



10th
Annual Report
2009-2010



Gulshan Polyols Limited
(AN ISO 9001:2000 Company)

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Rajesh Agarwal

COMPANY SECRETARY

Ms. Nisha Gupta

AUDITORS

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

BANKERS

Bank of Baroda
IDBI Bank Ltd.

REGISTERED OFFICE

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

CORPORATE OFFICE & INVESTOR CELL

G–81, Preet Vihar, Delhi – 110 092

PLANT LOCATION

1. Plot No. 762, Jhagadia Industrial Estate,
Bharuch – 393110 (Gujarat)
2. 9th K.M., Jansath Road,
Muzaffarnagar, Uttar Pradesh – 251001
3. Village Rampur Majri, Dhaula Kuan,
Distt. Sirimour (H.P.)-173001

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Gulshan Polyols Limited

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

6) APPOINTMENT OF MS. ARUSHI JAIN

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

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

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

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

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

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

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

7) APPOINTMENT OF MS. ADITI PASARI

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By the order of the Board of Directors

Date : 27th May, 2010

Place: Delhi

Nisha Gupta
Company Secretary

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NOTES:

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

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

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

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

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

* (Since merged entity with GPL)

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

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

Name	:	Mr. K. K. Pandey
Age	:	66 years
Qualifications	:	M.Com, LL.B., C.A.I.I.B.
Experience	:	Over 42 years experience in Banking Sector.
Other Directorships	:	None
		He is a member of Audit Committee and Chairman of Board of Directors, Remuneration Committee and Shareholders' Grievance Committee
Name	:	Mrs. Mridula Jain
Age	:	57 years
Qualifications	:	Master of Arts
Experience	:	Vast experience in managing the business affairs.
Other Directorships	:	Genus Prime Infra Limited (Formerly Gulshan Chemfill Ltd.), Gulshan Holdings Pvt. Ltd., Gulshan Speciality Minerals Pvt. Ltd.
		She is a member of Remuneration Committee and Shareholder's Grievance Committee.

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

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

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

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

ITEM NO 6

APPOINTMENT OF MS. ARUSHI JAIN

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

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

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

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

ITEM NO 7

APPOINTMENT OF MS. ADITI PASARI

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

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