24.914%	10785995	1020920	11806915	25.166%	0.252%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0	0	0.000%	0	0	0	0.000%	0.000%
C) Non Resident Indians	695405	0	695405	1.482%	730528	0	730528	1.557%	0.075%
d) Any Others # IEPF	410870	0	410870	0.876%	487095	0	487095	1.038%	0.162%
SUB TOTAL (B) (2):	15796823	1297940	17094763	36.436%	15819768	1086240	16906008	36.034%	-0.402%
Total Public Shareholding (B)= (B)(1)+(B) (2)	17989980	1297940	19287920	41.111%	17994892	1086240	19081132	40.670%	-0.441%
C1 Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0	0	0	0.000%	0.000%
C2 Employee Benefit Trust - GPL									
Employee's Welfare Trust	0	0	0	0.000%	29692	0	29692	0.063%	0.063%
Grand Total (A+B+C)	45619080	1297940	46917020	100%	45830780	1086240	46917020	100%	0.000%



B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year at 01-04-2018			Shareholding at the end of the year at 31-03-2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dr. C. K. Jain	4846990	10.331	Nil	4846990	10.331	Nil	0.00
2	Gulshan Holdings Pvt. Ltd.	18881035	40.243	Nil	18881035	40.243	Nil	0.00
3	Mrs. Mridula Jain	1560105	3.325	Nil	1560105	3.325	Nil	0.00
4	Ms. Arushi Jain	1024060	2.183	Nil	1080545	2.303	Nil	0.120
5	Ms. Aditi Pasari	611605	1.304	Nil	669389	1.427	Nil	0.123
6	Ms. Anubha Gupta	705305	1.503	Nil	768132	1.637	Nil	0.134

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. C. K. Jain				
	At the beginning and end of the year	4846990	10.33	4846990	10.33
2.	M/s Gulshan Holdings Pvt. Ltd.				
	At the beginning and end of the year	18881035	40.24	18881035	40.24
3.	Mrs Mridula Jain				
	At the beginning and end of the year	1560105	3.33	1560105	3.33
4.	Mrs Arushi Jain				
	At the beginning and end of the year	1024060	2.18		
	Buy on 5 December 2018	10000	0.02	1034060	2.20
	Buy on 6 December 2018	8500	0.02	1042560	2.22
	Buy on 7 December 2018	3550	0.01	1046110	2.23
	Buy on 10 December 2018	1000	0.00	1047110	2.23
	Buy on 11 December 2018	5348	0.01	1052458	2.24
	Buy on 12 December 2018	1459	0.00	1053917	2.25
	Buy on 13 December 2018	156	0.00	1054073	2.25
	Buy on 18 December 2018	2502	0.01	1056575	2.25
	Buy on 20 December 2018	2000	0.00	1058575	2.26
	Buy on 21 December 2018	3000	0.01	1061575	2.26
	Buy on 24 December 2018	2000	0.00	1063575	2.27
	Buy on 26 December 2018	761	0.00	1064336	2.27
	Buy on 27 December 2018	5775	0.01	1070111	2.28
	Buy on 28 December 2018	3500	0.01	1073611	2.29
	Buy on 25 January 2019	2050	0.00	1075661	2.29
	Buy on 28 January 2019	279	0.00	1075940	2.29
	Buy on 12 March 2019	1000	0.00	1076940	2.30
	Buy on 25 March 2019	3605	0.01	1080545	2.30
	At the End of the Year			1080545	2.30



5.	Mrs Aditi Pasari				
	At the beginning and end of the year	611605	1.31		
	Buy on 05 December 2018	9264	0.02	620869	1.32
	Buy on 06 December 2018	5000	0.01	625869	1.33
	Buy on 07 December 2018	8000	0.02	633869	1.35
	Buy on 11 December 2018	5811	0.01	639680	1.36
	Buy on 12 December 2018	3358	0.01	643038	1.37
	Buy on 13 December 2018	500	0.00	643538	1.37
	Buy on 17 December 2018	2788	0.01	646326	1.38
	Buy on 19 December 2018	5000	0.01	651326	1.39
	Buy on 21 December 2018	5000	0.01	656326	1.40
	Buy on 26 December 2018	2000	0.00	658326	1.40
	Buy on 27 December 2018	25	0.00	658351	1.40
	Buy on 28 December 2018	1000	0.00	659351	1.41
	Buy on 31 December 2018	1500	0.00	660851	1.41
	Buy on 01 January 2019	100	0.00	660951	1.41
	Buy on 04 January 2019	2500	0.01	663451	1.41
	Buy on 07 January 2019	1738	0.00	665189	1.42
	Buy on 08 January 2019	1000	0.00	666189	1.42
	Buy on 22 January 2019	500	0.00	666689	1.42
	Buy on 24 January 2019	1450	0.00	668139	1.42
	Buy on 25 January 2019	500	0.00	668639	1.43
	Buy on 30 January 2019	500	0.00	669139	1.43
	Buy on 05 March 2019	250	0.00	669389	1.43
	At the End of the Year			669389	1.43
6.	Mrs Anubha Gupta				
	At the beginning of the year	705305	1.50		
	Buy on 05 December 2018	902	0.00	706207	1.51
	Buy on 06 December 2018	1000	0.00	707207	1.51
	Buy on 07 December 2018	5036	0.01	712243	1.52
	Buy on 10 December 2018	385	0.00	712628	1.52
	Buy on 11 December 2018	699	0.00	713327	1.52
	Buy on 13 December 2018	3057	0.01	716384	1.53
	Buy on 17 December 2018	500	0.00	716884	1.53
	Buy on 19 December 2018	7000	0.01	723884	1.54
	Buy on 20 December 2018	4000	0.01	727884	1.55
	Buy on 21 December 2018	3250	0.01	731134	1.56
	Buy on 24 December 2018	500	0.00	731634	1.56
	Buy on 26 December 2018	3785	0.01	735419	1.57
	Buy on 28 December 2018	1000	0.00	736419	1.57
	Buy on 31 December 2018	1760	0.00	738179	1.57
	Buy on 02 January 2019	2000	0.00	740179	1.58
	Buy on 03 January 2019	1000	0.00	741179	1.58
	Buy on 04 January 2019	3092	0.01	744271	1.59
	Buy on 18 January 2019	2000	0.00	746271	1.59
	Buy on 21 January 2019	500	0.00	746771	1.59



Buy on 22 January 2019	2000	0.00	748771	1.60
Buy on 23 January 2019	2000	0.00	750771	1.60
Buy on 24 January 2019	2000	0.00	752771	1.60
Buy on 25 January 2019	3000	0.01	755771	1.61
Buy on 28 January 2019	2042	0.00	757813	1.62
Buy on 01 February 2019	7000	0.01	764813	1.63
Buy on 27 February 2019	1000	0.00	765813	1.63
Buy on 28 February 2019	1744	0.00	767557	1.64
Buy on 01 March 2019	575	0.00	768132	1.64
At the End of the Year			768132	1.64

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

The shareholding pattern of top ten shareholders at the beginning of the financial year and at the end of the financial year is given herein below.

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the financial year 2018-19		Shareholding at the end of the financial year 2018-19		Change During the Year
		No of Shares	Holding %	No of Shares	Holding %	
1	ANTARA INDIA EVERGREEN FUND LTD	4675000	9.964%	4634600	9.878%	-40400
2	ADESH VENTURES LLP	145000	0.309%	202960	0.433%	57960
3	RAJESH KUMAR AGRAWAL	132500	0.282%	129179	0.275%	-3321
4	GLOBE FINCAP LIMITED	125500	0.267%	125000	0.266%	-500
5	ANUJA CHINTAN VIRANI	100000	0.213%	100000	0.213%	0
6	ANIRUDH MOHTA	125000	0.266%	100000	0.213%	-25000
7	RAGHURAM KANYAN SHETTY	68267	0.146%	94858	0.202%	26591
8	ANIL KATARIA	60600	0.129%	84848	0.181%	24248
9	GINNI FINANCE PVT. LTD.	45000	0.096%	70000	0.149%	25000
10	VEENA K JAGWANI	44000	0.094%	70000	0.149%	26000

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Chandra Kumar Jain	Explained above in Promoters shareholding			
2.	Mr. Ashwani Kumar Vats	Explained above in Promoters shareholding			
	At the beginning and end of the year	Nil	Nil	Nil	Nil
3.	Mr. Suresh Kumar Tewari	Explained above in Promoters shareholding			
	At the beginning and end of the year	Nil	Nil	Nil	Nil
4.	Ms. Arushi Jain	Explained above in Promoters shareholding			
5.	Ms. Aditi Pasari	Explained above in Promoters shareholding			
6.	Mr. Ajay Jain	Explained above in Promoters shareholding			
	At the beginning and end of the year	435	0.001	435	0.001
7.	Mr. Akhilesh Kumar Maheshwari	Explained above in Promoters shareholding			
	At the beginning and end of the year	2610	0.006	2610	0.006
8.	Mr. Jeewan Jyoti Bhagat	Explained above in Promoters shareholding			
	At the beginning and end of the year	15370	0.033	15370	0.033
9.	Mr. Rakesh Kumar Gupta	Explained above in Promoters shareholding			
	At the beginning and end of the year	1000	0.002	1000	0.002
10.	Mr. Kailash Chandra Gupta	Explained above in Promoters shareholding			
	At the beginning of the year	165	0.00	165	0.000
	Buy / Sell during the year	-	-	300	0.001
	At the end of the year	-	-	465	0.001
11.	Mr. Rajiv Gupta	Explained above in Promoters shareholding			
	At the beginning of the year	-	-	-	-
	Buy / Sell during the year	-	-	-	-
	At the end of the year	-	-	-	-



12.	Mr. Vijay Kumar Garg				
	At the beginning of the year	-	-	-	-
	Buy / Sell during the year	-	-	-	-
	At the end of the year	-	-	-	-

F) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	94,96,36,609	Nil	Nil	94,96,36,609
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	22,02,649	Nil	Nil	22,02,649
Total (i+ii+iii)	95,18,39,258	Nil	Nil	95,18,39,258
Change in Indebtedness during the financial year				
* Addition	-	Nil	Nil	-
* Reduction	35,86,98,587	Nil	Nil	35,86,98,587
Net Change	35,86,98,587	Nil	Nil	35,86,98,587
Indebtedness at the end of the financial year				
i) Principal Amount	59,01,40,671	Nil	Nil	59,01,40,671
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	30,00,000	Nil	Nil	30,00,000
Total (i+ii+iii)	59,31,40,671	Nil	Nil	59,31,40,671

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Dr. C.K. Jain (MD)	Mr. A. K. Vats (WTD)	Mr. S. K. Tewari (WTD)	Ms. Arushi Jain (WTD)	Ms. Aditi Pasari (WTD)	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15600000	3542985	2470146	4200000	3900000	29713131
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	624600	-	-	39600	39600	703800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...						
5	Others, please specify	-	-	-	-	-	-
	Total (A)	16224600	3542985	2470146	4239600	3939600	30416931
	Ceiling as per the Act	1,49,91,179				1,49,91,179	2,99,82,358


B. Remuneration to other directors

S	Particulars of Remuneration	Name of Directors (Non-executive & Independent Directors)					Total Amount
		Mr. A. K. Maheshwari	Mr. Ajay Jain	Mr. J. J. Bhagat	Mr. R. K. Gupta	Mr. K.C Gupta	
1)	Non-executive & Independent Directors						
	Fee for attending board & committee meetings	40,000	40,000	30,000	40,000	40,000	190,000
	Commission	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000	1,500,000
	Others – Travelling fees	6,000	6,000	4,500	6,000	6,000	28,500
	Total (1)	3,46,000	3,46,000	3,34,500	3,46,000	3,46,000	17,18,500
	Ceiling as per the Act						29,98,235

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel					Total
		Mr. Ashwani Kumar Vats (CEO)	Mr. Vijay Kumar Garg (CS)**	Ms. Nisha Gupta (CS)*	Mr. Rajiv Gupta (CFO)**	Mr. Rajesh Kumar Agrawal (CFO)*	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,42,985	1,33,000	3,05,243	14,80,235	8,49,248	63,50,711
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission a. as % of profit b. others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total	35,42,985	1,33,000	3,05,243	14,80,235	8,49,248	63,50,711

* Resignation of Mr. Rajesh Kumar Agrawal (CFO) with effect from 09th July 2018

* Resignation of Ms. Nisha Gupta (CS) with effect from 30th Nov. 2018

** Appointment of Mr. Rajiv Gupta (CFO) with effect from 10th July 2018

** Appointment of Mr. Vijay Kumar Garg (CS) with effect from 01st December 2018

XII: Penalties / Punishment / Compounding of Offences: There was no significant penalty / punishment / compounding fee imposed on the Company / Directors / any other officer of the Company which effect the functioning of the Company.



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 Regulation 27 of Chapter IV of the Listing Regulations 2015 with the Stock Exchange, following disclosures are set out towards achievements of good Corporate Governance.

II. BOARD OF DIRECTORS

Composition and Category of Directors, attendance of each Director at the Board Meetings, the last Annual General Meeting and their directorship and membership of committees of other companies as on 31st March, 2019, is tabulated hereunder:

Name of Director	Category	No. of Directorship / Chairmanship / Committees' membership including other Public Limited Companies			Board Meetings Attended	Attendance at Last AGM
		Directorship	Chairman	Member		
Dr. C. K. Jain	CMD	1	-	-	4	Yes
Ms. Arushi Jain	WTD	1	-	-	4	Yes
Ms. Aditi Pasari	WTD	1	-	-	4	Yes
Mr. A. K. Vats	CEO& WTD	1	-	-	4	Yes
Mr. S. K. Tewari	WTD	1	-	-	4	Yes
Mr. Ajay Jain	NE & ID	1	-	-	4	Yes
Mr. A. K. Maheshwari	NE & ID	1	-	-	4	Yes
Mr. J.J. Bhagat	NE & ID	1	-	-	3	Yes
Mr. R.K. Gupta	NE & ID	1	-	-	4	No
Mr. K.C. Gupta	NE & ID	1	-	-	4	Yes

MD - Managing Director, NE - Non-executive, CEO- Chief Executive Officer, ED- Executive Director, ID - Independent Director.

As at 31st March, 2019, the Company's Board of Directors headed by a regular executive Chairman comprised total ten directors including two woman directors, out of which five directors are Independent & Non-Executive Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

During the year, the Board met Four times on 22th May 2018, 03th August 2018, 13th November, 2018, and 13th February, 2019. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations. During the year, separate meeting of the Independent Directors was held on 13th February, 2019 without the attendance of non-independent directors and members of the management. Five Independent Directors attended the said meeting out of total five members.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

The Company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programmes along with details of the same imparted to the Independent Directors during the year are available on the website of the Company (web-link <http://www.gulshanindia/investor relations/notes>)

III. AUDIT COMMITTEE

a) Terms of Reference:

Pursuant to Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act 2013, the Audit committee role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with



related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the whistle blower mechanism.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

b) Composition

The Audit Committee consists of three directors, 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, Internal Auditors and Statutory Auditors are also invited to the meetings of the Audit Committee and the Company Secretary officiates as the Secretary of the Committee. During the year 2018-19, the Committee met four (4) times on 22th May 2018, 03th August 2018, 13th November, 2018, and 13th February, 2019 which was attended by all the members of the Committee.

IV. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of reference

The powers, role and terms of reference of the Nomination and Remuneration Committee are covers the areas as contemplated under Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013, besides other terms as referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of their appointment/noting and removal.

b) Composition

The Nomination and Remuneration Committee comprises 3 Non-executive and Independent Directors i.e. Mr. Ajay Jain (Chairman), Mr. A. K. Maheshwari and Mr. R. K. Gupta, being members of the Committee. During the financial year 2018-19, Five (5) meeting(s) were held on 22th May, 2018 and 07th July, 2018 03rd August 2018, 13th February 2019 and 27th March 2019, which were attended by all the members.

c) Performance Evaluation

During the year, the Board conducted a formal annual evaluation mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The performance of the Committees was evaluated by the Board seeking inputs form the Committee members. The criteria to evaluate the performance of the Board, Committees, independent Directors and non – independent directors were; a) Board Composition, size mix of skill, experience and role; b) attendance and deliberation in the meetings ; c) contribution / suggestions for effective functioning, development of strategy , board process, polices and others. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

d) Remuneration to Executive Directors: (As on 31st March, 2019)

The appointment of executive directors is by virtue of their employment with the Company as management employees and therefore, their terms of employment are governed by the applicable policies at the relevant point in time. Commission is subject to adequate profits being earned. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), commission (variable components) to its Executive Directors.

(Rs. in Lakhs)

Name	Salaries	Commission	Perks	Total
Dr. Chandra Kumar Jain	156.00	-	6.25	162.25
Ms. Arushi Jain	42.00	-	0.39	42.39
Ms. Aditi Pasari	39.00	-	0.39	39.39
Mr. Ashwani Kumar Vats	35.43	-	-	35.43
Mr. Suresh Kumar Tewari	24.70	-	-	24.70
Total	297.13	-	7.03	304.16

e) Remuneration by way of Commission to Non-Executive Directors for the FY 2018-19:

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, 2013.

**Commission to Non-Executive Directors for the FY 2018-19:**

Name	Designation	Amount in Rs.
Mr. Akhilesh Kumar Maheshwari	Independent Director	3,00,000
Mr. Ajay Jain	Independent Director	3,00,000
Mr. Jeewan Jyoti Bhagat	Independent Director	3,00,000
Mr. Rakesh Kumar Gupta	Independent Director	3,00,000
Mr. Kailash Chandra Gupta	Independent Director	3,00,000
Total		15,00,000

V. STAKEHOLDERS RELATIONSHIPS COMMITTEE

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate shares, exchange of new design share certificates, non receipt of shares, non receipt of declared dividend, review the reports submitted by RTA, recording dematerialization/ re-materialization of shares, to ensure expeditious share transfer process and related matters.

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. Mr. Vijay Kumar Garg Company Secretary & Compliance Offices have attended one meeting during the year on dated 13th February 2019 previously meeting was attended by Ms. Nisha Gupta, Company Secretary & Compliance Officer. The Committee meeting was held four (4) times during the year as on 22.05.2018, 03.08.2018, 13.11.2018 and 13.02.2019 which were attended by all the members of the Committee. The Company has resolved all the complaint on time during the year 2018-19. There were no pending share transfers and shareholders complaints except for disputed cases and sub-judice matter

VI. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings (AGMs) are as under:

Financial Year	Date and time	Venue	Special resolution passed
2017-18	29.09.2018 At 12:30 P.M	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	- Approval of Gulshan Polyols Limited Employees - Stock Option Plan 2018 (GPL ESOP 2018) - Acquisition of Shares of the Company through 'Employees Welfare Trust' for implementation of GPL ESOP 2018 - To authorize for making of Loan/ Provision of money at Employees' Welfare Trust for purchase of / subscription for Company's shares under GPL ESOP, 2018
2016-17	09.09.2017at 12:15 p.m.	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	There was no special resolution passed in this meeting
2015-16	17.09.2016at 12:15 p.m.	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	There was no special resolution passed in this meeting

During the year, no special resolution was passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

VII. MEANS OF COMMUNICATION

The quarterly, half yearly, nine months and yearly financial results are published in the leading news papers viz. Business Standard (English & Hindi)). The Company updates its results on the website www.gulshanindia.com.

VIII. GENERAL SHAREHOLDER INFORMATION

- The 19th Annual General Meeting is proposed to be held on **Saturday, 21st September, 2019** at 12:30 P:M. at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh 251002.
- Financial Calendar:** 1st April to 31st March
- Financial Reporting for 2019-20 is as follows:**
 - First Quarter Mid of August 2019
 - Second Quarter Mid of November 2019



- Third Quarter Mid of February 2020
 - Fourth Quarter Last week of May 2020
- d. **Dates of Book Closures:** 14th September, 2019 to 21st September, 2019 (both days inclusive).
- e. **Dividend payment date:** on or after 21st September, 2019.
- f. **Listing of Equity Shares on Stock Exchange at:** National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE). The Company has paid the listing fees for the period 1st April, 2018 to 31st March, 2019 on time within due date for payment of listing fees to exchange.
- g. **Demat ISIN Number for Equity Shares:** INE255D01024
- h. **Stock Code and Stock Market price data for the year 2018-19**

MONTH	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	532457		GULPOLY	
	Month's High	Month's Low	Month's High	Month's Low
April, 2018	74.20	67.55	74.25	67.75
May, 2018	71.30	63.30	72.50	63.55
June, 2018	65.05	53.50	65.00	53.35
July, 2018	64.40	51.65	64.00	50.75
August, 2018	68.90	56.50	67.50	56.35
September, 2018	69.90	55.00	65.30	55.10
October, 2018	62.60	48.10	63.90	49.00
November, 2018	63.00	54.00	63.15	54.20
December, 2018	68.15	56.10	68.50	54.60
January, 2019	71.50	60.50	71.70	61.00
February, 2019	61.60	49.00	62.90	48.20
March, 2019	57.70	50.65	57.80	49.95

- i. **Registrar and Share Transfer Agent:** M/s Alankit Assignments Ltd, 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi 110055, and Phone No: 011-42541234/ 42541955, Fax No: 011-42541201, E-mail: rta@alankit.com.
- j. **Share Transfer System:** 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 shares and shares under Demat.
- k. **Dematerialization of Shares:** As on 31st March, 2019, 97.68% of the Company's total shares representing 45830780 shares were held in dematerialized form and the balance 1086240 equity shares representing 2.32% shares were in Physical form.
- l. **Distribution of shareholding as on 31st March, 2019:**

No. of shares	Number of shareholders	% of shareholders	No. of shares	% of shareholding
Up to 1000	13975	86.96	3958913	8.438
1001- 5000	1670	10.39	3740084	7.972
5001- 10000	230	1.431	1662486	3.543
10001- 20000	111	0.691	1548837	3.301
20001- 30000	33	0.205	788248	1.680
30001- 40000	13	0.081	468957	1.000
40001- 50000	12	0.075	543364	1.158
50001- 100000	15	0.093	1046157	2.230
100001- 500000	4	0.025	896274	1.910
500001 and above	8	0.050	32263700	68.768
Total	16071	100.00	46917020	100.00

- m. **Categories of Shareholders as on 31st March, 2019 :**

Category	No. of share holders	No. of shares held	% of share holding
Promoters	6	27806196	59.267
Institutions:			
Mutual Fund	-	-	-
Foreign Portfolio Investor	1	2175000	4.636
FI/ Banks	1	124	0.000



Non Institutions:			
- Individuals	15281	11594672	24.714
- HUF	197	212243	0.452
- NBFC Registered with RBI	1	571	0.001
Any other			
- Bodies Corporate (domestic)	275	1380899	2.943
- Bodies Corporate (Foreign)	1	2500000	5.329
- NRI	306	730528	1.557
- IEPF	1	487095	1.038
- GPL Employee welfare Trust	1	29692	0.063
Total	16071	46917020	100.000

- o. During the year 2018-19:** The Company has transferred 76225 shares to Investor Education Protection Fund in respect of which dividend has not been paid or claimed for seven (7) consecutive years for the FY 2010-11 into the Demat Account of IEPF Authority. Total Holding in IEPF 487095 shares detail as under :

Unclaimed Dividend of 7 Years	No. of Shares Transfer to IEPF	Total Composite	Shareholder`s Claim from IEPF during the Year
2009-10	410870	410870	NIL
2010-11	76225	487095	NIL

p. 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
9	Onsite facilities of precipitated calcium carbonate at Amlai, Madhya Pradesh

- q. Address for correspondence:** Registered office address is at **9th K.M. Jansath Road, Muzaffarnagar -251001 (Uttar Pradesh)** and phone: +131-3295880/ 3295888. Email: cs@gulshanindia.com. Corporate office address & Investor cell of the Company is located at **G-81, Preet Vihar, Delhi 110092**. Phone no 011-49999200 Ext. 237 and Fax no. 011-49999202. Email of share department cs@gulshanindia.com.

IX. OTHER DISCLOSURES

i) Basis of related party transactions

Pursuant to requirements of Regulation 23 of Listing Regulations, the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at www.gulshanindia.com.

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large - NIL.

Further, the transactions with related parties have been shown in "Note No. 35" to the Notes to the Accounts of the company".

- ii)** The Company has complied with the requirements of regulatory authorities on capital markets. There were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority.

iii) Board Disclosures - Risk Management

The Company has laid down procedures and informed the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

iv) Whistle Blower Policy

The Whistle Blower Policy has been adopted to provide appropriate avenues to the employees to bring to the attention of the management, the concerns about any unethical behaviour, by using the mechanism provided in the Policy. In terms of Company's Code of Conduct, any instance of non adherence to the code / any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to



the Chairman of the Audit Committee. We affirm that no director or employee has been denied access to the Chairman of the Audit Committee during financial year 2018-19.

v) Disclosure of Accounting Treatment

Disclosure of accounting treatment there has not been any significant changes in accounting policies during the year.

X. NON-MANDATORY REQUIREMENTS

- a) The Board has taken cognizance of the non-mandatory requirements of Regulation 27 (1) read with schedule II Part E of Listing Regulations and shall consider adopting the same at an appropriate time.
- b) The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XI. Code for Prevention of Insider Trading

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a code of conduct for prevention of Insider Trading. The Code of Conduct is applicable to all directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information related to the company.

XII. CEO/ CFO CERTIFICATION

The Chief Executive Officer and Whole Time Director; and the Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2019.

XIII. COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted the "Code of Conduct". The updated Code incorporated the duties of Independent Directors. The Code is available on the website of the Company (web link <http://www.gulshanindia/investors/code of conduct>).

The CEO has given below declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2018-19:

Declaration

I, Ashwani Kumar Vats, Chief Executive Officer (CEO) of Gulshan Polyols Limited, to the best of my knowledge and belief based on the affirmation received, declared 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, 2019.

Date : 29th May, 2019
Place: Delhi

Ashwani Kumar Vats
Whole Time Director &
Chief Executive Officer

Auditors Certificate on Corporate Governance

To,
The Members,
Gulshan Polyols Ltd

We have examined the compliance of regulations of Corporate Governance by Gulshan Polyols Limited for the year ended March 31, 2019, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

For RAJEEV SINGAL & CO.
Chartered Accountants
(Rajeev Kumar singhal)
Partner
Membership No: 077834

Date : 29th May, 2019
Place : Delhi

**MANAGEMENT'S DISCUSSION & ANALYSIS****1. FORWARD-LOOKING STATEMENT**

The report contains forward-looking statements, identified by words like 'expects', 'will', 'foresee', 'hopes', 'confident', 'competent', 'believes', 'projects', 'estimates' and so on all statement that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements.

Industry Structure & Development

Despite the various technological developments around the world, starch continues to be a major building block in modern societies and its use continues to expand in areas with strong economic growth. Starch derivatives, including glucose syrup and HFCS, are used widely across many industries. After facing a slow-down following the global financial collapse in 2008, the starch industry has performed well in the last 7 to 8 years and the production of 'primary' starch ('primary starch' is used to identify the slurry resulting from the primary conversion of the raw material.) increased from 62 mn tons in 2009/10 to 75.2 mn tons in 2014/15. Much of this growth continues to come from China and the other rapidly developing economies in Asia and the MEA regions, whereas in the more traditional western starch markets, the demand has been slowing down and is now more closely following population dynamics. It is this difference in growth dynamics that has been the determining factor for the changing face of the starch business over the last ten to fifteen years. While agricultural policy changes and shifting barriers to trade are often perceived to be factors of change in the business, they tend to be of secondary importance since they are often an attempt to protect local interests from the pressures in supply/demand that are brought about by these differences in growth patterns.

The Indian starches and derivatives market scenario has witnessed significant changes in the last few years. The industry looks promising with many large players investing in quality of starches and derivatives.

Several industry specific reform initiatives taken by the Government since 2014 have significantly improved the overall business environment in the country. As a result of a host of measures undertaken by the government, including implementation of the Goods and Services Tax, Insolvency and Bankruptcy Code, introduction of inflation targeting regime, Make in India, Intellectual Property Rights (IPR) Policy, Start-up India and bank recapitalization, India has leapt 30 ranks over its previous rank of 130 in the World Bank's latest Doing Business Report 2018.

The impact of demonetisation went beyond unaccounted money; the real gain came from digitization and formalization of the economy, accompanied by an unprecedented move from physical to financial assets. The recapitalization of public sector banks has been partly enabled by this tide of massive liquidity available with the banking system. Similarly, beyond efficiency transformation in taxation, the impact of the GST is bringing a shift in approach towards digitization, compliance and customer interaction. The GST is likely to have a positive impact by way of increase in competitiveness and productivity through improvement in quality of jobs, access to formal credit and significant reduction in the overall tax burden.

India's economic growth (GDP growth) During F.Y 2018-19 GDP growth of seven percent is the lowest in five years. The Central Statistics Office (CSO), which released the national account data for the third quarter, had in February revised the growth estimate for 2018-19 fiscal to seven percent from 7.2 percent. The seven percent growth is the lowest in five years.

The Indian economy appears to have slowed down in 2018-19 due to lower private consumption, tepid growth in fixed investment and muted exports, a finance ministry report has said.

The Minimum Support Prices (MSP) for maize has significantly increased in the last few years to encourage farmers to enhance maize farming. This has resulted in improvement in ranking of Maize Cultivation in the Country from rank 3rd to 2nd in the year 2018 in overall Agricultural Productivity.

Calcium Carbonate industry is dominated by the unorganized sector which is producing low grade of Calcium Carbonate. As against this, the Company is producing Premium grades of Calcium Carbonate, delivering better margins in revenue to the Company and is the market leader in the organized sector contributing almost 20% of national production of Calcium Carbonate.

The Company: Overview and recent developments

Gulshan Polyols Limited ("GPL") is a multilocation, multi product manufacturing company and has become a market leader in most of its products in India with global presence in 42 countries, across 3 continents. Its business portfolio covers Starch Sugars, Calcium Carbonate; Alcohol business; Agro based Animal Feed, & On-site PCC plants with production facilities at Muzaffarnagar in Uttar Pradesh, Bharuch in Gujarat, Dh aula Kuan in Himachal Pradesh, Abu Road in Rajasthan, Patiala in Punjab, Tribeni in West Bengal and Amlai in Madhya Pradesh.

Gulshan Polyols Ltd. caters to wide range of industry & niche markets in core sector encompassing pharmaceuticals, personal care products, footwear, tyres, rubber & plastics, paints, alcohol, value added paper,



agrochemicals, food and agro products. It caters to leading industrial units of the country such as Colgate Palmolive, Hindustan Unilever Ltd, Dabur, Asian Paints and ITC etc.

The Company has consistently been exporting its products and is recognized by Government of India as STAR EXPORT HOUSE.

During the year, the Company has commenced commercial production of ENA and Rectified Spirit at the location of Borgaon industrial area in Chhindwara (M.P.)

2. COMPANY'S PRODUCT CATEGORIES:

2.1 Starch Sugars Business: includes product of Sorbitol-70% solution, Liquid Glucose, Native Starch, High Fructose Rice Syrup (HFRS), Brown Rice Syrup and Rice Syrup Solids.

The rice based Grain Processing Plant at Muzaffarnagar has achieved optimum level of capacity utilization during the year. In this year, Starch Powder is the main growth driver and will remain growth driver in future also.

Native Starch / Maize Starch: It is the main carbohydrate nutrient from different sources of vegetation. Maize or corn starch powder is white, odorless and tasteless, which is extracted from kernel of maize/ corn. It is widely used as a thickener and a stiffening agent with numerous industrial applications.

Your company makes different grades of maize starch, which cater to industries ranging from food, textile, paper, pharmaceutical, adhesive, etc. Starch powder is made from NON GMO Maize/ corn at the company's plant in Muzaffarnagar, UP, employing latest technology and best industry practices to ensure top quality of final product.

High Fructose Rice Syrup (HFRS) which is naturally found in fruits, honey, corn syrup and molasses. Commercially, High Fructose Rice Syrup is used as a sweetener in flavored and unflavored syrups, energy drinks, processed food, bakery products.

Brown Rice Syrup, popularly known as Liquid Glucose. It is a preferred sweetener for natural/healthy foods. Rice syrup is used as base sweetener in edible sweet syrups (Flavored / Unflavored), blended honey, bakery foods, cakes, pastries, fillings, toppings, candies, canned fruits, health drinks, juices, soft drinks, Dairy products, ice-creams.

Rice Syrup Solids which is also known as dried glucose syrup or Glucose Powder. It is usually used as sweetener and stabilizers for moisture & texture in baked goods, confectionary (hard candy), dairy products, processed meats, seafood and also used by breweries to lighten beer color, add body, rice flavor and fermentable sugars. It is easily dispersed into water for ease of use in quick dissolving beverage mixes.

2.2 Agro based Animal Feed 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.

India's feed industry is growing with poultry, cattle and aqua feed sectors emerging as major growth drivers. The demand for animal protein and dairy products in India will increase the compound feed consumption volumes. Consequently, cattle need to be developed, more requirement of nutritious food for them, which implies higher demand of grain by-products.

2.3 Calcium Carbonate business: 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.

In the Company's endeavor to add new products delivering value addition, the company is gradually shifting its focus from producing lower grade products to higher grade products which will increase the overall profitability of the Company in medium to long term perspective.

2.4 Onsite PCC/WGCC Plants: The Company is '**FIRST**' in the country to introduce the concept of On-site PCC manufacturing plant for Value Added Paper (VAP) industries. **Company's achievement has been recorded in the Limca Book of Records in 2010.** The Company has successfully installed Seven Onsite PCC plants for paper industry Companies.

During the year the Company has successfully commissioned its 7th on site Plant with a installed capacity of producing 18000 DMT PA of PCC at Silverton Paper Mills Ltd Muzaffarnagar U.P.

The Company has bagged an order of USD 3.8 Million from M/s Meghna Paper Mills Ltd Dhaka Bangladesh for setting up a plant to produce GCC, CCC & onsite WGCC Plant on turnkey basis.

Further the Management hopes for the exponential growth in this segment in the country, in line with the developed nations, where on-site PCC has become an integral part of Value Added Paper such as printing, photo copier, tissue paper and writing paper.



Your company is the only Indian company which is offering such technology & providing plants to Indian and overseas companies engaged in manufacturing Value Added Paper.

2.5 Alcohol Business: The Company has successfully produced 5615.376 KL of ENA and Rectified Spirit in Bargaon industrial area in Chhindwara (M.P.) during the Year 2018-19.

3. OPPORTUNITIES & THREATS

Despite a challenging operating environment and heightened competitive intensity, your Company continued to drive volume growth, improve realizations and sustain its market standing during the year. This was achieved by focusing on identified end-use segments, investments in quality systems and processes, and optimizing the energy cost. The Business consolidated its clear market leadership position in supplying On-site PCC plants for leading VAP manufacturers in the country as well as in export market.

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. Since the per capita consumption of these products is regularly increasing in our country, the growth in this field is evidently perpetual. There are inherent opportunities available to the Company to which it is catering for many decades such as pharmaceuticals, personal care products, footwear, tyres, rubber & plastics, paints, alcohol, value added paper, agrochemicals, food and agro products.

Besides domestic growth, the Company has identified exports as a key future growth driver and is seeing untapped opportunity in export markets for starch sugars business. Your company is continuing to earn valuable foreign exchange by exporting starch sugar and is further gearing up to cater to the growing demand in international markets.

The company operates in commodity types markets. It is therefore important to manage its cost, to ensure it has an edge in pricing over its competitors and delivering value to its customers.

In 2018-19, the monsoon was below normal in maize growing area resulted in lower availability of maize. Due to this, prices were higher of maize as compared to previous years. The impact of increase in raw material cost was not fully passed on to the customers. Inability of the Company to pass on costs to customers has resulted in subdued margins.

The Company regularly diversifies its products portfolio and also develops new export markets. It is also investing in projects to strengthen cost competitiveness.

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.

4. RISK AND CONCERNS

While there is a proper structure for risk management, which is regularly implemented across the organization, there are certain regular risks and concerns that surface in the business. Our primary raw material is "Corn and Rice" for Starch Sugar business as well as for Animal Feed & Alcohol business. Corn and rice are agricultural products and its supply and quality are subject to forces of nature. Being items of commodity market, their pricing is to be carefully managed in order to ensure that the company maintains an edge in pricing over its competitive. The Company is exposed to various risks such as rising competition, availability of better quality seeds and increase in supply of product options at lower costs may result in loss of market share for the Company. The main ones and the steps undertaken to mitigate these risks are mentioned below:

As a risk mitigating strategy, the company has diversified its product portfolio, and uses alternative raw material considering its viability in terms of prevailing market conditions. The other main raw material is lime stone for Calcium Carbonate business, which we source from the domestic market. The location of our plants is in close vicinity to the source of lime stone due to which we are able to maintain our edge effectively to manage our cost and quality of procuring lime stone.

Power and Fuel are the other major inputs of manufacturing cost. Increase in cost of Power and Fuel has negative impact on the profits of the company. Over the past year, tariff prices for power have been increasing. The Company has set up captive power plant for co-generation of energy to mitigate the adverse impact of rising cost of power. Advancement in technology may require us to make additional capital expenditure for upgrading our manufacturing facilities. However, the Company's diversified product profile, quality approach, value-added segments, manufacturing flexibility, modern technology & strong marketing network has saddled the company to successfully counter the effect of such adversities.

The Management being well acquainted within business risks, is saddled to take care of the risks and concerns and takes appropriate and timely measures as and when the need arises.

5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company and the Management has established adequate Internal Control systems to ensure reliable



financial reporting. Internal Controls also help in assessing, evaluating, safeguarding and shielding the Company from losses and unofficial use or deposition of assets. This ensures that the Company's resources are put to optimum use and all transactions are authorised, recorded and reported correctly to the Management. The Company constantly refines and testifies its internal controls to ensure management effectiveness and efficiencies of operating procedures. The Company always adheres to set guidelines and follows all Accounting Standards prescribed for maintenance of books of accounts and reporting of financial statements. These standards require appointed Independent Internal Auditors to plan risk based audits and execute audits to assess the effectiveness of internal control over various areas of operations and financial reporting throughout the year. Summary of the observation by Internal Auditors is reported to the Audit Committee of the Board of Directors and corrective measures are taken. The Internal Control systems are designed to provide assurances on an ongoing basis so that the business operations function efficiently and ensure that applicable laws, rules, regulations and policies of the Company are followed and the reliability of financial reporting is safeguarded.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance during the year under reference has been impressive in terms of sales. Even though there has been a decent increase in the turnover, the volume of profits has marginally decreased. The decrease in profitability is due to increase in depreciation and higher cost of raw material mainly Corn / Maize.

During the year under review, your company has achieved gross revenue from operations of ₹ 67388.61 lakhs as compared to ₹ 62403.80 lakhs in the previous year. Profit before tax stood at ₹ 2701.73 lakhs as compared to ₹ 2354.11 lakhs during the previous year. After providing for taxes and other adjustments Profit after tax is ₹ 2142.52 lakhs as compared to ₹ 1824.20 lakhs during the previous year

7. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company recognizes human capital as an extremely important and strategic resource and honors the dignity of each employee irrespective of position and highly values the cultural diversities of employees. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness. Further, special efforts are made to identify specific training needs to hone the skills of the employees. Human Resources continue to get primary focus of the management and the Company regards its human resources amongst its most valuable assets. The Company has invested in people during the course of the year through various training programmes in order to keep its employees competent and updated in the changing business environment. Employees at all levels are exposed to continuous training and development. Industrial relations continue to be cordial. As at the financial year ended 31st March, 2019, there were total more than 2000 number of employees and workers on roll / Contract Employee of the Company.

CEO/CFO CERTIFICATION (Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

**To
The Board of Directors
GULSHAN POLYOLS LIMITED**

In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, Chief Executive Officer and Chief Financial Officer of the Company has certified to the Board that:

- a) We have reviewed financial statements and the Cash flow statement of the Company for the year 2018-19 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) 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 we 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 that:
 - i) there has not been any significant changes in internal control during the year;
 - ii) there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) We are not aware of any instances during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 29th May, 2019
Place: Delhi

Rajiv Gupta
Chief Financial Officer

Ashwani Kumar Vats
Whole Time Director
& Chief Executive Officer

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of ,
Gulshan Polyols Limited**

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the standalone financial statements of Gulshan Polyols Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

"We have determined that there are no key audit matters to communicate in our report."

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in " **Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (1) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Refer Note 1.16 to the standalone financial statements)
 - (2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts . (Refer Note 1.16 & Note 21 to the standalone financial statements)
 - (3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (4) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For and on behalf of
For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

Date : 29.05.2019
Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

**Annexure A" to the Independent Auditors' Report**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the Cost Records with a view to determine whether they are accurate and complete.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Status	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where pending	REMARKS
Central Excise Act 1944	Excise Duty	44.92	2011-2012	CESTAT ALLAHABAD	₹ 4.49/- Lakh Deposit.

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by



the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For and on behalf of
For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

Date : 29.05.2019

Place : Delhi

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

"ANNEXURE - B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **GULSHAN POLY-OLS LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to



obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that ;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Date : 29.05.2019

Place : Delhi

For and on behalf of
For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

**BALANCE SHEET AS AT 31ST MARCH, 2019****(₹ in Lakhs)**

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	27,291.57	29,760.69
(b) Capital Work-in-Progress	3	456.54	71.52
(c) Intangible assets	4	14.79	16.90
(d) Financial Assets			
(i)- Investments	5	46.73	46.73
(ii)- Other Financial Assets	6	337.26	309.70
(e) Deferred Tax Assets(Net)	7	164.20	130.72
(f) Other Non-Current Assets	8	118.64	546.39
Total Non- Current Assets		28,429.71	30,882.66
Current Assets			
(a) Inventories	9	5,332.99	7,439.44
(b) Financial Assets			
(i) Investments	5	-	531.68
(ii) Trade Receivables	10	10,003.93	11,597.85
(iii) Cash and Cash equivalents	11	2,515.67	289.71
(iv) Balance with Bank Other than (iii) above	12	59.95	49.48
(c) Other Current Assets	13	1,880.03	488.62
Total Current Assets		19,792.57	20,396.78
Total Assets		48,222.28	51,279.44
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	469.17	469.17
(b) Other Equity	15	28,586.11	26,842.26
Total equity		29,055.28	27,311.43
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4,081.77	7,021.34
Total Non Current Liabilities		4,081.77	7,021.34
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	7,459.27	7,508.97
(ii) Trade payables	18	2,096.45	3,321.86
(iii) Other Financial Liabilities	19	3,835.87	4,911.70
(b) Other Current Liabilities	20	937.57	735.58
(c) Provisions	21	164.23	186.17
(d) Liabilities for current Tax (Net)		591.83	282.39
Total Current Liabilities		15,085.23	16,946.67
TOTAL EQUITY AND LIABILITIES		48,222.28	51,279.44
The accompanying notes form an integral part of the financial statements	1		

As per our report of even date
For RAJEEV SINGAL & CO.
Chartered Accountants
(Registration No.008692C)

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

Date: 29.05.2019
Place : Delhi

For and on behalf of the Board of Directors

DR. C. K. JAIN
Chairman & Managing Director
DIN: 00062221

VIJAY KUMAR GARG
Company Secretary

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

RAJIV GUPTA
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
REVENUE			
Revenue from Operations	22	67,388.61	62,403.80
Other Income	23	196.30	183.49
Total Income (I)		67,584.91	62,587.29
EXPENSES			
Cost of Materials Consumed	24	34,822.21	31,539.45
Purchase of Stock in Trade	25	1,320.16	415.81
Changes in Inventories of Finished goods, work in progress and stock in trade	26	(77.97)	196.44
Employee Benefits expense	27	2,232.78	2,242.54
Finance Cost	28	1,425.88	1,080.72
Depreciation & amortisation Expenses	29	4,433.67	3,648.48
Other Expenses	30	20,726.43	21,109.74
Total Expenses (II)		64,883.18	60,233.18
Profit Before Tax (III=I-II)		2,701.73	2,354.11
Tax Expense:	32		
Current Tax Expense		592.68	508.33
Less: Mat Credit (Available)		44.82	(508.33)
Deferred Tax Expense		(78.30)	529.91
Total Tax Expenses (IV)		559.21	529.91
Profit/(Loss) for the year (V=III-IV)		2,142.52	1,824.20
OTHER COMPREHENSIVE INCOME			
Item that will not to be reclassified to Profit and Loss:			
(Gain)/loss of defined benefit obligation		3.87	-
Income tax relating to items that will not be reclassified to profit or loss		(0.85)	-
TOTAL OTHER COMPREHENSIVE INCOME (VI)		3.02	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII=V+VI)		2,139.50	1,824.20
Earning per equity share of face value of Rs. 1 each Basic and diluted (in Rs.)	38		
Basic		4.57	3.89
Diluted		4.57	3.89
The accompanying notes form an integral part of the financial statements	1		

As per our report of even date

For RAJEEV SINGAL & CO.

Chartered Accountants

(Registration No.008692C)**(RAJEEV KUMAR SINGHAL)**

Partner

Membership no: 077834

Date: 29.05.2019

Place : Delhi

For and on behalf of the Board of Directors**DR. C. K. JAIN**

Chairman & Managing Director

DIN: 00062221

ASHWANI KUMAR VATS

Whole Time Director and CEO

DIN : 00062413

VIJAY KUMAR GARG

Company Secretary

RAJIV GUPTA

Chief Financial Officer

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019****(₹ in Lakhs)****Attributable to the equity holders of the company**

Particulars	RESERVES AND SURPLUS					
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earning	Total
Balance as at 31st March 2018	469.17	132.35	3,701.57	4,686.24	18,322.10	27,311.43
Profit for the year	-	-	-	-	2,142.52	2,142.52
Amount Transfer to General Reserve	-	-	-	300.00	(300.00)	-
Dividend on equity shares	-	-	-	-	(328.42)	(328.42)
Dividend Distribution Tax	-	-	-	-	(67.23)	(67.23)
Other comprehensive income for the year, net of income tax	-	-	-	-	(3.02)	(3.02)
As at 31st March, 2019	469.17	132.35	3,701.57	4,986.24	19,765.95	29,055.28

As per our report of even date**For RAJEEV SINGAL & CO.**

Chartered Accountants

(Registration No.008692C)**(RAJEEV KUMAR SINGHAL)**

Partner

Membership no: 077834

Date: 29.05.2019

Place : Delhi

For and on behalf of the Board of Directors**DR. C. K. JAIN**

Chairman & Managing Director

DIN: 00062221

ASHWANI KUMAR VATS

Whole Time Director and CEO

DIN : 00062413

VIJAY KUMAR GARG

Company Secretary

RAJIV GUPTA

Chief Financial Officer

**Statement of Cash Flow for the year ended 31st March, 2019**

(Rs.in Lacs)

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
A. Cash flow from operating activities		
Profit before Tax	2,701.73	2,354.11
Adjustment for :		
Depreciation and Amortization Expenses	4,433.67	3,648.48
Dividend income	(0.57)	(1.57)
Net Gain on Sale/Fair value of non-current investment FVTPL	-	(35.64)
Profit on Sale of Current Investments	(49.59)	(49.67)
Provision/(write back) for doubtful debts and advances (net)	22.24	26.45
(Gain) / Loss on disposal of property, plant and equipment	(22.94)	(50.97)
Interest income	(70.51)	(27.27)
Interest expenses	1,425.88	1,080.72
Cash generated from operations before working capital changes	8,439.91	6,944.65
Adjustment for :		
Decrease/(increase) in other assets	(554.92)	521.93
Decrease/(increase) in trade receivables	1,571.67	(2,688.23)
Decrease/(increase) in inventories	2,106.45	460.12
Decrease/(increase) in other current liabilities	201.99	459.09
Decrease/(increase) in provisions	(21.94)	(58.46)
Decrease/(increase) in trade and other payables	(2,301.24)	(1,108.57)
Cash generated from operating activities	1,002.01	(2,414.12)
Direct taxes paid (net of refunds)	(733.00)	(316.12)
Cash flows before exceptional items	8,708.93	4,214.41
Exceptional items	-	-
Net Cash flow generated from operating activities (A)	8,708.93	4,214.41
B. Cash Flow from Investing activities (A)		
Sale proceeds from property, plant and equipment	52.63	84.67
Purchase of property, plant and equipment	(2,374.57)	(4,042.10)
Purchase of intangibles	(2.58)	(19.41)
Sale proceeds of from sale/maturity of non-current investments and current investments	581.27	290.59
Interest income	70.51	27.27
Dividend income	0.57	1.57
Net Cash Flow Generated from investing activities (B)	(1,672.16)	(3,657.42)
C. Cash flow from Financing activities		
Interest expenses	(1,425.88)	(1,080.72)
Repayment of long-term borrowings	(2,939.57)	(472.94)
Proceeds of short-term borrowings	(49.70)	1,577.59
Dividend paid	(328.42)	(328.42)
Dividend distribution tax paid	(67.23)	(66.86)
Net Cash flow Generated from financing activities (C)	(4,810.80)	(371.35)
Net increase in cash and cash equivalents (A+B+C)	2,225.96	185.64
Cash and cash equivalents at the beginning of the year	289.71	104.07
Cash and cash equivalents at year end	2,515.67	289.71

Note:

1. The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

The Accompanying notes form an integral part of the financial statements

As per our report of even date

For RAJEEV SINGAL & CO.

Chartered Accountants
(Registration No.008692C)

(RAJEEV KUMAR SINGHAL)

Partner
Membership no: 077834

Date: 29.05.2019

Place : Delhi

For and on behalf of the Board of Directors

DR. C. K. JAIN

Chairman & Managing Director
DIN: 00062221

VIJAY KUMAR GARG

Company Secretary

ASHWANI KUMAR VATS

Whole Time Director and CEO
DIN : 00062413

RAJIV GUPTA

Chief Financial Officer

**DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statements****(i) Corporate Information**

Gulshan Polyols Limited ("GPL" or "the Company") with a CIN number L24231UP2000PLC034918 is a domestic public limited company, listed in India with registered office situated at 9th K.M., Jansath Road, Muzaffarnagar - 251001. GPL is a multi-location, multi-product manufacturing company and has become a market leader in most of its products in India with global presence in 42 countries, across 3 continents and having its registered office in Muzaffarnagar, Uttar Pradesh, India. Its business portfolio covers Starch, Starch Sugars, Calcium Carbonate, Alcohol business, Agro based Animal Feed & On-site PCC plants with production facilities at Muzaffarnagar in Uttar Pradesh, Bharuch in Gujarat, Dhaula Kuan in Himachal Pradesh, Abu Road in Rajasthan, Patiala in Punjab, Tribeni in West Bengal and Amlai in Madhya Pradesh. It caters to wide range of industry & niche markets in core sector encompassing pharmaceuticals, personal care products, footwear, tyres, rubber & plastics, paints, alcohol, value added paper, agrochemicals, food and agro products. Since inception, GPL is a dividend paying company and listed on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange ("BSE").

(ii) Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values or amortised cost depending upon classification. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The Company has uniformly applied the accounting policies during the periods presented except for the changes in accounting policy for new standard that was effective for annual period beginning from on or after 1 April 2018, as follows:

Ind AS 115 Revenue from contracts with customers:

Ind AS 115 – Revenue from Contracts with Customers, issued on 28 March 2018 replaced Ind AS 18- Revenue and Ind AS 11- Construction Contracts and applies to all revenue arising from contracts with customers, unless such contracts are within the scope of other standards. It introduced a new five-step approach to measure and recognise the revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The revenue from each of the contract performance obligations must be separately identified, classified and accrued. Among other matters, the standard also establishes the accounting criteria for accounting the incremental costs of obtaining a contract with a customer.

The Company generates revenue from different streams mainly sale of goods, lease rentals and other services. The Company has reviewed each type of revenue stream under Ind AS 115. The Company adopted Ind AS 115 using the cumulative effect method with effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) and has not restated the comparatives as at March 31, 2018 basis the exemption available in the standard. Ind AS 115- Revenue from Contracts with customers did not have a significant impact on the financial statements of the Company.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify that the Company needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how the Company should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Such amendment did not have any impact on the Company.

Amendment to Ind AS 20 Government grants related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. Such amendment did not have any impact on the Company.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and



Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

1.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note No.1.5. Accounting estimates could change from period to period. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

1.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

1.4 Foreign currencies

These financial statements are presented in Rupees, which is also the functional currency of the Company. All financial information presented in Rupees has been rounded to the nearest lakhs.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the



dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

1.5 Critical estimates and judgments

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

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

The areas involving critical estimates or judgment are:

- Estimation of Defined benefit obligation - refer Note No. 1.17
- Estimation of current tax expenses - refer Note No. 1.8
- Useful life of Property, plant and equipment - refer Note No. 1.10
- Valuation of Inventory - refer Note No. 1.14
- Provisions and Accruals - refer Note No. 1.16
- Contingencies - refer Note No. 1.16

1.6 Fair value measurement

The Company measures financial instruments at fair value as per Ind AS 113 at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)



For assets and liabilities that are recognized in the financial statement on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.7 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, sales tax and applicable trade discounts and volume rebates. Revenue includes shipping and handling costs billed to the customer.

(ii) Interest income

Interest income primarily comprises of interest from term deposits. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(iii) Dividend

Dividend income from investment is accounted for when the right to receive is established, which is generally when shareholders approve the dividend.

(iv) Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

(v) Export Incentives

Export incentives are recognised when the incentives are to be received from the government authorities.

Export entitlements from government authorities under the Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS), Duty Draw Back scheme are recognised in the statement of profit and loss based on receipt of the scrip from the government authorities.

1.8 Taxes

Tax expenses comprise of current and deferred tax:

Current income tax

- a. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

- a. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- c. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow



the deferred tax asset to be recovered.

- d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- e. The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period.
- f. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.9 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.10 Property, Plant and Equipment Recognition and measurement

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment are initially recognized at cost after deducting refundable purchase taxes and including the cost directly attributable to bring the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management, borrowing cost in accordance with the established accounting policy, cost of restoring and dismantling, if any, initially estimated by the management.

After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost of Self-constructed asset is determined using the same principles as for acquired assets after eliminating the component of internal profits.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation has been provided on written down value method in terms of expected life span of assets specified in Schedule – II of the Companies Act, 2013 or as determined by management. The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual value and useful life are reviewed annually, and any deviation is accounted for as a change in estimate.

Cost of leasehold land are written off over the primary lease period of the land except of the leasehold land, held by the company on the date of transition, which is amortized over the remaining useful lives of the assets. Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

1.11 Intangible Assets

Acquired intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.



Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software development costs for in-house developed software is recognised as assets are amortised on a written down value basis over their estimated useful life.

The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement. An arrangement that does not take legal form of lease rent but conveys right to use an asset in return for payment or series of payment, is also accounted for as either finance lease or an operating lease.

Finance Leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

Depreciation on leasehold assets is provided on straight line method over the period of lease.

Operating Leases

Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease, in case the lease increments are not in line with the general inflation rate.

1.14 Inventories

Inventories consist of raw materials, packing materials, stores and spares, work-in-progress and finished goods and stock of traded goods, which are measured at the lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables, which are used in operating machines or consumed as indirect materials in the manufacturing process. The basis of measurement of cost is as follows:

- (i) Raw Materials, Packing Materials and Stores & Spares:** FIFO basis
- (ii) Finished Goods:** Cost of input plus appropriate overhead.
- (iii) Work in Progress:** Cost of input plus overhead up-to the stage of completion.
- (iv) By- Products:** At net realizable value
- (v) Stock-In-Trade:** FIFO Basis

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.15 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and



the risks specific to the asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

Impairment losses, other than those recognized on goodwill, that have been recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.16 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Disputes, liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax Excise etc.) pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

Contingent Assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.17 Employee benefits

a. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, short term compensated absences etc., and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

b. Post-Employment Benefits:

i) Defined Contribution Plans:

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

ii) Defined Benefit Plans:

The Company has Defined Benefit Plan for post-employment benefit in the form of Gratuity for eligible Employees, which is administered through a Gratuity Policy with Life Insurance Corporation of India (L.I.C). Gratuity Liability based on actuarial valuation as per Ind AS 19. Liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit



expense in the statement of profit and loss. Actuarial gain / loss arising from experience adjustments and changes in actuarial assumptions are credited / debited to "other comprehensive Income" forming part of other equity.

1.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets that measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost:

- **Business Model Test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

***Impairment of financial assets***

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities:

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

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Free hold Land	Lease hold Land	Building	Plant and Equipment	Office Furniture and Equipment	Vehicle	Total
Gross Block (Deemed Cost)							
Balance as at 1st April 2018	258.74	634.07	3,757.03	31,050.46	133.41	381.08	36,214.79
Additions	-	-	252.57	1,576.52	54.53	105.94	1,989.56
Disposals	0.02	-	-	25.87	-	49.44	75.33
Balance as at 31st March 2019	258.72	634.07	4,009.60	32,601.11	187.94	437.57	38,129.01
Accumulated Depreciation							
Balance as at 1st April 2018	-	15.96	409.28	5,813.74	50.76	164.36	6,454.10
Additions	-	7.98	323.53	3,989.37	26.49	81.62	4,428.99
Disposals	-	-	-	6.20	-	39.44	45.64
Balance as at 31st March 2019	-	23.94	732.81	9,796.91	77.25	206.54	10,837.45
Net Block							
Balance as at 31st March 2018	258.74	618.11	3,347.75	25,236.72	82.65	216.72	29,760.69
Balance as at 31st March 2019	258.72	610.13	3,276.79	22,804.20	110.69	231.03	27,291.57

(₹ in Lakhs)

3. CAPITAL WORK IN PROGRESS	As at 31st March, 2019	As at 31st March, 2018
Capital Work in Progress consist of the following:		
Construction work in progress	456.54	71.52
Balance as at 31st March 2018	456.54	71.52

(₹ in Lakhs)

4.INTANGIBLE ASSETS	As at 31st March, 2019
Gross Block	
Balance as at 1st April 2018	19.41
Additions	2.58
Disposals	-
Balance as at 31st March 2019	21.98
Accumulated Depreciation	
Balance as at 1st April 2018	2.51
Additions	4.69
Disposals	-
Balance as at 31st March 2019	7.20
Net Block	
Balance as at 31st March 2018	16.90
Balance as at 31st March 2019	14.79



(₹ in Lakhs)

5. INVESTMENTS

NON- CURRENT INVESTMENTS	As at 31st March, 2019	As at 31st March, 2018
(a) Investment at fair Value through OCI Equity Shares Unquoted (Fully paid up)		
(i) 10,500 equity shares of Rs. 10 each -BEIL Infrastructure Ltd.(Formerly Bharuch Enviro Infrastructure Ltd.)	1.05	1.05
(ii) 4,09,025 equity shares of Rs. 10 each - Narmada clean tech ltd. (formerly named as Bharuch Eco-Aqua Infrastructure Ltd.)	40.90	40.90
(iii) 4,778 equity shares of Rs. 100 each - Gulshan Mercantile Urban Co-operative Bank Ltd.	4.78	4.78
Total -A	46.73	46.73
CURRENT INVESTMENTS		
(a) Investment at Fair Value through P&L (Quoted Mutual Fund)		
(i) Nil units (Previous Year 17,72,768.095 units)- HDFC Corporate Debt Opportunity Fund - Growth	-	264.74
(ii) Nil units (Previous Year 2,00,000 units) - ICICI Prudential Mutual Fund - FMP	-	266.94
Total-B	-	531.68
Total (A+B)	46.73	578.41

6. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered good)		
(i) Security Deposits (Others)	337.26	309.70
	337.26	309.70

7. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Depreciation and amortisation	(1,329.92)	(1,408.22)
Mat Receivables	1,494.12	1,538.94
TOTAL	164.20	130.72

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	27.01	231.26
Prepaid Rent	35.43	304.88
Other loan & Advances	20.20	-
Balances with government authorities	5.47	10.25
Balance with Gratuity fund	30.54	-
Total	118.64	546.39

**9. INVENTORIES**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Raw Materials (includes goods in transit)	1,878.91	3,690.94
(ii) Work in Progress	715.02	624.56
(iii) Finished Goods	1,812.45	1,725.29
(iv) Stock in Traded Goods	46.98	71.46
(v) Stores and Spares & Packing	419.88	587.12
(vi) Coal and Fuel & Chemicals	459.75	740.07
	5,332.99	7,439.44

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Un-secured and Considered Good	9,804.05	11,359.82
Considered Doubtful -(a)	199.88	238.02
	10,003.93	11,597.85

Note: (a) A provision of Rs.22.24 Lacs (March 31, 2018 - Rs.26.45 lakhs) on doubtful trade receivable has been made during the year.

11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Cash in hand	17.01	13.72
b) Balance with Banks In Current accounts	1,702.61	113.10
c) Other Bank Balances Term Deposits with original maturity of less than three months	796.05	162.89
	2,515.67	289.71

12. BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
On unpaid dividend account	59.95	49.48
	59.95	49.48

13. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured and Considered Good		
Advance to employees	45.49	31.76
Balance with govt authorities	257.90	197.66
Other Advances (includes prepaid expenses, advances for material etc)	1,576.63	259.20
TOTAL	1,880.03	488.62

14. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised Equity Share Capital:		
22,50,00,000 Equity shares of Rs. 1 each	2,250.00	2,250.00
Total	2,250.00	2,250.00
Issued, Subscribed and Paid up:		
4,69,17,020 Equity shares of Rs. 1 each (Previous year 4,69,17,020 Equity shares of Rs. 1 each)	469.17	469.17
Total	469.17	469.17

**(a) Reconciliation of Number of shares outstanding at the beginning and at the end of the reporting period****(₹ in Lakhs)**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount (1 Rs Each)	No. of shares	Amount (1 Rs Each)
Equity shares				
Shares outstanding at the beginning of the year	46,917,020	469.17	46,917,020	469.17
Add: Issued during the year	-	-	-	-
Closing balance	46,917,020	469.17	46,917,020	469.17

Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Company pays and declares and pays dividend in Indian Rupees.

(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
(i) Gulshan Holdings Pvt. Ltd.	18,881,035	40.24%	18,881,035	40.24%
(ii) Dr.C. K. Jain	4,846,990	10.33%	4,846,990	10.33%
(iii) Antara India Evergreen Fund Ltd	4,634,600	9.88%	4,675,000	9.96%

15. OTHER EQUITY**(₹ in Lakhs)**

RESERVES AND SURPLUS					
Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earning	Total
Balance as at 31st March, 2018	132.35	3,701.57	4,686.24	18,322.10	26,842.26
Profit for the year	-	-	-	2,142.52	2,142.52
Amount Transfer to General Reserve	-	-	300.00	(300.00)	-
Dividend on equity shares for the year	-	-	-	(328.42)	(328.42)
Dividend Distribution Tax	-	-	-	(67.23)	(67.23)
Other comprehensive income for the year, net of income tax	-	-	-	(3.02)	(3.02)
Balance as at 31st March, 2019	132.35	3,701.57	4,986.24	19,765.95	28,586.11

16. FINANCIAL LIABILITIES –NON CURRENT BORROWINGS**(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured loans		
(i) Term Loans from banks measured at Amortised Cost	2,949.75	5,834.90
(ii) Long term maturities of Finance Lease obligations/ hire purchase finance	107.02	161.44
	3,056.77	5,996.34



Unsecured		
(i) 10,25,000, 8% Redeemable Preference shares of Rs. 100 each (The redemption period varying from 3 Year to maximum 15 Year from the date of issue)	1,025.00	1,025.00
	1,025.00	1,025.00
TOTAL	4,081.77	7,021.34
(a) Nature of security for secured borrowings are given below:		
(i) Term Loans from Banks	5,901.41	9,496.37
The Immovable and Movable Assets of the Unit Located at Boregoan Industrial Area, Distt.Chhindawara (M.P.) and Abu Road, Sirohi, Rajasthan are charged to Citi Bank by way of First charge for Foreign Currency Term Loan of USD 11.60 million.		
The Immovable and Movable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and Mauja Rampur Majri Tehsil Paonta Sahib, District Sirmor, Himachal Pradesh and movable assets of Unit located at Muzaffarnagar (UP) are charged to Citi Bank by way of First charge for Foreign Currency Term Loan of USD 4 million.		
The Immovable and Movable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and movable assets of Units located at Muzaffarnagar (UP) are charged to The Hongkong & Shanghai Banking Corporation Ltd. by way of First charge on pari-passu with Citi Bank for Term Loan of Rs 40 crores.		
The Term Loans from banks are further secured by 2nd charge on current assets of the company.		
(ii) Long term maturities of Finance Lease obligations	107.02	161.44
Above loans are secured against vehicles purchased through them under hire purchase agreements.		
(b) The aggregate amount of loans under each head guaranteed by Directors or others are given below:		
(i) Term Loans from Banks	5,901.41	9,496.37
Above term loans are secured by personal guarantee of the Promoter Director.		

17. SHORT TERM BORROWINGS**(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Secured loans		
Working Capital Loan	7,459.27	7,508.97
TOTAL	7,459.27	7,508.97

(a) The Working Capital Loan are 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 Company.

(b) The Loan is further secured by way of a Second Charge on Fixed Assets of the Company and personal guarantee of Promoter Director of the Company.

**18. TRADE PAYABLES****(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables consist of the following:		
Other Creditors	2,096.45	3,321.86
TOTAL	2,096.45	3,321.86

Note: The company identifies suppliers belonging to Micro and Small category under MSMED Act, 2006 on the basis of declaration to the effect made by such parties in their invoices/challans as mandated for them under statute. Considering absence of such declaration from any vendors, due towards such parties have been deemed as Nil (Previous Year Nil).

19. OTHER FINANCIAL LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Interest accrued but not due on borrowings	30.00	24.60
(b) Current maturities of long term debt	2,951.66	3,661.47
(c) Unclaimed dividends	59.95	49.48
(d) Capital liabilities	92.72	342.16
(e) Expenses payable	602.69	735.30
(f) Interest Accrued on Preference Shares	98.86	98.69
TOTAL	3,835.87	4,911.70

20. OTHER CURRENT LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Advance from Customers	412.02	115.93
(b) Other liabilities	525.55	619.65
TOTAL	937.57	735.58

21. PROVISIONS**(₹ in Lakhs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee Benefits	164.23	186.17
TOTAL	164.23	186.17

22. REVENUE FROM OPERATIONS**(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue		
(a) Sale of Product (including excise duty)	65,447.61	60,528.36
(b) Freight and Handling Charges recovered	433.24	858.78
(I)	65,880.85	61,387.14
Other Operating Revenues		
(i) Export and Other Incentives	363.83	279.47
(ii) Miscellaneous Receipts & claims	144.02	135.22
(iii) Sales Scrap & Waste Material	63.70	-
(iv) Foreign Exchange Fluctuations	191.92	-
(v) Lease Rent, Operation & Maintenance Charges	744.29	601.97
(II)	1,507.75	1,016.67
REVENUE FROM OPERATIONS (I+II)	67,388.61	62,403.80

**23. OTHER INCOME**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Interest Income		
(i) On Bank Deposits & Others	70.51	27.27
(b) Dividend Income		
(i) On Investments	0.57	1.57
(c) Gain / (Loss) on sale of investments (Net)		
(i) On Investments	49.59	49.67
(d) Net gain on financial assets designated at fair value through Profit and Loss account	-	35.64
(e) Profit/ (Loss) on property, plant and equipment sold / discarded (Net)	22.94	50.97
(f) Other Non-Operating income	52.68	18.37
TOTAL	196.30	183.49

24. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Raw Material	34,822.21	31,539.45
TOTAL	34,822.21	31,539.45

25. PURCHASE OF GOODS TRADED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchase of Stock in Trade	1,320.16	415.81
TOTAL	1,320.16	415.81

26. CHANGE IN INVENTORIES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Opening inventories		
(i) Traded Goods	71.46	-
(ii) Work in progress	624.56	691.20
(iii) Finished Goods	1,725.29	1,926.55
	2,421.31	2,617.75
(b) Less: Closing Inventories		
(i) Traded Goods	46.64	71.46
(ii) Work in progress	640.19	624.56
(iii) Finished Goods	1,812.45	1,725.29
	2,499.27	2,421.31
TOTAL	(77.97)	196.44

27. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Salaries and Wages	2,005.93	1,992.20
(b) Contribution to Provident and Other Funds	83.00	83.10
(c) Employee Welfare	143.84	167.24
TOTAL	2,232.78	2,242.54

**28. FINANCE COST****(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Interest & Charges on Bank borrowing for working Capital	610.03	906.38
(b) Interest on Term and Other Loans	670.49	118.20
(c) Gain on foreign currency transactions and translation	46.50	(42.55)
(d) Interest Expenses recognised on Redeemable Preference Shares	98.86	98.69
TOTAL	1,425.88	1,080.72

29. DEPRECIATION AND AMORTIZATION EXPENSES**(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Depreciation on Property, Plant and Equipment	4,428.99	3,645.97
(b) Amortisation on Intangible Assets	4.69	2.51
TOTAL	4,433.67	3,648.48

30. OTHER EXPENSES**(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Manufacturing Expenses		
(i) Process Chemicals & Consumables	3,272.78	3,264.83
(ii) Stores, Spare Parts & Packing	2,581.12	2,669.14
(iii) Power and Fuel	8,826.73	8,299.44
(iv) Excise Duty#	-	823.28
(v) Repair & Maintenance:		
-Building	15.87	11.22
-Plant & Machinery	1,022.73	786.66
TOTAL (A)	15,719.24	15,854.56
<i># 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.</i>		
(b) Administrative Expenses		
(i) Rates and Taxes	111.20	140.99
(ii) Rent	106.32	117.57
(iii) Printing and Stationary	25.61	26.79
(iv) Advertisment and Publicity	5.94	5.27
(v) Subscription and Membership fees	19.67	7.03
(vi) Travelling Expenses	163.29	203.85
(vii) Legal and Professional Expenses**	179.90	156.81
(viii) Communication Charges	60.40	67.65
(ix) Repair and Maintenance	71.40	46.64
(x) Insurance	71.10	34.82
(xi) Donation	2.20	2.92
(xii) Corporate Social Responsibility expenses***	34.66	14.41
(xiii) Miscellaneous Expenses	14.42	8.07
(xiv) Allowance for Doubtful trade receivables	22.24	26.45
TOTAL (B)	888.36	859.25



(c) Selling and Distribution Expenses		
(i) Commission & Discount	244.38	306.55
(ii) Freight and Forwarding Expenses	3,795.98	4,035.00
(iii) Others	78.48	54.38
TOTAL (C)	4,118.83	4,395.93
TOTAL (A+B+C)	20,726.43	21,109.74
(**) Details of Auditors Remuneration are as follows:		
(i) Audit Fees	5.75	5.75
(ii) Taxation matters	1.25	1.25
(iii) fee for certification	1.25	1.25
(iv) Reimbursement of expenses	1.27	0.69
	9.52	8.94

(*) Details of Corporate Social Responsibility expenditure in accordance with section 135 of the Companies Act, 2013:**

Particulars	2018-19	2017-18
Gross amount required to be spent by the Company during the year	61.12	66.98
Amount Spent during the year	34.66	14.41

31. Disclosure in respect of employee benefits under Indian Accounting Standard (Ind AS) – 19 “Employee Benefits” are given below:

i) Defined Contribution Plan

Employers’ contribution towards provident fund amounting to Rs. 39.43 Lakhs (Previous year Rs. 40.13 Lakhs) is recognized as an expense and included in Employee Benefit expenses Note No 27.

ii) Defined Benefit Plan

Gratuity

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The company makes contributions to LIC, through a trust which is funded defined benefit plan for qualifying employees.

Contributions to gratuity plans for the year 2019-20 are Rs. 6.26 Lakhs.

Reconciliation of present value of defined benefit obligation

(₹ in Lakhs)

A

Particulars	Gratuity (Funded)	
	31 st March, 2019	31 st March, 2018
Change in the Present value of obligation		
Balance at the beginning of the year	246.34	236.16
Benefits paid	(25.91)	-
Current service cost	31.09	31.06
Interest cost	19.69	17.69
Past Service cost	-	-
Actuarial (gains) losses recognised in profit and loss:		
-Changes in demographic assumptions	-	-
Actuarial (gains) losses recognised in OCI:		
-Changes in demographic assumptions	0.96	-
-Changes in financial assumptions	7.75	(12.66)
-Experience adjustments	(11.50)	(25.91)
Balance at the end of the year	268.42	246.34



B (₹ in Lakhs)

Particulars	Gratuity (Funded)	
	31 st March, 2019	31 st March, 2018
Change in the fair value of plan asset		
Balance at the beginning of the year	273.72	241.89
Contributions paid into the plan	10.00	12.50
Benefits paid	-	-
Expected Return on Plan Asset	21.89	18.13
Actuarial Gain/(Loss) on Planned Assets	(6.66)	1.20
Balance at the end of the year	298.95	273.72
Net Defined Benefit Asset/(Liability)	30.53	27.38

C (₹ in Lakhs)

Particulars	Gratuity (Funded)	
	31 st March, 2019	31 st March, 2018
Expense recognized in profit or loss		
Current service cost	31.09	31.05
Interest cost	(2.19)	(0.42)
Actuarial (Gain)/Loss	-	-
TOTAL	28.90	30.63

D (₹ in Lakhs)

Particulars	Gratuity (Funded)	
	31 st March, 2019	31 st March, 2018
Expense recognized in OCI		
Actuarial (gains) / losses		
- change in demographic assumptions	0.96	-
- change in financial assumptions	7.75	(12.66)
- experience variance (i.e. Actual experience vs assumptions)	(11.50)	(25.92)
- return on plan assets, excluding amount recognised in net interest expense	6.66	(1.21)
TOTAL	3.87	(39.79)

E Plan Assets

Plan Assets comprise of the following:

(₹ in Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company*	100%	100%
Others	0%	0%
TOTAL	100%	100%

* The company's assets are managed by the Life Insurance Corporation of India, the total assets held as on 31st March, 2019 is Rs. 298.95 Lakhs.

F (₹ in Lakhs)

Actuarial Assumptions	Gratuity (Funded)	
	31 st March, 2019	31 st March, 2018
Economic assumptions:		
Discount Rate (Per annum)	7.70%	8.00%
Future Salary increase	6.50%	6.50%
Demographic assumptions:		
Retirement Age (Years)	58	58
Mortality rates inclusive of provision for disability**	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate (%)	1.00%	0.50%

** The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31st March, 2019: 10 years).

**G Sensitivity Analysis**

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	31 st March, 2019	31 st March, 2018
Present Value of Obligation at the end of the period	268.42	246.34
a) Discount rate-100 basis points	295.95	272.62
b) Discount rate+100 basis points	244.71	223.81
c) Salary Growth Rate -100 basis points	244.25	223.32
d) Salary Growth Rate+100 basis points	296.01	272.75
e) Attrition Growth Rate-50% of attrition rates	267.46	245.70
f) Attrition Growth Rate+50% of attrition rates	269.31	246.95
g) Mortality Growth Rate-10% of mortality rates	268.33	246.22
h) Mortality Growth Rate+10% of mortality rates	268.51	246.44

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

H Risk Exposure

Investment Risk-The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

Interest Risk-LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually- the fall in interest rate is not therefore offset by increased in value of bonds, hence may pose a risk.

Longevity Risk-Since the gratuity payment happens at the retirement age of 58, longevity impact is very low at this age, hence this is a non-risk.

Salary Risk-The liability is calculated taking into account the salary increase, basis our past experience of salary increases with the assumptions used, they are in line, hence this risk is low.

I Maturity Profile of defined benefit obligation

(₹ in Lakhs)

Actuarial Assumptions	Gratuity (Funded)	
	31 st March, 2019	31 st March, 2018
Year 1	10.73	17.49
Years 2-5	96.75	75.45
Years 6-10	132.44	112.66
Beyond 10	431.06	463.73

32 INCOME TAX**A. Amounts recognised in profit or loss**

(₹ in Lakhs)

Particulars	31 st March, 2019		31 st March, 2018	
Current tax expense				
Current year	592.68		508.33	
Less: MAT Credit Available	44.82	637.51	508.33	-
Deferred Tax Expense				
Property, plant and equipment		637.51		-
		(78.30)		529.91
Total Tax Expense		559.21		529.91

As per Indian tax laws, companies are liable for a Minimum Alternate Tax ("MAT" tax) when current tax, as computed under the provisions of the Income Tax Act, 1961 ("Tax Act"), is determined to be below the MAT tax computed under section 115JB of the Tax Act. The excess of MAT tax over current tax is eligible to be carried forward and set-off in the future against the current tax liabilities over a period of 15 years



B Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2018	Recognized in P&L	Recognized in OCI	As at 31 st March, 2019
Deferred Tax Assets				
MAT Receivable	1,538.94	(44.82)		1,494.12
Total Deferred Tax Assets	1,538.94	(44.82)	-	1,494.12

Particulars	As at 31 st March, 2018	Recognized in P&L	Recognized in OCI	As at 31 st March, 2019
Deferred Tax Liabilities				
Property, plant and equipment	1,408.22	78.30	-	1,329.92
Total Deferred Tax Liabilities	1,408.22	78.30	-	1,329.92
Net Deferred Tax Assets (Liability)	130.72	33.48	-	164.20

33 Financial instruments and risk management

I. Financial instruments by category

(₹ in Lakhs)

	As at 31.03.2019				As at 31.03.2018			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets								
Investments								
- in equity instruments	-	46.73	-	46.73	-	46.73	-	46.73
- in debt mutual funds	-	-	-	-	531.68	-	-	531.68
Trade Receivable	-	-	10,003.93	10,003.93	-	-	11,597.85	11,597.85
Security deposits	-	-	337.26	337.26	-	-	309.70	309.70
Cash and cash equivalents	-	-	2,515.67	2,515.67	-	-	289.71	289.71
Bank balances other than above	-	-	59.95	59.95	-	-	49.48	49.48
Total financial assets	-	46.73	12,916.81	12,963.54	531.68	46.73	12,246.74	12,825.15
Financial liabilities								
Term loans from bank	-	-	2,949.75	2,949.75	-	-	5,834.90	5,834.90
Obligations under finance leases and hire purchase contracts	-	-	107.02	107.02	-	-	161.44	161.44
Redeemable preference shares	-	-	1,025.00	1,025.00	-	-	1,025.00	1,025.00
Working capital loans	-	-	7,459.27	7,459.27	-	-	7,508.97	7,508.97
Trade payables	-	-	2,096.45	2,096.45	-	-	3,321.86	3,321.86
Interest accrued but not due on borrowings	-	-	30.00	30.00	-	-	24.60	24.60
Current maturities of long-term debt	-	-	2,951.66	2,951.66	-	-	3,661.47	3,661.47
Unclaimed dividends	-	-	59.95	59.95	-	-	49.48	49.48
Capital liabilities	-	-	92.72	92.72	-	-	342.16	342.16
Expenses payable	-	-	602.69	602.69	-	-	735.30	735.30
Interest accrued on preference shares	-	-	98.86	98.86	-	-	98.69	98.69
Total financial liabilities	-	-	17,473.37	17,473.37	-	-	22,763.87	22,763.87

**II. Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below: (₹ in Lakhs)

As at 31 March 2019	Note No	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instruments at FVTPL					
Investments in debt mutual funds		-	-	-	-
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	46.73	46.73
Total financial assets		-	-	46.73	46.73

As at 31 March 2018	Note No	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	5	531.68	-	-	531.68
Financial instruments at FVTOCI					
Unquoted equity instruments	5	-	-	46.73	46.73
Total financial assets		531.68	-	46.73	578.41

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of debt based open ended mutual funds.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The company does not have any investments which are categorized as Level 2.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. This is the case for investment in unlisted equity securities.

Note:

- There are no transfers between level 1 and level 2 during the year.
- The fair value of financial assets and liabilities approximate their carrying amount measured under Level III hierarchy.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Unquoted equity investments: Fair value is derived on the basis of income approach; in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurement

(₹ in Lakhs)

	Unlisted equity instruments
As at 01 April 2017	46.73
Acquisition	-
Gains/(losses) recognised	-
- in other comprehensive income	-
As at 31 March 2018	46.73
Acquisition	-
Gains/(losses) recognised	-
- in other comprehensive income	-
As at 31 March 2019	46.73

III. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly



to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements: -

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost	Aging analysis	Diversification of bank deposits and credit limits
Liquidity risk	Business commitment and other liabilities	Credit rating	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee	Rolling cash flow forecasts Cash flow forecasting	Forward foreign exchange contracts
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

i. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables. The Company computes an allowance for impairment of trade receivables for unrelated parties based on a simplified approach, that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted with scalar factors to reflect differences between current and historical economic conditions and the management's view of economic conditions over the expected lives of the receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables and other loans and advances. None of the financial instruments of the Company results in material concentration of credit risks.

Reconciliation of loss allowance provision – Trade and other receivables

(₹ in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Opening balance	26.45	-
Provision made during the year	22.24	26.45
Trade receivables written off during the year	-	-
Provision reversed during the year / collection	-	-
Closing balance	48.69	26.45

Other than financial assets mentioned above, none of the financial assets were impaired and there were no indications that defaults in payment obligations would occur.

Concentration of significant credit risk

There is no concentration of customer risk so far transactions with non-related parties are concerned.

ii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements. The company mitigates liquidity risk by way of formulation of cash budget and comparison of actual cash flows with budget on a continuous basis.

The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Company has access to the unutilized credit limits from banks of Rs. 3,540.73 lacs (Rs. 3,491.03 lacs as at 31.03.2018) to honor any liquidity requirements arising for business needs.



(₹ in Lakhs)

	Contractual cash flows			
	31 st March, 2019	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	4,081.77	-	4,081.77	-
Borrowings (Short Term)	7,459.27	7,459.27	-	-
Trade Payables	2,096.45	2,096.45	-	-
Other current financial liabilities	3,835.87	3,835.87	-	-
Total non-derivative liabilities	17,473.36	13,391.59	4,081.77	-

	Contractual cash flows			
	31 st March, 2018	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	7,021.34	-	7,021.34	-
Borrowings (Short Term)	7,508.97	7,508.97	-	-
Trade Payables	3,321.86	3,321.86	-	-
Other current financial liabilities	4,911.70	4,911.70	-	-
Total non-derivative liabilities	22,763.87	15,742.53	7,021.34	-

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the approved foreign currency risk management policy. The Company enters into forward foreign exchange contracts to mitigate the foreign currency risk. The carrying amounts of the company's foreign exchange monetary items as at the end of reporting period are as follows:

(₹ in Lakhs)

	As at 31 st March, 2019	Conversion Rates	As at 31 st March, 2018	Conversion Rates
Transaction currency	USD		USD	
--> Financial assets				
Trade receivables	16.80	69.17	18.82	65.17
Financial liabilities				
Borrowings	43.50	65.50	84.33	65.17
Net statement of financial position Exposure	(26.70)		(65.51)	

Note: The above-mentioned secured borrowings are hedged to protect against foreign currency fluctuation risk through forward exchange forward contract. All other foreign currency assets and liabilities are not hedged as at the year end.

Sensitivity analysis

The Company's currency exposures in respect of foreign currency monetary items at each period end presented that result in net currency gains and losses in the income statement and equity arise principally from movement in Rupees exchange rates. At each period end, if Rupees had weakened by 10% against the USD, with all other variables held constant, the changes in profit or loss will be as summarized in the following table. 10% is the sensitivity rate used when reporting to foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis has been carried out without considering the hedged items. A positive number below indicates an increase in profit or equity and vice-versa.



(₹ in Lakhs)

	Profit or loss	
	Strong	Weak
31st March 2019		
USD (10% movement)	(2.97)	2.43
31st March 2018		
USD (10% movement)	(1.88)	1.88

b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Any rise in market rate of interest effective effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analysed for mitigational measure.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management is as follows.

(₹ in Lakhs)

Particulars	Nominal Amount	
	31 st March, 2019	31 st March, 2018
Financial Assets/Liabilities		
Variable-rate instruments		
Long term borrowings	3,056.77	5,996.34
Short Term Borrowings	7,459.27	7,508.97
Fixed-rate instruments		
Long term borrowings	1,025.00	1,025.00

(Profit) or loss

Particulars	50 bp increase	50 bp decrease
31st March 2019		
Variable-rate instruments	22.63	(22.63)
31st March 2018		
Variable-rate instruments	35.11	(35.11)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

c. Security price risk**Exposure in equity**

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended 31st March 2019 would increase / decrease by Rs. 2.33 lacs (for the year ended 31st March 2018: increase / decrease by Rs. 2.33 lacs) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher / lower:



Profit for year ended 31 March 2019 would increase / decrease by nil (for the year ended 31 March 2018 by Rs. 5.32 lacs) as a result of the changes in fair value of mutual fund investments.

d. Fiscal Risk

The company does not foresee any material fiscal risk pertaining to its overseas transactions with related parties in respect of which its application for advance pricing agreement is pending before fiscal authorities for years even though authorities make any upward revision of prices. Though overseas transactions with related parties for many years are conducted as per application made for advance pricing agreement, impact of any upward revision of prices of any of the items of out-put is unlikely to give rise to any additional financial liability considering huge carry forward loss and unabsorbed depreciation as per company's income tax return.

iv. Capital Management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

(₹ in Lakhs)

	31st March, 2019	31st March, 2018
Interest-bearing loans and borrowings (Note No 16 & 17)	11,541.04	14,530.31
Trade and other payables (Note 18, 19 & 20)	6,869.89	8,969.14
Less: cash and short-term deposits (Note 11 & 12)	2,575.61	339.19
Net debt	15,835.32	23,160.26
Reserve & Surplus (Note 15)	28,586.11	26,842.25
Equity (Note 14)	469.17	469.17
Total Capital	29,055.28	27,311.42
Capital and net debt	44,890.60	50,471.68
Gearing ratio	35.28%	45.89%

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 2018.

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

A. Raw Materials Consumed:

(₹ in Lakhs)

Products	2018-19	2017-18
Rice	4,975.16	3,878.06
Corn/Starch	26,627.01	24,279.82
Lime & Lime Stone	3,220.04	3,381.57
TOTAL	34,822.21	31,539.45


B. Traded Goods

(₹ in Lakhs)

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Calcium Carbonate	1320.16	415.81	1992.77	479.22	71.46	-	46.64	71.46
TOTAL	1320.16	415.81	1992.77	479.22	71.46	-	46.64	71.46

C. Manufactured Goods

(₹ in Lakhs)

Products	Sales		Opening Stock		Closing Stock	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1. Sorbitol & Sweetner	23,332.04	24,235.88	430.09	926.94	362.47	430.09
2. Fructose	4,822.00	4,940.58	286.66	318.01	240.05	286.66
3. Starch	13,666.54	11,054.54	-	-	277.57	-
4. Calcium Carbonate	9,266.11	11,353.71	219.12	339.34	449.71	219.12
5. By Products	10,247.12	9,162.43	234.05	329.77	136.96	234.05
6. Liquor-IMFL	2,554.28	160.78	555.37	12.49	345.69	555.37
TOTAL	63,888.09	60,907.92	1,725.29	1,926.55	1812.45	1,725.29

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Raw Materials, Stores and Components	193.51	540.86
Capital Goods	54.84	173.13

B. Expenditure in foreign currency during the year:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Interest	159.07	195.79
Commission	53.68	91.52
Travelling	26.27	27.77
Technical Service Expenses	20.78	19.73
Legal & Professional Fee	2.55	10.64

C. Earnings in Foreign Exchange:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Export of Goods on F.O.B. basis	8,577.06	7,385.31

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

Particulars	Value (₹ in Lakhs)			
	2018-19	2017-18	2018-19	2017-18
Raw Materials:				
Imported	140.47	25.82	0.40%	0.08%
Indigenous	34,681.74	31,513.63	99.60%	99.92%
	34,822.21	31,539.45	100.00%	100.00%
Coal and Fuel:				
Imported	-	-	-	-
Indigenous	5,011.89	4,524.19	100.00%	100.00%
	5,011.89	4,524.19	100.00%	100.00%
Stores and Spares:				
Imported	53.04	32.48	17.43%	9.53%
Indigenous	251.32	308.26	82.57%	90.47%
	304.36	340.74	100.00%	100.00%

**36. Contingent Liabilities in respect of:**

- i) Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for ₹ 7.39 Lakhs (Previous year ₹ 7.39 Lakhs) 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 ₹ 614.34 Lakhs (Previous Year ₹ 30.47 Lakhs) in favour of Government Departments and advance payment guarantee for supply of band new machinery.
- iii) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹114.10 Lakhs (Previous year ₹ 365.70 Lakhs).

37. Disclosure of Related Party transactions as per Ind AS 24:

- (a) Name of related party and nature of related party relationship where control exist
 - (i) Holding Company : Nil
 - (ii) Subsidiary Company : Nil
- (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, CEO & Whole Time Director,
Mr. Rajiv Gupta, CFO,
Mr. Vijay kumar Garg, CS
 - (iii) Relative of KMP : Mrs. Mridula Jain
 - (iv) Corporate entities over which key management personnel are able to exercise significant influence: Gulshan Lamee Pack Pvt. Ltd, Gulshan Holdings Pvt. Ltd, and Gulshan Specialty Minerals Private Limited, Gulshan Sugar & Chemicals Ltd., Reliance Expovision Pvt Ltd., East Delhi Importers & Exporters Pvt Ltd., ARP Developers Pvt Ltd., Oye Oye.com Online Services India LLP, Houzilla Interiors Pvt Ltd
 - (v) Transactions with related parties of the period 01.04.2018 to 31.03.2019:

(₹ in Lakhs)

Key Managerial Personnel	2018-19	2017-18
Remuneration to Key Personnel:		
- Salaries & Perks	334.25	323.80
- Commission on Profits	-	-
Rent Paid - Dr. C.K Jain	64.80	60.00
- Mrs. Mridula Jain, Relative	16.98	38.40
Gulshan Holding Private Ltd. - Interest paid	-	50.59

38. Earning Per Share

	Particulars	2018-19	2017-18
1	Net Profit After Tax	2142.52	1824.20
2	Weighted Average of number of Equity Share outstanding during the year	469.17	469.17
3	Basic Earning Per Share of ₹1/- each	4.57	3.89
4	Diluted Earning Per Share of ₹1/- each	4.57	3.89



39. Information on segment reporting pursuant to Ind AS 108 – Operating segments:

- Mineral Processing
- Grain Processing
- Distillary

Identification of Segments:

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities:

Assets used by the operating segment mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

(₹ in Lakhs)

Particulars	Mineral Processing		Grain Processing		Distillary		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Revenue								
External sales	12,048.18	12,382.91	52,149.04	49,773.08	3,191.38	247.81	67,388.61	62,403.80
Total Revenue	12,048.18	12,382.91	52,149.04	49,773.08	3,191.38	247.81	67,388.61	62,403.80
Results								
Segment results before interest and Finance cost	1,706.14	1,884.96	4,113.93	2,341.89	(1,750.48)	(823.96)	4,069.59	3,402.89
Unallocable Income	-	-	-	-	-	-	58.02	31.94
Operating Profit	1,706.14	1,884.96	4,113.93	2,341.89	(1,750.48)	(823.96)	4,127.61	3,434.83
Interest Expenses							1,425.88	1,080.72
Current Tax (Net of MAT Credit/debit)							637.50	-
Deferred Tax Charge/(Credit)							(78.30)	529.91
Net Profit							2,142.52	1,824.20

Other Information

(₹ in Lakhs)

	Mineral Processing		Grain Processing		Distillary		Others		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Segment Assets	6,862.09	6,938.31	27,367.90	31,848.13	10,494.16	11,599.46	-	-	44,724.14	50,385.89
Unallocated Assets	-	-	-	-	-	-	3,498.14	893.53	3,498.14	893.54
TOTAL ASSETS	6,862.09	6,938.31	27,367.90	31,848.12	10,494.16	11,599.46	3,498.14	893.53	48,222.28	51,279.43
Segment Liabilities	2,407.02	3,146.74	11,241.89	13,014.45	4,607.61	6,180.61	-	-	18,256.51	22,341.80
Unallocated Liabilities & Provisions	-	-	-	-	-	-	910.49	1,626.20	910.49	1,626.20
TOTAL LIABILITIES	2,407.02	3,146.74	11,241.89	13,014.45	4,607.61	6,180.61	910.49	1,626.20	19,167.00	23,968.00



40. Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 “Leases”

Ind AS 116 Leases was notified in on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today’s accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will adopt this standard w.e.f. the date of initial application i.e. April 1, 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application in accordance with para C7 to C13 of the standard. Further, the Company will elect to recognise the right-to-use asset at an amount equal to the finance lease liability calculated in accordance with para C8. The Company will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

During financial year ending March 2019, the Company has performed a detailed impact assessment of Ind AS 116 and there is no impact on financial statements of the Company.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Group does not expect any impact from this amendment.

As per our report of even date**For RAJEEV SINGAL & CO.**

Chartered Accountants

(Registration No.008692C)**(RAJEEV KUMAR SINGHAL)**

Partner

Membership no: 077834

Date: 29.05.2019

Place : Delhi

For and on behalf of the Board of Directors**DR. C. K. JAIN**

Chairman & Managing Director

DIN: 00062221

VIJAY KUMAR GARG

Company Secretary

ASHWANI KUMAR VATS

Whole Time Director and CEO

DIN : 00062413

RAJIV GUPTA

Chief Financial Officer

**GULSHAN POLYOLS LIMITED**

CIN: L24231UP2000PLC034918

Regd. Off.: 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (UP)**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: _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual general meeting of the company, to be held on the Saturday, the 21st September, 2019 at 12.30 P:M. at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh 251002 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution number	Resolution
	Ordinary Business
1	To receive, consider and adopt the Audited Balance Sheet as at 31 st March 2019 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2	To declare a dividend on Preference Shares for the financial year ended 31 st March, 2019.
3	To confirm the payment of Interim dividend during the financial year 2018-19 and to declare a Final dividend on Equity Shares for the financial year ended 31 st March, 2019.
4	To appoint a director in place of Ms. Arushi Jain (holding DIN no. 00764520), who retires by retire by rotation, and being eligible, offers herself for re-appointment
5	To ratify the appointment of Rajeev Singal & Co. (Firm Registration no. - 008692C), Statutory Auditors of the Company.
	Special Business
6	Revision in terms of remuneration of Mr. Ashwani Kumar Vats, Whole Time Director & CEO of the Company
7	Re-appointment and Revision in terms of remuneration of Mr. Suresh Kumar Tewari, Whole Time Director of the Company
8	Re-appointment of Mr. Ajay Jain as an Independent Director of the Company
9	Re-appointment of Mr. Akhilesh Kumar Maheshwari as an Independent Director of the Company
10	Re-appointment of Mr. Rakesh Kumar Gupta as an Independent Director of the Company
11	Re-appointment of Mr. Jeewan Jyoti Bhagat as an Independent Director of the Company
12	Authorization for Related Party Transactions of the Company
13	Approval for waiver of Recovery of Excess Managerial Remuneration paid to Dr. Chandra Kumar Jain Chairman cum Managing Director of the Company for the period 01st April, 2018 to 31st March 2019
14	Approval of Remuneration of Cost Auditor of the Company

Signed this..... ..day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affixed Revenue Stamp

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.



GULSHAN POLYOLS LIMITED

CIN: L24231UP2000PLC034918

Regd. Off.: 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (UP)

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 19th Annual General Meeting of the Company at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh- 251002 at 12.30 P:M. on Saturday, 21st September, 2019.

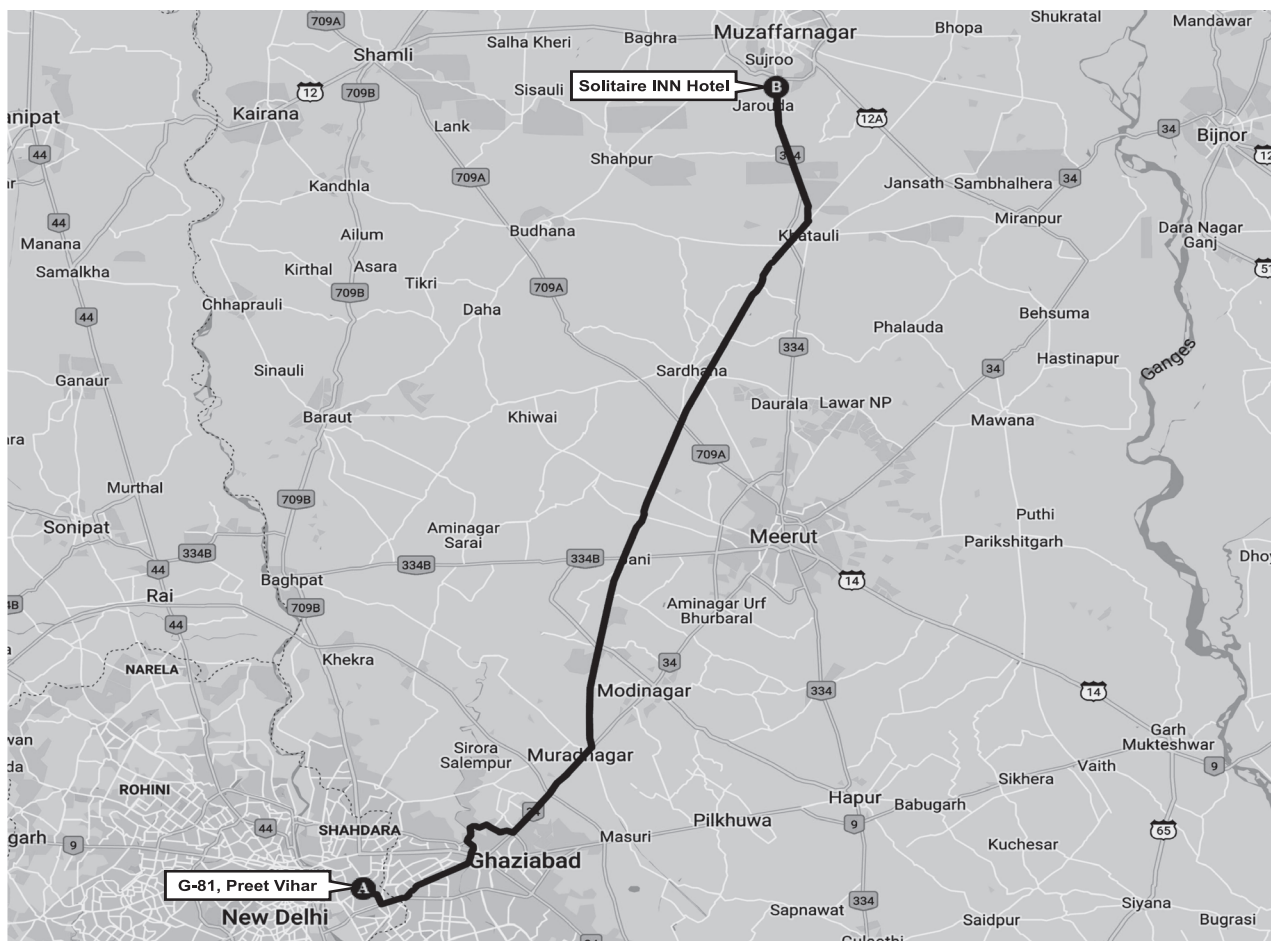
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Member's / Proxy's Name in Block Letters

Signature of Member/ Proxy

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



Venue of AGM

Solitaire INN Hotel

6 Mile Stone, Meerut Road, National Highway 58,

Muzaffarnagar,

Uttar Pradesh 251002

Gulshan Star Night – Partners Meet 2018

Gulshan Polyols Ltd. organized a Partners Meet on 25th of May, 2018 at Taj Palace Hotel, New Delhi to celebrate its association with its partners. The company invited its major Customers, Vendors, Bankers, Investors and Share Holders for a gala evening with Lucky Draw, Entertainment program and Dinner. It gave away exciting prizes like LED TV, Samsung Tablets and the Bumper Prize being a Maruti Baleno Car!



YOUR CSR COMMITMENTS

Your Company has organized Seven Free Eye Checkup and Cataract Surgery Camp for Nearby Villagers of Muzaffarnagar in collaboration with Veenu Eye Hospital, Delhi and Nirmal Eye Institute, Rishikesh in the year 2018-19 and is continuing to do the same in the current year as well.

Total camps organized	7
MUZAFFARNAGAR	3
SHUKKARTAL	4

DATE	OPERATION	OPD	DATE	OPERATION	OPD
25 th Sep 2018	25	503	30 th Aug 2018	70	361
22 nd Nov 2018	30	474	23 rd Oct 2018	51	642
22 nd Jan 2019	27	287	27 th Dec 2018	35	468
			17 th Mar 2019	110	437



OTHER CSR INITIATIVES

BLOOD DONATION CAMPS

Location: New Delhi, Gujarat and U.P.

The Company organized three voluntary Blood Donation Camps, in association with Rotary Blood Bank, at Delhi Office, Muzaffarnagar U.P. and Bharuch Plant Gujarat, collecting more than 100 units of blood respectively on all locations. The employees, their family members and large number of volunteers participated with great enthusiasm.



- The Company has provided printers, stationary, furniture, RO water purifiers to various primary school around your factory locations.
- The Company has installed playground equipments at Primary School around Jhagadia, Muzaffarnagar and also in Tikona Park, Greater Kailash New Delhi.



CORPORATE OFFICE:
G-81 Preet Vihar, Delhi 110092
Phone: (011) 49999200
www.gulshanindia.com