



12<sup>th</sup>  
Annual Report  
2011-2012



**Gulshan Polyols Limited**  
**ISO 9001:2000 Company)**

# Gulshan Polyols Limited

## BOARD OF DIRECTORS

Dr. Chandra Kumar Jain	: Chairman Cum Managing Director
Mr. K. K. Pandey	: Non - Executive Independent Director
Mr. A. K. Maheshwari	: Non - Executive Independent Director
Mr. Ajay Jain	: Non - Executive Independent Director
Mr. A. K. Vats	: Whole Time Director
Mr. S.K. Tewari	: 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

## 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,  
Dhaura Kuan, Distt.  
Sirimour (H.P.)-173001
4. Plot No.-10, 11 & Part of 9,  
Boregaon Industrial Growth  
Centre, Tehsil - Sausar,  
Dist. Chhindwara,  
Madhya Pradesh
5. E-21& 22, RIICO Growth Centre  
Phase-II, Abu Road, Disst.  
Sirohi, (Rajasthan)

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[www.gulshanindia.com](http://www.gulshanindia.com)

## NOTICE

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of **GULSHAN POLYOLS LIMITED** will be held on Saturday, 22<sup>nd</sup> September, 2012 at 1.30 P.M. at its Registered Office at 9<sup>th</sup> 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 31<sup>st</sup> March 2012 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 Preference Shares.
3. To declare a dividend on Equity Shares.
4. To appoint a director in place of Mr. K. K. Pandey who retires by rotation and being eligible offers himself for re-appointment.
5. To re- appoint the retiring Auditors of the Company 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. RE-APPOINTMENT OF DR. C. K. JAIN AS A MANAGING DIRECTOR OF THE COMPANY

To appoint Dr. C. K. Jain as a Managing 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** pursuant to sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions of the Companies Act, 1956, the approval of the shareholders, be and is hereby accorded to the re-appointment of Dr. C. K. Jain as Managing Director of the Company for a further period of 3 years w.e.f. 1<sup>st</sup> April 2012 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 and also to consider annual increment in remuneration 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. 6,00,000/- (Rupees Six Lac only) per month with effect from 1<sup>st</sup> April, 2012 for a period of three years (subject to deduction of tax at source).

Perquisites: (i) Company's contribution towards Provident Fund, Gratuity and Encashment of accumulated Leaves as per rules of the company. The Gratuity shall not exceed an amount equal to 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 shall provide him suitable owned/ leased accommodation. 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 distances calls and use of car (if any) for private purpose shall be billed by the Company.

# Gulshan Polyols Limited

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## 7. RE-APPOINTMENT OF MR. A. K. VATS AS A WHOLE TIME DIRECTOR OF THE COMPANY

To consider, and if thought fit, 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, approval of the shareholders be and is hereby accorded to the re-appointment of Mr. A. K. Vats as Whole Time Director of the Company for a period of 3 years w.e.f 1<sup>st</sup> April, 2012 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".

1. **Salary:**

Rs. 68,000/- (Rupees Sixty Eight Thousand Only) per month w.e.f. 1<sup>st</sup> April, 2012

2. **Perquisites and Allowances:**

- a. House Rent Allowance : Rs.27,200/- (Twenty Seven Thousand Two Hundred Only)
- b. Medical Allowance : Rs. 3,400/- (Three Thousand Four Hundred Only)
- c. Ex-Gratia : Rs. 5,664/- (Five Thousand Six Hundred and Sixty Four Only)

3. **Other perquisites**

In addition to the perquisites and allowances as aforesaid, Mr. A. K. Vats shall also be entitled to the following benefits which will not be included in computation of the ceiling of remuneration specified in paras 1 and 2 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 for use on Company business and telephone at residence and Mobile phone will be provided. Personal long distance calls and use of car for private purpose (if any) shall be billed by the company.

Perquisites shall be evaluated as per the Income Tax Act.

**By the order of the Board of Directors**

sd/-

**Nisha Gupta**

Company Secretary

Date : 25<sup>th</sup> May, 2012

Place: Delhi

## 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 set out above are annexed hereto.
- 3 The register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, August 22, 2012 to Friday, August 24, 2012 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
- 4 Dividend on the Shares, if declared, will be paid at par after 22<sup>nd</sup> September, 2012 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 21<sup>st</sup> August, 2012.

- 5 The Company has designated an exclusive e-mail id called [nishagupta@gulshanindia.com](mailto: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:
  1. Name of the sole/ First joint holder and Folio Number
  2. Particulars of Bank Account viz.,
  3. Name of the Bank
  4. Name of the Branch with 9 digit MICR code
  5. Complete address of the Bank with pin code Number
  6. Bank account Number allotted by the Bank
  7. Type of Account

Latest by 22<sup>nd</sup> August, 2012, 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](mailto:rta@alankit.com)) or to Share Department & Investor Cell of the Company at G-81, Preet Vihar, Delhi - 110 092 (Phone no 011-49999200 and Fax no. 011-49999202) and email address [nishagupta@gulshanindia.com](mailto:nishagupta@gulshanindia.com).
- 8 Members who have not yet en-cashed their dividend for the financial year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 2009-10 and 2010-11 are requested to make their claims with the Company. All the monies towards unpaid/ unclaimed dividend are lying in a separate banking account of the Company. Members are hereby informed that upon expiry of seven years from the date of declaration of dividend, the amount of unpaid dividend, if any, will be transferred to the credit of the investor Education and Protection Fund established by the central government in terms of section 205C(2)(a) of the companies Act, 1956.
- Further, unpaid dividend for the Financial Year 2004-05 shall become transferable to the fund, 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 2004-05 onwards, before the respective amounts become due for transfer to the fund.
- 9 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.
- 10 Members holding physical shares in multiple folios and 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.
- 11 Members/Proxies are requested to bring copy of the Annual Report with them, as copies of the Report will

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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 : 68 years  
Qualifications : M.Com, LL.B., C.A.I.I.B.  
Experience : Over 42 years experience in Banking Sector.  
Other Directorships : None

Name : **Dr. C. K. Jain**  
Age : 64 years  
Qualifications : B.Sc., Ph. D. (Chemistry)  
Experience : Vast experience in managing business affairs.  
Other Directorships : Genus Prime Infra Limited (Formerly Gulshan Chemfill Limited), Gulshan Holdings Pvt. Ltd., Gulshan Lamee Pack Pvt. Ltd., Gulshan Speciality Minerals Pvt. Ltd. He is a Chairman of Board of Directors of the company He is also a member of Audit Committee. He also holds membership of two committees of Board of other companies.

Name : **Mr. A.K. Vats**  
Age : 50 years  
Qualifications : B.Com, Diploma in Marketing and Management  
Experience : Over 30 years experience in matters related to marketing and production.  
Other Directorships : None

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

### ITEM NO 6

The tenure of Dr. C. K. Jain, Managing Director, has completed on 31<sup>st</sup> March, 2012. The Board of Directors of your Company in the Board Meeting held on 3<sup>rd</sup> February, 2012 has reviewed his performance and unanimously decided to re-appoint him as Managing Director of the Company for a further period of 3 years w.e.f. 1<sup>st</sup> April 2012 on the terms and conditions and remuneration package as set out in the resolution above.

None of the directors except Dr. C. K. Jain being himself and Ms. Arushi Jain and Ms. Aditi Pasari being his daughters are interested or concerned in the proposed resolution.

Your directors recommend the resolution for your approval.

### ITEM NO 7

The tenure of Mr. A. K. Vats, Whole Time Director, has completed on 31<sup>st</sup> March, 2012. The Board of Directors of your Company in the Board Meeting held on 3<sup>rd</sup> February, 2012 has reviewed his performance and unanimously decided to re-appoint him as Whole Time Director of the Company for a further period of 3 years w.e.f. 1<sup>st</sup> April, 2012 on the terms and conditions and remuneration package as set out in the resolution above.

None of the Directors except Mr. A. K. Vats being himself is interested or concerned in the proposed resolution.

## DIRECTORS' REPORT

Dear Members,

The Board of Directors feel great pleasure in presenting the 12<sup>th</sup> Annual Report along with Audited Accounts of your Company for the year ended 31st March 2012.

### FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
Gross Turnover & Other Income	29146.07	27611.75
Expenditure	23576.75	22200.12
Profit before Depreciation, Finance Charges & Tax	3816.48	3746.98
Depreciation	1327.96	1441.84
Finance Charges	327.45	427.32
Profit Before Tax	2161.07	1877.82
Provision for Taxation Current Tax Deferred Tax	427.51 (57.74)	369.25 (121.35)
Net Profit after Tax	1791.31	1629.92
Dividend & Dividend Tax Preference shares Equity shares	95.30 122.74	0 122.74
Gross Cash Accruals	3119.27	3071.76
Equity Share Capital	422.42	422.42
Earning per Share Basic & diluted (Rs.)	20.07	19.29

## REVIEW OF OPERATIONS

The Sales and Other Income for the financial year under review were Rs 29146.07 lacs (Previous year Rs. 27611.75 lacs). The Depreciation for the year was Rs 1327.96 lacs (Previous year Rs. 1441.84 lacs). The Cash Accruals were Rs. 3119.27 lacs (Previous year Rs. 3071.76 lacs). The Net Profit after tax was Rs. 1791.31 lacs (Previous year Rs. 1629.92 lacs).

An amount of Rs. 400 lacs has been transferred to General Reserve Account. There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this report. The Company has not given any shares to any of the employees under Employees Stock Option Scheme.

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

### DIVIDEND

The Board of Directors are pleased to recommend a Tax-free dividend of 8% on the Preference Share Capital of the Company and dividend of 25% (Rs. 1.25 per share on an Equity Share of Rs. 5/- each) on the Equity Share Capital of the Company for the year ended 31<sup>st</sup> March, 2012. The Dividend, if approved by the members at the ensuing Annual General Meeting, will be paid within stipulated period prescribed under the Companies Act, 1956.

### NEW BUSINESSES

In March 2012, the Company has set up a new plant for Grounded Calcium Carbonate at Abu Road, Rajasthan. Further, the facilities for producing the IMFL are being set up at Boregaon, Distt. Chhindwara Madhya Pradesh and operations of bottling is expected to commence in August 2012.

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## **DIRECTORS**

During the year, Mrs. Mridula Jain resigned from the Board of the company with effect from 25<sup>th</sup> May, 2012. The Board of Director's placed on the record, its sincere appreciation and gratitude for the valuable services and counsel and contribution extended by her during her tenure as Director of the company.

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K. K. Pandey, Non Executive Director of the Company, who held the office of director till the date of the forthcoming Annual General Meeting, is liable to retire by rotation and being eligible has offered himself for re-appointment.

## **PUBLIC DEPOSITS**

The Company invited Fixed Deposits from the Shareholders & Public during the year. The Fixed Deposits mobilized and outstanding aggregated to Rs. 378.77 Lacs as on 31<sup>st</sup> March 2012 (Previous year Rs. 375.63 Lacs). There was no Fixed Deposit remained unclaimed as on 31<sup>st</sup> March, 2012. There were no delay/defaults in the payment of any of the Deposit.

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

## **CONTRIBUTION TO EXCHEQUER**

Your Company has paid substantial amounts in excess of Rs. 2679.92 Lacs to the Exchequer during the year in the form of Excise Duty, Sales Tax and Direct Tax.

## **INSURANCE**

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

## **DEMAT OF SHARES**

Necessary arrangements are made for Dematerialization of Shares, with NSDL and CDSL. Out of the total, 94.71% of the equity shares of the company are already in Demat form. Since the shares of the company are traded on stock exchange in compulsory Demat form, the shareholders holding shares in physical form may avail this facility in their own interest.

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

The information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and as amended and to the extent applicable to the Company are given as per prescribed Forms in **Annexure-1** forming part of this report.

## **CORPORATE GOVERNANCE**

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

## **PARTICULARS OF GOVERNMENT COMPANIES AND COMPANIES**

During the Year under review, none of the Employees of the Company was in receipt of Remuneration for the Year which was more than the limit prescribed under Sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence no particulars are required to be disclosed in this Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure,
- ii) That the selected accounting policies were applied consistently and the directors made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31<sup>st</sup>, 2012 and of the profit of the company for the year ended on that date,
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- iv) That the annual accounts have been prepared on a going concern basis.

## SAFETY AND ENVIRONMENT

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

## INDUSTRIAL RELATIONS

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

## COST AUDITOR OF THE COMPANY FOR FY 2012-13

1. Name - Mr. Rahul Jain
2. Address - 119, Parshv Vihar, IP Extn.  
Parparganj, Delhi-110092
3. Membership No. - 32521

4. Central Govt.'s order directing cost audit – 52/26/CAB/2010 Dated-24/01/2012
5. Cost audit relates – Organic & Inorganic Chemicals

## AUDITORS AND AUDITOR'S REPORT

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

## ACKNOWLEDGEMENTS

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

**For and on behalf of the Board of Directors**

Sd/-  
**Dr. C.K. Jain**  
Chairman Cum Managing Director

Date : 25<sup>th</sup> May, 2012  
Place : Delhi

# Gulshan Polyols Limited

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE-1

#### FORM-A (See Rule-2)

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

#### Conservation of energy

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

	Current Year 31.03.2012	Previous Year 31.03.2011
<b>A. Power &amp; Fuel Consumption :</b>		
<b>1 Electricity :</b>		
(a) Purchased:		
Units	11010072	9766347
Total Amount (Rs)	67628087	51484464
Average Rate (Rs)/Unit	6.14	5.27
(b) Own Generation :		
(i) Through Diesel Generator :		
Units	281105	284457
Cost (Rs.)	3188096	3411039
Cost (Rs.)/unit	11.34	11.99
(ii) Through Steam Turbine/Generator :		
Units	22823420	24831437
Cost (Rs.)	69977265	70227146
Cost (Rs.) /Unit	3.07	2.83
<b>2 Coal /Coke (Used in Boiler, Microniser &amp; Gas Producer)</b>		
Qty. (MT)	46647.637	47543.900
Total Cost (Rs.)	218720035	185539164
Average Rate (Rs.)	4688.77	3902.48
<b>3. Gas (Used in Lime Killin)</b>		
Qty. (M3.)	1289585	1498087
Total Cost (Rs.)	29616016	24101428
Average Rate (Rs.)	22.97	16.09
<b>4 Agriculture Waste (Used in Boiler)</b>		
Qty. (MT)	30744	39898
Total Cost (Rs.)	123201998	111829471
Average Rate (Rs.)	4007.32	2802.88