



9th
Annual Report
2008-2009



Gulshan Polyols Limited
(An ISO 9001:2000 Company)

BOARD OF DIRECTORS

Mrs. Mridula Jain	: Chairperson (Non-Executive Director)
Dr. Chandra Kumar Jain	: Managing Director
Mr. Shiv Kumar Uppal	: Whole Time Director
Mr. Ajay Jain	: Non – Executive Independent Director
Mr. K. K. Pandey	: Non – Executive Independent Director
Mr. A. K. Maheshwari	: Non – Executive Independent Director
Mr. A. K. Vats	: Whole Time Director

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

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Ltd.
2E/21, Alankit House
Jhandewalan Extension
New Delhi – 110 055

PLANT LOCATION

- Plot No. 762, Jhagadia Industrial Estate,
Bharuch – 393110 (Gujarat)
- 9th K.M., Jansath Road,
Muzaffarnagar, Uttar Pradesh – 251 001

VISIT US AT

www.gulshanindia.com

CONTENTS	PAGE NO.
NOTICE	2-5
DIRECTORS' REPORT	6-10
REPORT ON CORPORATE GOVERNANCE	11-17
MANAGEMENT DISCUSSION & ANALYSIS	18-20
AUDITORS' REPORT	21-23
BALANCE SHEET	24
PROFIT & LOSS A/C	25
SCHEDULES	26-37
CASH FLOW STATEMENT	38-39
BALANCE SHEET ABSTRACT	40

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Members of GULSHAN POLYOLS LIMITED will be held on Tuesday, 22nd September, 2009 at 12:00 Noon 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 2009 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. A. K. Maheshwari who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a director in place of Mr. Ajay Jain who retires by rotation and being eligible offers himself 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) To consider, and if thought fit, to pass, with or without modification, the following resolution, as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. K. K. Pandey, who was co-opted as an Additional Director of the Company w.e.f. 21st June, 2008 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 Mr. K. K. Pandey for the office of Director be and is hereby appointed as a Director of the Company.”

- 7) 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, approval of the shareholders be and is hereby accorded to the appointment of Dr. C. K. Jain as Managing Director of the Company for a further period of 3 years w.e.f. 1st April 2009 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 : (i) Rs. 3,50,000/- (Rupees Three Lac and Fifty Thousand only) per month with effect from 1st April, 2009 for a period of three years (subject to deduction of tax at source).

(ii) 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.

(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 distances calls and use of car (if any) for private purpose shall be billed by the Company.

- 8) 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, approval of the shareholders be and is hereby accorded to the appointment of Mr. A. K. Vats as Whole Time Director of the Company for a period of 3 years w.e.f.



1st April, 2009 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. 50,000/- (Rupees Fifty Thousand Only) per month with effect from 1st April, 2009 for a period of three years (subject to deduction of tax at source).

Perquisites : (i) An Amount equal to Rs. 25,000/- (Rupees Twenty Five 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.

By the order of the Board of Directors

sd/-

Nisha Gupta

Company Secretary

Place: Delhi

Date : May 30, 2009

NOTES:

- 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.**
- The information as required to be provided under the Listing Agreement entered into with Stock Exchange regarding the directors who are proposed to be appointed/ re-appointed and the related explanatory statement pursuant to section 173(2) in respect of the business under item no. 6, 7 & 8 set out above are annexed hereto.
- The register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, August 4, 2009 to Saturday, August 8, 2009 (both days inclusive).
- 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 has been transferred to the Investor Education and Protection Fund set up by the Government of India.
- Dividend on the Shares, if approved by the shareholders at the Meeting, will be paid to those Members/Beneficial owners whose names appear on the Company's Register of Members/Register of Beneficiaries as on Saturday, August 8, 2009.
- 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.
- Members are requested to notify promptly any change in their address and to furnish dividend mandates, if any, so as to reach the Registrar & Share Transfer Agent of the Company i.e. 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.
- The members can avail of the nomination facility by filling & filing form 2-B with the company. Blank forms will be supplied on request.
- 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:

- (1) Name : Mr. A.K. Maheshwari
Age : 44 years
Qualifications : B.Com, FCA, ACS
Experience : Over 23 years experience in Finance, Banking, Project Finance, Funds Raising, Taxation, Company Secretarial matters etc.
Other Directorships : Rishi Trading Co. Limited, Shekhawati Vaniya Vikas (P) Ltd. and Twinkle Traders (P) Ltd.

- (2) Name : Mr. Ajay Jain
Age : 49 years
Qualifications : FCA, ACS
Experience : Vast experience in Finance and Management.
Other Directorships : Genus Prime Infra Limited (Formerly Gulshan Chemfill Ltd.).
He is a member of Remuneration Committee, Shareholders' Grievance Committee and Chairman of Audit Committee. He also holds membership of three committees of Board of other Company and Chairmanship of one committee out of three.

- (3) Name : Mr. K. K. Pandey
Age : 65 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 Remuneration Committee and Shareholders' Grievance Committee.

- (4) Name : Dr. C. K. Jain
Age : 61 years
Qualifications : B.Sc., Ph. D. (Chemistry)
Experience : Vast experience in managing business affairs.
Other Directorships : Genus Prime Infra Limited (Formerly Gulshan Chemfill Ltd.), Gulshan Holdings Pvt. Ltd., Gulshan Lamee Pack Pvt. Ltd., Gulshan Speciality Minerals Pvt. Ltd., STM Projects Ltd.
He is a member of Audit Committee. He also holds membership of two committees of Board of other companies.

- (5) Name : Mr. A. K. Vats
Age : 47 years
Qualifications : B.Com, Diploma in Marketing and Management.
Experience : Over 27 years experience in matters related to marketing.
Other Directorships : None



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

ITEM NO. 6:

Mr. K. K. Pandey was appointed as an Additional Director of the Company in the meeting of Board of Directors held on 21st June 2008 with a view to broad base the Board by inducting Independent Director. He is having more than 42 years of experience in Banking Sector and has retired from the post of General Manager from Bank of Baroda. He will hold office of director up to the date of ensuing Annual General Meeting. The Company has received a notice from a member proposing the candidature of Mr. K. K. Pandey for the office of the director under the provisions of Section 257 of the Companies Act, 1956.

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

Your Directors recommend the resolution for your approval

ITEM NO 7:

The tenure of Dr. C. K. Jain, Managing Director, has expired on 31st March, 2009. The Board of Directors of your Company in the Board Meeting held on 30th May, 2009 has reviewed his performance and unanimously decided to re-appoint him as Managing Director of the Company for a further period of 3 years retrospectively w.e.f. 1st April 2009 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 Mrs. Mridula Jain being his wife are interested or concerned in the proposed resolution.

Your directors recommend the resolution for your approval.

ITEM NO 8:

Mr. A. K. Vats was appointed as an Additional Director of the Company, in the meeting of Board of Directors held on 30th October 2008, under Section 260 of the Companies Act, 1956. Subsequently, he was appointed as Whole Time Director of the Company w.e.f 1st April, 2009 subject to the approval of the shareholders in the Annual General Meeting for a period of 3 years 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.

Your directors recommend the resolution for your approval.

DIRECTORS' REPORT

Dear Members,

The Board of Directors feel great pleasure in presenting the 9th Annual Report along with Audited Accounts of your Company for the year ended 31st March 2009.

FINANCIAL HIGHLIGHTS (Rs. in lacs)

	CURRENT YEAR 31-03-2009	PREVIOUS* YEAR 31-03-2008
Turnover & Other Income	21769.92	18396.81
Expenditure	18220.04	15134.69
Profit before Depreciation, Finance Charges & Tax	3549.87	3262.12
Depreciation	668.70	597.89
Finance Charges	551.26	715.58
Profit Before Tax	2329.91	1948.63
Provision for Taxation		
Current Tax	161.54	221.61
Deferred Tax Liability	418.99	14.42
Fringe Benefit Tax	11.65	9.90
Net Profit after Tax	1737.72	1702.69
Prior Period Expenditure/ Extra ordinary items (Net)	4.22	14.54
Dividend & Dividend Tax	97.66	234.38
Gross Cash Accruals	2308.75	2066.20
Equity Share Capital	417.39	417.39
Par Value of Equity Share (Rs.)	5.00	5.00
Earning per Share		
Basic & diluted (Rs.)	20.82	20.40

*The figures for the previous year are consolidated as Gulshan Sugars & Chemicals Limited (the Amalgamated Company) has been merged with Gulshan Polyols Limited w.e.f the appointed date i.e. 1st April, 2007 vide Hon'ble High Court of Allahabad Order dated 26th September, 2008.

DIVIDEND

The Board of Directors is pleased to recommend a Tax-free dividend of 20% (Rs. 1.00 per share on an Equity Share of Rs. 5/- each) on the Equity Share Capital of the Company for the year ended 31st March 2009. 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.

2008-09 IN RETROSPECT

The Sales and Other Income for the financial year under review were Rs 21769.92 lacs (Previous year Rs. 18396.81 lacs) registering the increase of 18%. The Net Profits after tax rose marginally to Rs. 1737.72 lacs (Previous year Rs. 1702.69 lacs). The Depreciation for the year was Rs. 668.70 lacs

(Previous year Rs. 597.89 lacs). The Cash accruals were Rs. 2308.75 lacs (Previous year Rs 2066.20 lacs). The Capacity utilization during the year was 88%, 31%, 74% of the installed capacities of Sorbitol, Liquid Glucose and Calcium Carbonate Plant respectively.

The Company has set up the facilities for Onsite Precipitated Calcium Carbonate (Onsite PCC) Plant at Sahibabad (UP) for a Company in Paper Industry namely M/s Magnum Ventures Limited. The commercial operations commenced in May 2009. Further, the facilities for producing the Calcium Carbonate with a capacity of 15000 MT were set up at Ponta Sahib (Himachal Pradesh) where operations commenced in May 2009.

An amount of Rs. 200 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 information about conservation of energy, technology absorption, foreign exchange earnings and outgo etc. has been incorporated in Annexure 1 forming part of this report.

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.

MERGER OF GULSHAN SUGARS & CHEMICALS LTD. WITH THE COMPANY

Pursuant to a scheme of Amalgamation approved by the Hon'ble High Court of Uttar Pradesh at Allahabad vide its order dated 26th September, 2008, Gulshan Sugars & Chemicals Limited was merged with the Company w.e.f. the appointed date i.e. 1st April, 2007. The scheme was given effect to the financial statements as at 31st March, 2009. The corresponding financial data for the year 2008 represent the consolidated figures of both the Companies.

In terms of amalgamation scheme, w.e.f. the appointed date i.e. 1st April, 2007, the assets and liabilities of M/s Gulshan Sugars & Chemicals Limited, vest with the Company and difference between the carrying value of assets and liabilities under the Scheme has been adjusted to Amalgamation Reserves as on 31st March, 2008.

SHARE CAPITAL

Your Company issued 2135407 equity shares of Rs 5/- each fully paid up to the shareholders of M/s Gulshan Sugars & Chemicals Limited in view of



the amalgamation of M/s Gulshan Sugars & Chemicals Limited with the Company and listed the same with Bombay Stock Exchange along with existing listed shares of the Company. The paid up equity capital has increased to Rs. 4,17,38,535/- comprising of 83,47,707 Shares of Rs. 5/- each fully paid up.

The entitlement ratio for issue of equity shares of M/s Gulshan Polyols Limited to the shareholders of M/s Gulshan Sugars & Chemicals Limited as approved by Hon'ble High Court of Allahabad was 6:1 i.e. One (Rs. 5/- fully paid up) equity share of M/s Gulshan Polyols Limited for Six (Rs. 8/- fully paid up) equity shares of M/s Gulshan Sugars & Chemicals Limited. In order to deal with the remaining fractional shares, your Company had allotted 5656 equity shares of Rs. 5/- each fully paid up to GSCL's Shareholders Trust and Refund Warrants have already been dispatched to the shareholders entitled as per the data provided by the Registrar & Share Transfer Agent of the Company.

FORFEITURE OF CONVERTIBLE WARRANTS

In October 2007, the Company had issued 21,00,000 convertible warrants at a price of Rs. 58 per warrant including premium of Rs. 53 per warrant. The allottees of the warrants had an option upon payment to convert, within 18 months from the allotment, into equal no. of shares having the face value of Rs. 5 per share. However, the allottees did not pay the allotment money and expressed their inability to pay the same. The Board of the Company decided to forfeit, the application money of 10% received. The amount so forfeited has been transferred to Capital Reserve of the Company.

BOARD OF DIRECTORS

During the year, Mr. A. K. Vats was appointed as an Additional Director of the Company in the Board meeting held on 30th October, 2008. He was later on appointed as Whole time Director of the Company w.e.f. 1st April, 2009. Mr. K. K. Pandey was also appointed as an Additional Director of the Company in the Board meeting held on 21st June, 2008,

Mr. I. C. Agarwal resigned from the Board of the Company with effect from 21st June, 2008. The Board of Directors placed on record, its sincere appreciation and gratitude for the valuable services and counsel and contribution extended by him during his 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. A. K. Maheshwari and Mr. Ajay Jain, Non Executive Directors of the Board who held the office of Directors till the date of the forthcoming

Annual General Meeting are liable to retire by rotation and being eligible have offered themselves for re-appointment.

PUBLIC DEPOSITS

The Company invited Fixed Deposits from the Shareholders & Public during the year. The Fixed Deposits mobilized and outstanding aggregated to Rs. 345.73 lacs as on 31st March, 2009 (Previous year Rs. 377.98 Lacs). There was no Fixed Deposit remained unclaimed as on 31st March, 2009. 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. 2535 lacs to the Exchequer during the year in the form of Excise Duty, Custom Duty, Direct & Indirect taxes, levies, cess etc.

INSURANCE

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

DEMAT OF SHARES

Necessary arrangements are made for Dematerialization of Shares, including allotment of equity shares to the shareholders of M/s Gulshan Sugars & Chemicals Limited under the scheme of Amalgamation with the Company, with NSDL and CDSL. Out of the total, 93.48% 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.

DISCLOSURE OF PARTICULARS

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. The Company has not given any shares to any of the employees under Employees Stock Option Scheme.

CORPORATE GOVERNANCE

As per the requirements of Clause 49 of the Listing Agreement, a report on Corporate Governance together with the following is attached to this report.

- a) Declaration on Code of Conduct
- b) CEO & CFO certificate
- c) Certificate from the Company Auditors

Management Discussion & Analysis on the business and operations of the Company is attached to this report.

PERSONNEL

A statement giving the particulars of employee as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the year ended 31st March, 2009.

Employed for the whole of the Financial Year and in receipt of remuneration at a rate at which was not less than Rs. 24 Lacs per annum (considering from both amalgamated and amalgamating Companies), is as under :

Name	: Dr. C. K. Jain
Age	: 61 years
Designation	: Managing Director
Nature of Duty	: Overall management of the Company
Remuneration received	: Rs. 31,89,807/-
Qualification	: B. Sc. Ph. D. (Chemistry).
Experience	: Vast experience in managing business affairs.

Dr. C.K. Jain, Managing Director of the Company is related to Mrs. Mridula Jain as her husband.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii) The selected accounting policies were applied consistently and the directors made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the company for the year ended on that date;
- iii) The 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) The annual accounts have been prepared on a going concern basis.

SAFETY AND ENVIRONMENT

The Company continued to maintain a good safety record. The manufacturing units of the Company are environment friendly and maintain all safety standards and measures.

INDUSTRIAL RELATIONS

The Company continued to maintain good industrial relations with the work force in its units and offices.

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.

All the items on which the Auditors have commented in their report are self explanatory and suitably explained in the Notes to the Accounts. The Auditors report to the shareholders does not contain any audit qualification. The accounts of the branches of the Company are also audited by the Statutory Auditors.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere gratitude to the investors for their overwhelming support and confidence reposed in them. Your Directors express their appreciation of the valuable support and co-operation received from banks, financial institutions, business associates, customers, vendors and various statutory authorities. Your Directors place on record their sincere appreciation to the contribution made by all the employees in ensuring high levels of performance and growth that your company has achieved during the year at all levels through their hard work, dedication and support.

The future prospects of the Company are quite exciting in view of the product demand and capacity expansion and it would be the Company's endeavor to merit the confidence of the esteemed Shareholders on every account.

For and on behalf of the Board of Directors

sd/-

Place : Delhi
Date : May 30, 2009

Mridula Jain
Chairperson

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:

Disclosure of Particulars with respect to conservation of energy:

	Current Year March 31, 2009	Previous Year March 31, 2008
A. Power & Fuel Consumption :		
1. Electricity :		
a) Purchased		
Units	515811	172980
Total Amount (Rs.)	3900003	1859281
Average Rate (Rs.)/ Unit	8	11
b) Own Generation:		
(i) Through Diesel Generator:		
Units	387823	487286
Units per Ltr. Of Diesel/Oil	3	4
Cost (Rs.)/unit	13	8
(ii) Through Steam turbine/Generator:		
Units	30692616	20706302
Cost (Rs.)/unit		
Cost per Ltr. of Fuel, Oil/Gas		
		Turbine is operated by steam generated by boiler. All expenses of fuel used for boiler are booked under the head 'Fuels' and not under Electricity as it can not be accurately bifurcated/ascertained.
2. Coal/Coke (Used in Boiler, Microniser & Gas Producer)		
Qty. (Tones)	52823	61526
Total Cost (Rs.)	203061083	186025377
Average Rate (Rs.)	3844	3024
3 Gas (Used in Lime Killin)		
Qty. (M ³)	1379457	0
Total Cost (Rs.)	15787176	0
Average Rate (Rs.)	11	0

	Current Year March 31, 2009	Previous Year March 31, 2008
4. Agriculture Waste (Used in Boiler)		
Qty. (MT)	50920	8023
Total Cost (Rs.)	1044795457	14195986
Average Rate (Rs.)	2052	1770
5. Solvent (C – 9 Plus) (Used in Microniser)		
Qty. (MT)	586834	1650955
Total Cost (Rs.)	15054803	35220219
Average Rate (Rs.)	26	21
B. Consumption per Unit (MT) of production		
Products		
Production (MT)		
Calcium carbonate	77585	68708
Sorbitol	42746*	38781
Electricity (Units/Ton)		
Calcium carbonate	192	192
Sorbitol	211	210
Coal / Coke (MT/Ton)		
Calcium Carbonate	0.52	0.46
(On Directly attributable Production)		
Sorbitol	0.84	0.78
Agriculture Waste (MT/Ton)		
Calcium Carbonate	1.35	1.35
(On Directly attributable Production)		
Solvent (C – 9 Plus) on Microniser		
Calcium Carbonate	72 Ltrs.	72 Ltrs.
(On Directly attributable Production)		
Gas (M³/Ton)		
Calcium Carbonate	113	N.A.
(On Directly attributable Production)		

* Production not inclusive of conversion of Corn to Starch which is 32194 MT

FORM-B (See Rule-2)

Disclosure of particulars with respect to Technology Absorption and Research & Development (R&D):

The Company has not imported technology for the process of operations except some of equipments for GCC. The company has made own efforts over the years for development, refinement and improvement in the technology.

FORM-C

Foreign Exchange Earnings & Outgo: Earnings by way of Export of Goods calculated on FOB basis Rs. 12,93,86,858/- (Previous Year Rs. 6,58,21,846/-). The foreign currency utilized during the year on repayment of foreign currency loan installments and interest etc. on loan taken was Rs. 4,64,23,379/- (Previous year Rs. 6,88,50,062/-). Expenditure on foreign Traveling is Rs.33,84,999/- (Previous Year Rs. 19,11,704/-).

REPORT ON CORPORATE GOVERNANCE

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

(A) Company's Philosophy

The Company firmly believes in and has consistently practiced good Corporate Governance. The company is committed to ethical values and self discipline through standards of good governance based on transparency, integrity, fairness, purposefulness, trust, responsibility, efficiency, efficacy, full disclosure in its dealings, appropriate checks and balances directed at sustaining shareholder's interests, achieving financial propriety and overall organizational goals. The company will endeavor to improve on these aspects on ongoing basis.

(B) Board of Directors

The Board of Directors comprises a total of 7 Directors, which include a Non-executive Chairman, a Managing Director, 2 Whole Time Directors and 3 Non-executive Directors including three Independent Directors. The ratio of Independent Directors is 42.86% of the total Board's strength. Mrs. Mridula Jain is a Non-executive Chairperson.

During the year, 11 Board Meetings were held on 17-05-2008, 21-06-2008, 30-07-2008, 20-10-2008, 31-10-2008, 07-11-2008, 14-11-2008, 28-11-2008, 30-01-2009, 14-03-2009 & 31-03-2009.

The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship/membership of committees are as follows:

Name of Directors	Category	No. of Board Meetings Attended	Attended last AGM	No. of Directorship in other companies	Committee/ Membership	
					Member	Chair Person
Mr. I. C. Agarwal*	Director	1	N.A.	-	-	-
Dr. C. K. Jain	Managing Director	11	Yes	5	1	-
Mrs Mridula Jain	Chairperson	11	Yes	3	1	-
Mr. Ajay Jain	Independent Director	11	Yes	1	2	1
Mr. A. K. Maheshwari	Independent Director	11	No	3	-	-
Mr. K. K. Pandey**	Independent Director	4	Yes	-	1	2
Mr. S. K. Uppal	Whole Time Director	3	Yes	-	-	-
Mr. A. K. Vats***	Whole Time Director	4	N.A.	-	-	-

Directorship includes Private Limited Companies also.

* Mr. I. C. Agarwal has resigned from the Directorship cum Chairmanship of the Company w.e.f. 21st June, 2008.

** Mr. K. K. Pandey was appointed as an Additional Director of the Company, in the meeting of Board of Directors held on 21st June, 2008.

*** Mr. A. K. Vats was appointed as an Additional Director of the Company, in the meeting of Board of Directors held on 30th October, 2008. Subsequently, He was appointed as Whole time Director of the Company w.e.f. 1st April, 2009 in the Board Meeting held on 31st March, 2009.

(C) Audit Committee

(a) Terms of reference

To oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of the audit fee, to review and



discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit function, major accounting policies, practices and entries, compliance with accounting standards and with the stock exchange and legal requirements concerning financial statements and related party transaction, if any, to review the Company's financial and risk management policies and discuss with the internal auditors any significant findings for follow-up thereon, to review the quarterly, half yearly and annual financial statements before submission to the Board of Directors.

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

(b) Composition

The Audit Committee of the Board comprises of total 3 directors, which include Mr. Ajay Jain (Independent Director) being the Chairman of the Committee. Mr. K. K. Pandey (Independent Director) and Dr. C. K. Jain, Managing Director, being the member of the Committee. The Auditors and Company Secretary are permanent invitees. Ms. Nisha Gupta is Secretary of the Committee. The Committee met five (5) times during the financial year 2008-09.

(D) Remuneration committee

(a) Terms of reference

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

(b) Composition

The Remuneration Committee of the Board comprises of total 3 directors, which include Mr. K. K. Pandey (Chairman), Mr. Ajay Jain, Member (both Independent Directors), and Mrs. Mridula Jain, Non-executive Director, being the other member of the Committee. The Committee met three (3) times during the financial year 2008-09.

(c) Remuneration Policy

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

(d) Details of remuneration for the year 2008-2009

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

NAME	Salary	Commission	Perks	Retirement Benefits	Total
Dr. C.K. Jain, MD	31.90	–	–	0.00	31.90
Mr. S. K. Uppal, WTD	9.00	–	–	0.00	9.00
Mr. A. K. Vats*	4.00	–	–	0.00	4.00
Mr. A. K. Maheshwari*	0.80	–	–	0.00	0.80
Total	45.70	–	–	–	45.70

(*For the part of the year)

- a) The salaries of MD/ WTDs are as per salary structure including annual increments for a fix period as per approved terms. No Bonus, Stock options, pension are payable.

- b) Notice period for termination of appointment of Managing Director is six months and Whole Time Director is one month, on either side. No severance pay is payable on termination of appointment.
- (ii) Non-Executive Directors: No remuneration was paid to Non-executive Directors during the year.
- (E) Shareholder's Grievance Committee**
- (a) Terms of reference**
- To look into the shareholder complaints, if any, and to redress the same expeditiously, the committee approves requests for issue of duplicate share certificate, issue of certificates after split/consolidation and also for transmission of shares etc.
- (b) Composition**
- The Shareholder's Grievance Committee of the Board comprises of total 3 directors, which include Mr. K.K. Pandey (Independent Director) being the Chairman of Committee. Mr. Ajay Jain (Independent Director) and Mrs. Mridula Jain, Non-executive Director are the members of the Committee. Ms. Nisha Gupta, Company Secretary of the Company is permanent invitee and Compliance Officer. The Committee met Six (6) times during the financial year 2008-09. During the period, a total of 121 complaints were received. The Committee attended to all the complaints and all were resolved/ replied to the satisfaction of the shareholders. There were no unresolved complaints, transfer pending.
- (F) The Board has delegated the powers of approving transfer of shares to a Committee of Senior Executives. The Committee meets once in a fortnight. However in compliance to SEBI's guidelines for appointment of Single Registrar for Physical and Electronic mode, the powers to approve transfer of shares have been delegated to the Registrar & Share Transfer Agent.**
- (G) Code for Prevention of Insider Trading Practices**
- In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct for its Management and Staff. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of violations.
- (H) Code of Conduct for Board/ Committee Members/ Senior Management**
- In compliance with the Clause 49 of Listing Agreement of Bombay Stock Exchange, the Company has instituted a comprehensive code of conduct for its Board/ Committee Members and Senior Management. A Code of Conduct is a written document that outlines Company values, principles, and guidelines in a variety of areas and enables Companies to publicly state to their suppliers, customers, consumers and other stakeholders the way in which they intend to do business. Commitment to ethical professional conduct is a MUST for every employee at Gulshan in all of its businesses/ units/ subsidiaries. This Code, consisting of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment. It contains many, but not all, issues employees are likely to face.
- (I) Whistle Blower and Protection Policy**
- In line with the best Corporate Governance Practices, the Company has framed a policy through which employees and business associates may report unethical business practices at work place without fear of reprisal. Under the said policy all employees/ business associates have direct access to the Chairperson and all the members of the Audit Committee. The whistle blower policy aims to-
- I. Allow and encourage employees and business associates to bring to the management notice about suspected unethical behavior, malpractice, wrongful conduct, fraud and violation of the policies.
 - II. Ensure timely and consistent organizational response.
 - III. Provide protection against victimization.
 - IV. Build and strengthen a culture of transparency and trust.

- (g) Demat ISIN Number in NSDL & CDSL for Equity Shares: INE255D01016
- (h) Stock Market price data for the year 2008-09: Equity share (Face Value Rs. 5/- each) of the Company are listed at Bombay Stock Exchange. The stock market data is given as under:

MONTH	(In Rs./per share)	
	BOMBAY STOCK EXCHANGE	
	Month's High	Month's Low
April, 2008	430.00	217.05
May, 2008	429.80	291.60
June, 2008	290.00	182.40
July, 2008	229.45	147.60
August, 2008	309.00	209.05
September, 2008	259.20	156.00
October, 2008	177.00	93.75
November, 2008	115.65	67.85
December, 2008	94.65	57.00
January, 2009	120.45	66.50
February, 2009	83.45	67.50
March, 2009	84.95	59.10

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

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

- (k) **Distribution of shareholding as on 31st March, 2009:**

No. of shares (Rs. 5/- each)	No. of Shareholders	% of Shareholders	Shareholding (no)	% of Shareholding
Up to 100	14022	98.774	1172354	14.044
1001 – 2000	80	0.564	115149	1.379
2001 – 4000	34	0.24	92834	1.112
4001 – 6000	22	0.155	110938	1.329
6001 – 8000	3	0.021	22210	0.266
8001 – 10000	5	0.035	45773	0.548
10001 – 20000	7	0.049	96232	1.153
20000 and above	23	0.161	6692217	80.168
Total	14196	100.00	8347707	100.00

- (l) **Categories of Shareholders as on 31st March, 2009 :**

Category	No. of Share held	% of shareholding
Financial Institution/Bank	200	0.00
Bodies Corporate (Promoters)	3670865	43.97
Promoters – Individual	1678190	20.10
General Public – Individuals/Trust	2156857	25.84
– Bodies Corporate	841595	10.08
Total	8347707	100.00

- (m) **Dematerialization of Shares:** As on 31st March, 2009, 93.48% of the Company's total shares representing 78,03,521 shares were held in dematerialized form and the balance 5,44,186 equity shares representing 6.52% shares were in Physical form.
- (n) **Plant Locations:** i) Plot no. 762, Jhagadia Industrial Estate, Distt. Bharuch – 393110 (Gujarat), ii) 9th K.M., Jansath Road, Muzaffarnagar, (Uttar Pradesh) – 251001, iii) Village Rampur Majri, Dhaula Kuan, Distt Sirmour (Himachal Pradesh) -173001 and iv) On-site facilities of Precipitated Calcium Carbonate at Sahibabad (Uttar Pradesh).
- (o) **Address for Correspondence:** The Company's Registered office is at 9th K.M. Jansath Road, Muzaffarnagar - 251001 (Uttar Pradesh). The Corporate office & Investor cell of the Company is located at G-81, Preet Vihar, Delhi 110092. Phone no 011-32991997, 32508619 and Fax no. 011-22157338. Email of share department and investor cell of the Company nishagupta@gulshanindia.com. Shareholders holding shares in Physical form should send shares to Common Registrar M/s Alankit Assignments Ltd. However, the shareholders holding shares in Electronic mode should address all their correspondence to their respective Depository Participants (DPs).
- (p) **Secretarial Audit Report:** The secretarial audit report of the company prepared in terms of SEBI circular no D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares held in both the depositories viz. NSDL & CDSL and in physical form with the total issued/ paid up capital of the Company is placed before the Board of Directors and duly submitted to the Stock Exchange for every quarter.
- (q) **Compliance of Non-Mandatory Requirement:** The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement:
- i. A Chairman's office with required facilities has been provided and maintained at Company's expenses for use by its Non-executive Chairperson.
 - ii. A Remuneration Committee under the name of Remuneration Committee comprising 3 Non-executive Directors for reviews and decides the Company's policy on specific remuneration packages for Executive Directors.
 - iii. The Company publishes quarterly, half yearly and annual results in widely published newspapers in English, Gujarati and Hindi languages and individual communication of yearly results is sent to the shareholders.
 - iv. The Company has not proposed any resolution requiring approval of the shareholders by postal ballot.

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

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

I, S. K. Uppal, Whole Time director & Chief Executive Officer of Gulshan Polyols limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management personnel have affirmed Compliance with the Code of conduct of the Company for the year ended March 31, 2009.

Place : Delhi
Date : May 30, 2009

S.K.UPPAL
Whole Time Director &
Chief Executive Officer

CEO AND CFO CERTIFICATION

To,
The Board of Directors
Gulshan Polyols Limited

We, S. K. Uppal, Whole Time Director & CEO and Nisha Gupta, Company Secretary & CFO of the Company interalia, certify the following:

- a) We have reviewed financial statements and the Cash flow statement of the Company for the year 2008-09 and that to the knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control systems of the company and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and Audit committee:
 - i) Significant changes in internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system

S.K.UPPAL
Whole Time Director &
Chief Executive Officer

NISHA GUPTA
Company Secretary &
Chief Financial Officer

Place : Delhi
Date : May 30, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended 31st March, 2009 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

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

For SHAHID & ASSOCIATES
Chartered Accountants

Place : Delhi
Date : May 30, 2009

(MOHD. SHAHID)
Proprietor
Membership No. 70408

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

The Management of Gulshan Polyols Ltd. is pleased to present its analysis report covering the performance of the Company for the year 2008-09 and the outlook for the future. The Management is delighted in presenting the consolidated financials of the Company, pursuant to the Scheme of Amalgamation/Merger approved by the Hon'ble High Court of Uttar Pradesh at Allahabad for the merger of Gulshan Sugars & Chemicals Limited with your Company. The report contains forward looking statements, which may be identified by their use of words like plans, expects, anticipates, believes, intends, projects, estimates or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statement about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

The Company's actual results, performance or achievements could, thus, differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.

2008-09 witnessed global turmoil in all sphere of sectors financial, commodities, real estate, stock market and forex etc. The global economy went through the deep recession from West to Europe and Asian continent from failure of banks, big giants and corporations to hitting the industrial and consumer demand to lowest ebb. However, Indian Economy survived with all this tremors due to its tighten banking and monetary system and local demand of the products. Despite global slowdown, Indian economy achieved growth rate of 6% which was remarkable in these tough times. Your Company could not only sustain this tough period but achieved reasonable growth in the business. Your Company is able to maintain the above bottom line profits even in the recession period. Your Company has identified cost cutting and expansion of export business being its thrust area to compete with global competition and maintain its market leadership.

1. Business Environment

The Indian economy witnessed a slowdown during 2008-09 compare to the previous year in which the economy was growing and the Country's balance of trade and foreign reserves were very comfortable. Almost all the sectors of the industry and economy are affected with the slow down. During the year the Capital market was very volatile and there are many ups and downs in the Sensex.

2. Industry Structure and developments

The Company is engaged in the business of producing Sorbitol and Calcium Carbonate. Sorbitol is a water soluble polyhydric alcohol having sweet taste and high stability besides properties of humectancy and plasticizing. It finds application as input material in various industrial sectors such as Tooth Paste, Pharmaceuticals, Vitamin-C, Cosmetics, Paper and Paints etc. Calcium Carbonate (CaCO₃) finds application as input material in various industrial sectors such as Tooth Paste, Pharmaceuticals, and PVC products, Rubber, Plastic, Polymer, Cable, Leather, Paper and Paints etc. The Calcium Carbonate Industry comprises organized and un-organized sectors. The un-organized sector consists of small and tiny units which are out of the purview of paying Excise Duty etc. Your Company is the single largest producer of Sorbitol and Calcium Carbonate in the Country in the organized sector, which meets the requirements of all the customers in the various industries, and the customer's list includes top corporations in Tooth Paste, Pharmaceuticals, Paper and Paints etc.

The Company achieved the capacity utilization of 88%, 31%, 74% of the installed capacities of Sorbitol, Liquid Glucose and Calcium Carbonate plant respectively. The consumer industry i.e. Tooth Paste, Pharma, Cosmetic, Paint etc have shown growth which may lead to further improved business and margins to the company. The Sales and Other Income for the financial year under review were Rs. 21769.92 lacs (Previous year Rs.18396.81 lacs) showing a substantial increase of 18%. The Net Profits after tax were Rs. 1737.72 lacs (Previous year Rs. 1702.69 lacs) with marginal growth. The Depreciation for the year was Rs. 668.70 lacs (Previous year Rs. 597.89 lacs). The Cash accruals were higher at Rs. 2308.75 lacs (Previous year Rs 2066.20 lacs).



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

3. Opportunities and Threats

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

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

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

4. Product wise performance

The Company produces Sorbitol, Liquid Glucose and Calcium Carbonate. The company produced a total of 39614 MT of Sorbitol with over 13% growth against the production of 34817 MT during 2007-08. The sales were also higher at 39702 MT against sales of 34846 MT during 2007-08.

The Company produced a total of 3132 MT of Liquid Glucose against the production of 3010 MT during 2007-08. The sales were 3160 MT against sales of 3018 MT during 2007-08.

The Company also produced a total of 77585 MT of Calcium Carbonate registering a growth of 13% against the production of 68708 MT during 2007-08. The sales were 71010 MT against sales of 77991 MT during 2007-08.

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

5. Outlook

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

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

6. Risks and Concern

The Company faces risk of lower realization in the event of cheap imports. Other risk faced by the Company is that Sorbitol is based on the agri commodity, which is exposed to factors of Monsoon in the Country and increasing alternate and new usage of corn globally. The Company is preparing and gearing itself by producing the goods at optimum cost and achieving higher yield. The cost reduction holds the key for its survival and to win over any eventual circumstances. In Indian context, besides the factors mentioned above, agricultural income economic scenario, wholesale and consumer price level, impact of trade agreements with other countries and trade blocks etc. are some of the factors to be watched carefully.

7. Internal Control Systems and their adequacy

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

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

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

8. Financial and Operational Performance

The Sales and Other Income for the financial year under review were Rs. 21769.92 lacs (Previous year Rs.18396.81 lacs) showing a substantial increase of 18%. The Net Profits after tax were Rs. 1737.72 lacs (Previous year Rs. 1702.69 lacs) with marginal growth. The Depreciation for the year was Rs. 668.70 lacs (Previous year Rs. 597.89 lacs). The Cash accruals were higher at Rs. 2308.75 lacs (Previous year Rs 2066.20 lacs).

The earnings include an amount of 148.15 lacs (Previous year Rs. 424.04 lacs) as other Income, which comprised of agricultural income Rs. 27.97 lacs, dividend income of Rs. 5.64 lacs and commission of Rs. 64.67 lacs. The Company spent an amount of Rs. 307.56 lacs on Repairs & Maintenance of Plant & Machinery, which were necessitated to maintain and upgrade the life of the equipments. The resource mobilization of the Company during the year has been from cash accruals, existing cash and cash equivalent, increase/ unutilized working capital limits from bank, and realization and sale of Investment etc. The Company has repaid institutional dues in time and without delay. The total deferred tax liability up to 31st March 2009 including for earlier years works out to Rs. 862.35 lacs and the same has been adjusted against the General Reserves of the Company over the years. The Company declared a dividend @ 20% (Tax free in the hands of shareholders). An amount of Rs. 200 lacs was transferred to General reserves.

9. Human Resource Development and Industrial Relations

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

10. Cautionary Statement

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



AUDITORS REPORT

Report on the Accounts for the year ended on 31st March 2009 in accordance with the provisions of section 227(2) of the Companies Act, 1956.

To,
The Members of **Gulshan Polyols Ltd.**

We have audited the attached Balance Sheet of **GULSHAN POLYOLS LIMITED** as at 31st March 2009 (incorporating data of Gulshan Sugars & Chemicals Ltd., the Company Amalgamated with this Company) and Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books of the Company.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, none of the Directors is, as at 31st March, 2009, prima-facie disqualified from being appointed as a Director in terms of Clause (g) of Sub-section (1) of the Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the significant Accounting Policies and the other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and;
 - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For SHAHID & ASSOCIATES
Chartered Accountants

(MOHD. SHAHID)

Proprietor

Membership No. 70408

Place : Delhi
Date : May 30, 2009

ANNEXURE TO AUDITORS REPORT

(Referred in Paragraph 3 of our Report of even date)

1. In respect of Fixed Assets :
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, these Assets have been physically verified by the Management at reasonable intervals, having regard to the size of the company and nature of its assets, no material discrepancies were noticed on such verification.
 - (c) In our opinion, company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of Inventories :
 - (a) As explained to us, physical verification of inventory has been conducted by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were notified on physical verification of inventories as compared to book records.
3. In respect of Loans, secured or unsecured granted or taken by the company to/from companies, firms and other parties covered in the register maintained u/s 301 of Companies Act, 1956 :
 - (a) To the records of the company and information given to us, the Company has not granted any loan to any party during the year.
 - (b), (c) & (d) Since the Company has not granted any loan to any party, these points are not applicable to the company.
 - (e) According to the records of the company and information given to us, the company has not taken loans during the year from companies, firms or other parties covered in the register maintain u/s 301 of the Companies Act 1956. Consequently, the requirement of Clauses (iii)f and (iii)g of paragraph 4 of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the Purchase of Inventory and fixed Assets, for the Sale of Goods and services. During the course of audit, we have not observed any major weaknesses in the Internal controls system.
5. In respect of Transactions covered under section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956, in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has accepted Fixed Deposits from the public within the meaning of Section 58-A of the Companies Act, 1956 and the rules framed there under and has complied with all the rules thereof.
7. In our opinion, the Company has an adequate Internal Audit System commensurate with its size and nature of its business.



8. The Central Government has prescribed the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts & records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
9. (a) According to the records of the company and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund; Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, cess, Wealth tax, Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than 6 months from the date of becoming payable.
(b) As explained to us and information given to us, there are no dispute in case of dues of Sales Tax/ Income Tax/ Custom Duty-/ Wealth Tax/Service Tax/ Excise Duty/ Cess.
10. The Company has no accumulated losses and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the records and information given to us, the company has not defaulted in repayment of dues to a financial Institution or bank.
12. In our opinion and according to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other security.
13. In our opinion and According to the information and explanations given to us, the company is not a chit fund or Nidhi or mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditors Report)(Amendment), Order 2003 is not applicable to the company.
14. In our opinion and According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has given corporate guarantee for loans taken by other from Bank; in our opinion the terms and conditions of guarantee are not prejudicial to the interest of the company.
16. According to the records of the company and according to the information and explanations given to us, term loans taken by the company were used for the purpose for which the loans were obtained.
17. According to the records of the company and according to the information and explanations given to us and on overall examination of the balance sheet, we opine that the funds raised on short term basis have not been used for long term investment during the year covered under audit.
18. During the year, the company has not made any preferential allotment of shares to the parties and the companies covered in the register maintained under section 301 of the Companies Act 1956.
19. No debentures have been issued by the company.
20. The Company has not raised any money by public issue during the year.
21. As explained to us and information given to us, no fraud on or by the company has been noticed by or reported during the year.

For SHAHID & ASSOCIATES
Chartered Accountants

(MOHD. SHAHID)

Proprietor

Membership No. 70408

Place : Delhi
Date : May 30, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE NO.	CURRENT YEAR 31-03-2009 (Amount in Rs.)		PREVIOUS YEAR 31-03-2008 (Amount in Rs.)	
SOURCES OF FUNDS:					
SHAREHOLDERS' FUNDS:					
Share Capital	1	144238535		156418535	
Reserves & Surplus	2	909311603	1053550138	733827292	890245827
LOAN FUNDS:					
Secured Loans	3	502338215		528757094	
Unsecured Loans	4	61573000	563911215	67458020	596215114
DEFERRED TAX LIABILITY			86234565		44335084
TOTAL			1703695918		1530796025
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block	5	1652323381		1358219718	
Less: Depreciation		533398052		471250816	
Net Block		1118925329		886968902	
Add: Capital Work in-Progress		79096808	1198022137	207221558	1094190460
Investments	6		13683825		33113515
CURRENT ASSETS, LOANS & ADVANCES:					
Inventories	7	191645863		132902466	
Receivables	8	325099631		321955444	
Cash and Bank Balances	9	13917871		16630030	
Loans and Advances	10	65733576		75349807	
		596396941		546837747	
Less: Current Liabilities & Provisions	11	134121025	462275916	178971544	
Net Current Assets					367866203
MISCELLANEOUS EXPENDITURE:					
(To the extent not written off or adjusted)					
Deferred Revenue expenditure			29714040		35625847
TOTAL			1703695918		1530796025
NOTES ON ACCOUNTS	21				

The Schedules referred to herein above form an integral part of the Profit & Loss Account.
In terms of our separate report of even date.

For **SHAHID & ASSOCIATES**
Chartered Accountants

DR. C. K. JAIN
Managing Director

A.K. VATS
Whole Time Director

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

NISHA GUPTA
Company Secretary &
Chief Financial Officer

Place : Delhi
Date : May 30, 2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ON 31ST MARCH, 2009

	SCHEDUL ENO.	CURRENT YEAR 31-03-2009 (Amount in Rs.)	PREVIOUS YEAR 31-03-2008 (Amount in Rs.)
INCOME:			
Manufacturing Turnover	12	2162177116	1797277376
Other Income	13	14814768	42404100
Increase in Stock	20	42540841	937412
	TOTAL	2219532725	1840618888
EXPENDITURE:			
Raw Materials Consumed	14	656637576	535699830
Manufacturing Expenses	15	624097631	451995250
Excise duty		192747780	193505652
Personnel	16	60466391	58949119
Finance Charges	17	55126343	71558413
Administrative Expenses	18	55521216	42647701
Selling & Distribution Exp	19	275074957	231609336
Depreciation	5	66869748	59789783
	TOTAL	1986541642	1645755084
Profit before Tax		232991083	194863804
Provision for Taxation – Current Tax		16154327	22161398
– Deferred Tax (net)		41899481	1442824
– Fringe Benefit Tax		1165484	990200
Profit after Tax		173771791	170269382
Less/Add: Prior Period Expenses/Extra ordinary items (Net)		422270	1453901
Add: Balance brought forward		342286968	205910444
Amount Available for Appropriations		515636489	374725925
APPROPRIATIONS:			
Transfer to General Reserve		20000000	9000000
Proposed Dividend		8347707	20034152
Dividend Tax		1418693	3404805
Surplus carried over to Balance Sheet		485870089	342286968
Earnings Per Share (Rs.) - Basic & Diluted (Face value of Rs. 5/- each)		20.82	20.40
NOTES ON ACCOUNTS	21		

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

For SHAHID & ASSOCIATES
Chartered Accountants

DR. C. K. JAIN
Managing Director

A.K. VATS
Whole Time Director

(MOHD. SHAHID)
Proprietor
Membership No. 70408

NISHA GUPTA
Company Secretary &
Chief Financial Officer

Place : Delhi
Date : May 30, 2009



	Current Year 31-03-2009 (Amount in Rs.)	Previous Year 31-03-2008 (Amount in Rs.)
SCHEDULE – 1		
SHARE CAPITAL		
Authorised:		
3,80,00,000 Equity Shares of Rs. 5/- each	190000000	190000000
2,50,000 Zero% Redeemable Preference Shares of Rs. 10/- each	2500000	2500000
14,50,000, Zero% Redeemable Preference Shares of Rs. 100/- each	145000000	145000000
	<u>337500000</u>	<u>337500000</u>
Issued, Subscribed & Paid Up:		
83,47,707 Equity Shares of Rs. 5/- each fully paid up	41738535	41738535
1025,000 Zero% Redeemable Preference Shares of Rs. 100/- each fully paid up	102500000	102500000
Application Money for convertible warrant	12180000	
Less: Forfeiture of Warrant Application Money	12180000	0
	<u>0</u>	<u>12180000</u>
TOTAL	<u>144238535</u>	<u>156418535</u>
Notes :		
1. Out of the Equity shares, 62,12,300 Equity Shares of Rs. 5/- each have been allotted as fully paid up for a consideration other than cash to shareholders of transferor company in terms of a Scheme of arrangement/demerger approved by High court with appointed date being 1st April, 2000.		
2. Out of the Equity shares, 21,35,407 Equity Shares of Rs. 5/- each have been allotted as fully paid up for a consideration other than cash to shareholders of transferor Company in terms of a Scheme of arrangement/Merger approved by High Court with appointed date being 1st April, 2007.		
3. Redeemable Preference Share Capital includes Rs. 375 lacs being shares allotted for consideration other than cash.		
4. Zero % Redeemable Preference Share Capital Rs.1025 lacs shall be redeemed in the 8th Year after the date of its issue i.e. 26-04-2003.		
5. The application money paid on convertible warrants has been forfeited for non-payment of balance money dues.		
SCHEDULE – 2		
RESERVES & SURPLUS		
General Reserve		
Opening Balance	174143372	18961703
Addition during the year	20000000	9000000
Surplus due to Amalgamation	0	91822477
Surplus due to change in Depreciation method	0	54359192
Capital Reserve	12180000	0
Revaluation Reserve	5911454	6190264
Share Premium	211206688	211206688
Profit & Loss Account	485870089	342286968
	<u>909311603</u>	<u>733827292</u>
TOTAL		
SCHEDULE- 3		
SECURED LOANS		
A. TERMS LOANS		
From Public Financial Institutions/Bank (Refer Note Nos. 3 to 4)	245658461	284600168
From LIC (Refer Note No. 5)	7096500	11704500
B. HIRE PURCHASE FINANCE		
From Bank/ Financial Companies (Refer Note Nos. 6 to 12)	9000757	7140797
C. WORKING CAPITAL LOAN		
From Bank of Baroda (Refer Note No.13)	240582497	200311629
From Indusind Bank Ltd. (Refer Note No.14)	0	25000000
	<u>502338215</u>	<u>528757094</u>
TOTAL		
SCHEDULE – 4		
UNSECURED LOANS		
Deposits from Directors & Associates	0	2660020
Fixed Deposits from Public	34573000	37798000
Dealers Security	27000000	27000000
	<u>61573000</u>	<u>67458020</u>
TOTAL		

**SCHEDULE - 5
FIXED ASSETS:**

(Amount in Rs)

Name of Assets	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	Cost as on 1-4-2008	Additions during the year	Deductions during the year	Total Upto 31-03-2009	Depreciation Upto 31-3-2008	Surplus of Depreciation due to change of Method	Adjustment for Assets sold	For the year	Dep. on Revaluation portion of Assets	Total Upto 31-03-2009	W.D.V. as on 31-03-2009	W.D.V. as on 31-3-2008
COMPLETED ASSETS:												
Land & Site Development	58169668	5831817	0	64001485	0	0	0	0	0	0	64001485	58169668
Building	102768303	20668426	0	123436729	42524976	10156595	0	3852277	82702	36303360	87133369	60243327
Plant & Machinery	1163249015	267521527	5792287	1424978255	462838646	40636833	3897736	59957450	196108	478457635	946520620	700410369
Office Furniture & Equipments	10640617	1410070	0	12050687	6223408	825403	0	702787	0	6100792	5949895	4417209
Vehicles	23392115	6086462	1622352	27856225	11678854	396237	1103587	2357234	0	12536265	15319960	11713261
CURRENT YEAR 'A'	1358219718	301518302	7414639	1652323381	523265884	52015068	5001323	66869748	278810	533398052	1118925329	834953834
PREVIOUS YEAR 'A'	1252840210	116641529	11262021	1358219718	473801349	52015068	7981124	57445659	0	471250816	886968902	779038861
CAPITAL WORK IN PROGRESS:												
Site Development	4878342	25775	4904117	0	0	0	0	0	0	0	0	4878342
Building & Civil Work	18879476	1788950	20668426	0	0	0	0	0	0	0	0	18879476
Plant & Machinery	181581162	162986917	267521527	77046552	0	0	0	0	0	0	77046551	181581162
Development Expenditure (Pending Allocation)	1882578	1719472	1551794	2050256	0	0	0	0	0	0	2050256	1882578
CURRENT YEAR 'B'	207221558	166521113	294645864	79096808	0	0	0	0	0	0	79096807	207221558
PREVIOUS YEAR 'B'	15812945	306186044	114777431	207221558	0	0	0	0	0	0	207221558	15812945
CURRENT YEAR (A + B)	1565441276	468039415	302060503	1731420189	523265884	52015068	5001323	66869748	278810	533398052	1198022136	1042175392
PREVIOUS YEAR (A + B)	1268653155	422827573	126039452	1565441276	473801349	52015068	7981124	57445659	0	471250816	1094190460	794851806

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



	CURRENT YEAR 31-03-2009 (Amount in Rs.)	PREVIOUS YEAR 31-03-2008 (Amount in Rs.)
SCHEDULE - 6		
INVESTMENTS: (At Cost) - Non Trade- Unquoted		
In Equity Shares of M/s Gujarat Environmental Infrastructure Ltd. 10,500 Equity Shares of Rs. 10/- each fully paid up	105000	105000
In Equity Shares of M/s Bharuch Eco-Aqua Infrastructure Ltd. 2,75,000(P.Y. 2,17,969) Equity Shares of Rs.10/-each fully paid up	2750000	2179690
In Equity Shares of M/s Dhaulana Sugar Industries Ltd. 100 Equity Shares of Rs. 10/- each fully paid up	1000	1000
350000 Equity Shares of Rs. 10/- each called & paid up Rs. 1/- each	350000	350000
In Equity Shares of M/s Gulshan Mercantile Urban Co operative Bank Ltd. (A non scheduled Bank) 4778.25 Equity Shares of Rs. 100/- each fully paid up	477825	477825
Tradeable Investments		
In Mutual fund of Birla Sun life 9,77,995.110 units of Special Situation Fund - Growth@Rs.10.2250 each	10000000	10000000
In Short term fund Monthly Div.-Re-Investment NIL (P.Y. 21,64,932.416 units of @ Rs.9.2382)	0	20000000
TOTAL	<u>13683825</u>	<u>33113515</u>
SCHEDULE - 7		
INVENTORIES		
(As valued & Certified by the Management)		
Raw Materials	51413403	51053296
Stock in Process	26464533	19420774
Finished Goods	74107351	38610269
Stores, Spares & Packing	11449910	9697262
Fuels, Chemicals & Consumables	28210666	14120865
TOTAL	<u>191645863</u>	<u>132902466</u>
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured but considered good)		
Debts outstanding for a period exceeding Six Months	13638912	29957624
Other Debts	311460719	291997820
TOTAL	<u>325099631</u>	<u>321955444</u>
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash in hand	857990	608238
Balance with Scheduled Banks		
– In Current Accounts	7463262	6472172
– In Fixed Deposit Account	40813	107703
– In Unclaimed Dividend Accounts	5373705	3014041
Margin money	85000	425000
Balance with IDBI in non lien A/c	0	5802832
Balance with Non-Scheduled Bank		
– In Current Account	97101	200044
TOTAL	<u>13917871</u>	<u>16630030</u>



CURRENT YEAR
31-03-2009
(Amount in Rs.)

PREVIOUS YEAR
31-03-2008
(Amount in Rs.)

SCHEDULE - 10

LOANS & ADVANCES

(Unsecured but considered good)

(Advances recoverable in cash or in kind or for value to be received)

Advance for Fixed Assets	22371253	15695387
Advance for Supplies & Services	5239021	3709149
Balance with Excise Authorities & Cenvats Recoverable	5774349	14364350
Security with Government Departments	8074329	8635141
Other Advances & Prepaid Expenses	6470163	14451631
Advance Payment of Taxes (Net)	<u>17804461</u>	<u>18494149</u>
TOTAL	<u>65733576</u>	<u>75349807</u>

SCHEDULE - 11

CURRENT LIABILITIES & PROVISIONS:

A. Current Liabilities:

Sundry Creditors for Supplies & Services	74904103	72711970
Sundry Creditors for Expenses	23620714	20585542
Sundry Creditors for Fixed Assets	2383359	34510302
Interest accrued but not due	396367	1579134
Unclaimed Dividend	5353705	2994041
Cheque issued but not presented	376566	0

B. Provisions:

Proposed Dividend	8347707	20034152
Provision for Tax on Income	17319811	23151598
Provision for Tax on Dividend	<u>1418693</u>	<u>3404805</u>

TOTAL	<u>134121025</u>	<u>178971544</u>
-------	------------------	------------------

SCHEDULE - 12

MANUFACTURING

TURNOVER:

Sales	1750295786	1410252755
Consignment/Trading Sales	162250	267300
Excise Duty	190187462	195480892
Sales Tax Realised	44013350	44091451
Freight & Handling Charges Recovered	<u>177518268</u>	<u>147184978</u>
TOTAL	<u>2162177116</u>	<u>1797277376</u>

SCHEDULE - 13

OTHER INCOME

Agriculture Income (Net of Expenses)	2797404	2979551
Dividend Received	563724	5646461
Other Receipts (Net)	0	67644
Commission Received	6467402	10863005
Profit on Sale of Assets (Net)	0	38917
Foreign exchange fluctuations	<u>4986238</u>	<u>22808522</u>
TOTAL	<u>14814768</u>	<u>42404100</u>

	CURRENT YEAR 31-03-2009 (Amount in Rs.)	PREVIOUS YEAR 31-03-2008 (Amount in Rs.)
SCHEDULE – 14		
RAW MATERIAL CONSUMED		
Opening Stock	51053296	44871985
Add: Purchases	<u>648964716</u>	<u>541613841</u>
	700018012	586485826
Less: Closing Stock	<u>43380436</u>	<u>51053296</u>
	656637576	535432530
Consignment/Trading Purchase	0	267300
TOTAL	<u><u>656637576</u></u>	<u><u>535699830</u></u>
SCHEDULE – 15		
MANUFACTURING EXPENSES		
Process Chemicals & Consumables	169595866	147085522
Stores, Spare Parts & Packing	68645620	48800625
Fuels & Power Generation	354261149	242672709
Repair & Maintenance:		
- Building	838101	1059194
- Plant & Machinery	<u>30756895</u>	<u>12377200</u>
TOTAL	<u><u>624097631</u></u>	<u><u>451995250</u></u>
SCHEDULE – 16		
PERSONNEL		
Salaries, Wages & Bonus	54205110	53392465
Contribution to Provident Fund & Other Funds	2130139	2399542
Workman & Staff Welfare Expenses	<u>4131142</u>	<u>3157112</u>
TOTAL	<u><u>60466391</u></u>	<u><u>58949119</u></u>
SCHEDULE – 17		
FINANCE CHARGES:		
Interest on Term and Other Loans	19441010	56715288
Interest and Charges on Bank Borrowing for Working Capital	<u>35685333</u>	<u>14843125</u>
TOTAL	<u><u>55126343</u></u>	<u><u>71558413</u></u>



CURRENT YEAR
31-03-2009
(Amount in Rs.)

PREVIOUS YEAR
31-03-2008
(Amount in Rs.)

SCHEDULE – 18

ADMINISTRATIVE EXPENSES:

Rent	787732		840000
Printing & Stationery	2111505		1566385
Rates & Taxes	4433504		1208288
Advertisement & Publicity	713947		801761
Subscriptions	271387		110539
Travelling Expenses:			
–Directors	3827411	2110427	
–Others	10491181	6065511	8175938
Legal & Professional Charges	1903910		1360616
Communication Charges	3837353		2881214
Charities & Donation	111461		81850
Auditors Remuneration:			
–Audit Fee	300000	300000	
–Tax Audit Fee	70000	70000	
–Fee for Certification	100000	100000	
–Expenses	45605	37227	507227
Repair & Maintenance	1357421		911450
Insurance	18610865		17740449
Misc. Expenses	648960		525973
Preliminary/Deferred Revenue Expenses written off	5844439		5936011
Loss on Sale of Assets (Net)	54535		0
TOTAL	55521216		42647701

SCHEDULE – 19

SELLING & DISTRIBUTION EXPENSES

Commission & Discounts	28137360		24765861
Freight & Handling Charges	195784854		156510624
Trade Tax Paid	44486216		44085796
Others	6666527		6247055
TOTAL	275074957		231609336

SCHEDULE – 20

INCREASE IN STOCK

Opening Stock:			
Finished Goods	38610269		44791155
Goods in Process	19420774		12302476
TOTAL	58031043		57093631
Closing Stock:			
Finished Goods	74107351		38610269
Goods in Process	26464533		19420774
TOTAL	100571884		58031043
NET INCREASE/(DECREASE)	42540841		937412

SCHEDULE – 21 ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Significant Accounting Policies

1. Basis of Preparation

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

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

2. Fixed Assets

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

3. Depreciation

Depreciation on fixed Assets have been Provided on Straight Line Method basis in accordance with the provisions of schedule XIV of the Companies Act, 1956.

4. Inventory Valuation

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

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

6. Revenue Recognition

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

7. Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) In case of monetary items, which are covered by forward contracts, the premium paid on forward contract has been recognized over the life of such contracts.
- (iii) Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the Profit & Loss Account.

8. Retirement Benefits

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

9. Excise Duty

Excise Duty is recognized at the point of Production and the value of finished goods lying in the factory as well as at depots are inclusive of Excise Duty. Other inventories are also inclusive of Excise Duty Component wherever applicable. However, inventories of packing material, stores and chemicals are exclusive of Excise duty component.

Gulshan Polyols Limited



10. Miscellaneous Expenditure

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

11. Turnover

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

12. Borrowing Costs

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

13. Provision for Current & Deferred Tax

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

14. Investments

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

15. The interest accrued and due on secured and unsecured loans fall due on 31st March, 2009 and have been paid/ provided on that date. Therefore, the amount outstanding is Nil and has not been disclosed under respective heads.

B. Notes Forming part of the Accounts

1. (a) Previous year figures along with the figures of amalgamated company have been reworked, rearranged, regrouped and reclassified, wherever considered necessary.
(b) Figures have been rounded off to the nearest Rupees.
2. In the opinion of the Board of Directors, Current Assets, Loans & Advances have a value of realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet. The provisions for all known liabilities are adequate and not in excess of amount considered reasonable necessary.
3. The immovable and movable assets of the unit located at Jhagadia Industrial Estate, District Bharuch (Gujarat) are charged to Bank of Baroda (BOB) by way of first charge for Rupee and Foreign Currency Term Loans of Rs. 10,23,25,125/- (Previous Year Rs. 13,64,33,500/-). Similarly, the immovable and movable assets of the unit located at 9th K.M., Jansath Road, Muzaffarnagar (UP) are charged to Industrial Development Bank of India Ltd (IDBI) for its Rupee Term Loan of Rs. 14,33,33,336/- (Previous Year Rs. 14,81,66,668/-) by way of first charge.

The above loans are further secured by the personal guarantee(s) of the Promoter Directors of the company. The corporate guarantee of M/s Gulshan Holdings Private Limited has also been provided to secure entire BOB's term loan and IDBI's loan of Rs. 7,33,33,336/-.

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

Interest accrued and due on term loan was Rs. NIL.

5. Loan from Life Insurance Corporation of India (LIC) Rs. 70,96,500/- (Previous Year Rs. 1,17,04,500/-) is secured by the pledge of Keymen Insurance Policies taken by the company on the life of Keymen.
6. Loan from ICICI Bank Limited Rs. 3,15,748/- (Previous Year Rs.6,32,477/-) is secured against Vehicles purchased through them under Hire Purchase Agreement.
7. Loan from HDFC Bank Limited Rs. 53,22,556/- (Previous Year Rs.35,18,089/-) is secured against Vehicles purchased through them under Hire Purchase Agreements.
8. Loan from Kotak Mahindra Bank Rs.13,77,710 /- (Previous Year Rs.18,77,750.) is secured against Vehicles purchased through them under Hire Purchase Agreement.
9. Loan from State Bank of Patiala Rs. 5,54,650/- (Previous Year Rs.7,58,050/-) is secured against Vehicles purchased through them under Hire Purchase Agreement.
10. Loan from GMAC Financial Services Rs. 1,57,199/- (Previous Year Rs. 3,25,800/-) is secured against Vehicles purchased through them under Hire Purchase Agreement.
11. Loan from Reliance Capital Ltd. Rs. 12,72,894/- (Previous Year Rs. NIL/-) is secured against Vehicles purchased through them under Hire Purchase Agreement.
12. The loan from Gulshan Mercantile Urban Co-operative Bank Ltd. (GMUCB) Rs. NIL/- (Previous Year Rs. 28,631/-) is secured against Vehicles financed by them under Hire Purchase and is personally guaranteed by the Managing Director of the Company.
13. The Working Capital Loan Rs. 24,05,82,497/- from Bank of Baroda (Previous Year Rs. 20,03,11,629/-) is secured by Hypothecation of present & future stocks of Raw Materials, Stores, Stock-in-process, Chemicals & Consumables, Fuels, Packing Material, Finished Goods etc. and Book Debts of the company. The loan is further secured by way of a Second Charge on the Fixed Assets of the company, personal guarantees of the Promoter Directors of the company. The aforesaid loan is also secured by the Corporate Guarantee of M/s. Gulshan Holdings Pvt. Ltd.
14. The Short Terms Loan of Rs. NIL/- (Previous Year Rs. 2,50,00,000/-) from IndusInd Bank Ltd. for working capital requirement is secured by subservient charge on the current asset and movable fixed asset of the company. The loan is further secured by personal guarantee of Managing Director and corporate guarantee of M/s Gulshan Holding Pvt. Ltd.
15. Dr. C.K. Jain, Managing Director is the Chairman of Gulshan Mercantile Urban Co-operative Bank Ltd. (a Non-Scheduled Bank) in which company has maintained current accounts (maximum balance outstanding during the period Rs.22,61,859/- (Previous year Rs. 24,97,037/-). The company has also invested a sum of Rs. 4,77,825/- (Previous year Rs. 4,77,825/-) in the equity shares of GMUCB and borrowed funds for Hire purchase asset as per note above.
16. Managerial Remuneration for Managing Director and Whole Time Directors include:

	CURRENT YEAR	PREVIOUS YEAR
Salaries & Allowances	44,60,000	38,00,000
Perquisite	1,09,807	1,62,050
Total	45,69,807	39,62,050

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

17. The amount owed to Small Scale Industries outstanding for more than 45 days as at 31st March 2009 and the sum exceeding Rs. 1 Lacs in each case was Rs. NIL/- (Previous Year Rs. NIL/-).
18. Miscellaneous Expenditure to the extent not written off or adjusted Rs. 2,97,14,040/- (Previous Year Rs. 3,56,25,847/-)

19. Contingent Liabilities in respect of:
- i) Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for Rs. 7,39,000/- (Previous year Rs. 7,39,000/-) on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units.
 - ii) Bank guarantee for Rs. NIL towards U.P.P.C.B (Previous Year Rs. 3,30,000/-),
20. In compliance to the Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), a net amount of Rs. 4,18,99,481/-(Previous Year Rs. 14,42,824/-) has been provided as deferred tax liability as at 31st March 2009 and the same has been charged to the Profit & Loss account of the Company. This pertains to the difference in Depreciation on Assets as per books of accounts and WDV for tax purposes. The Deferred Tax Liability has been calculated by applying tax rate that have been enacted and applicable as on the Balance Sheet date. No Liability has been computed in respect of difference considered to be of permanent nature.
21. Disclosure of Related Party transactions as per Accounting Standard 18 issued by ICAI :
- (a) Name of related party and nature of related party relationship where control exist
 - (i) Holding Company : 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. Mridula Jain, Chairperson
Mr. S. K. Uppal, Whole Time Director
 - (iii) Corporate entities over which key management personnel are able to exercise significant influence: Genus Prime Infra Ltd., Salil Industries Ltd., Gulshan Lamee Pack Pvt. Ltd, Gulshan Holdings Pvt. Ltd., and Gulshan Speciality Minerals Pvt. Ltd.
 - (c) Transactions with related parties of the period 01.04.2008 to 31.03.2009 :

Particulars	Corporate Associates	Key Managerial Personnel	O/S as on 31-03-2009
Remuneration to Key Personnel	-	45,69,807 (39, 62,050)	-
Loans Received	-	-	-
Commission & Interest for services availed	64,67,402 (1,08,63,005)	-	-
Rent Paid	-	23,40,000** (23,40,000)	-

*Figure in brackets indicate previous year.

** Net of Service Tax as applicable.

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

Particulars	Current Year 2008-09	Previous Year 2007-08
Net Profit After Tax available for Equity Shareholders (Rs in Lacs)	1737.72	1702.69
Weighted Average of number of Equity Share outstanding during the year	8347707	8347707
Basic Earning Per Share of Rs. 5/- each	20.82	20.40
Diluted Earning Per Share of Rs. 5/- each	20.82	20.40

23. In terms of Accounting Standard (AS-28) on 'Impairment of Asset' issued by the Institute of Chartered Accountants of India (ICAI), the company during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Accounting Standard. The company has identified that no asset of the company has been impaired during the year.
24. The Company manufactures inorganic chemicals such as Sorbitol, Liquid Glucose and Calcium Carbonate etc. Segment reporting is not applicable.
25. The Additional information as required under 3 & 4 of the Part II of Schedule VI of the Companies Act, 1956 is as under:

A. CAPACITY, PRODUCTION & STOCKS

Product	Licensed Capacity	Installed Capacity	Actual Production	Opening Stock		Closing Stock	
	(IN MT)	(IN MT)	(IN MT)	QTY (IN MT)	Value (IN RS.)	QTY (IN MT)	Value (IN RS.)
(i) Sorbitol (70%)							
Current Year	60000	45000	39613.800	1012.779	23246072	924.607	17286385
Previous Year	45000	30000	34817.400	1051.214	23678782	1012.779	23246072
(ii) Liquid Glucose							
Current Year	10000	10000	3131.700	58.800	1383756	30.900	602565
Previous Year	10000	10000	3010.235	66.925	1276052	58.800	183756
(iii) By Products							
Current Year	N.A.	N.A.	N.A.	NIL	NIL	-	998052
Previous Year	N.A.	N.A.	N.A.	NIL	NIL	-	4310419
(iv) Calcium Carbonate							
Current Year	138000	105000	77584.750	1150.300	9670022	7725.250	55220349
Previous Year	105000	105000	68708.350	3253.450	18055202	1150.300	9670022

B. MANUFACTURING TURNOVER

	CURRENT YEAR		PREVIOUS YEAR	
	Qty. in MT	Value in Rs.	Qty. in MT	Value in Rs.
Sorbitol (70%)	39701.972	1,18,02,02,000	34845.925	97,16,56,968
Liquid Glucose	3159.600	5,02,47,306	3018.360	3,79,81,973
By Product	-	12,77,60,772	-	9,70,28,053
Calcium Carbonate				
- Own Product Sale	66571.300	76,56,54,701	70811.530	69,03,43,082
- Consignee Sale	4438.500	3,83,12,338	7179.900	2,67,300
		2,16,21,77,117		1,79,72,77,376

C. RAW MATERIAL CONSUMED

Starch	926.000	2,27,92,558	1092.570	2,30,00,066
Corn	56927.850	50,27,45,725	49790.460	40,22,83,035
Lime Stone	56735.420	6,52,88,932	60450.280	7,09,92,514
Lime Stone-GCC	17039.400	2,70,66,717	12141.700	1,93,33,055
Lime Stone Powder	824.505	28,14,507	766.815	22,79,705
Lime Stone Powder-GCC	1355.470	53,24,698	2971.400	1,02,67,944
Quick Lime	8803.230	3,06,04,438	2261.145	72,76,211
Consignment Purchase	0.00	0.00	909.00	2,67,300
		65,66,37,576		53,56,99,830



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

(i) RAW MATERIAL				
Imported	NIL	NIL	NIL	NIL
Indigenous	65,66,37,576	100%	53,54,32,530	100%
(ii) STORES & SPARE PARTS:				
Imported	NIL	NIL	NIL	NIL
Indigenous	94,07,204	100%	59,18,464	100%

E. C.I.F. VALUE OF IMPORTS

Raw Materials, Stores & Components	2,31,13,872	NIL
------------------------------------	-------------	-----

F. EXPENDITURE IN FOREIGN CURRENCY

(i) On Import of Capital goods	NIL	NIL
(ii) On Foreign travelling of directors	33,84,999	19,11,704
(iii) On payment of interest on Foreign Currency Loan	61,57,502	1,32,41,354
(iv) On repayment of Foreign Currency Loan Installment	4,02,65,877	5,56,08,708

G. EARNINGS IN FOREIGN EXCHANGE

(i) Export of Goods calculated on F.O.B. basis	12,93,86,858	6,58,21,846
(ii) Inflow of Foreign Currency Term Loan	NIL	NIL

In terms of our separate report of even date

For SHAHID & ASSOCIATES

Chartered Accountants

DR. C. K. JAIN

Managing Director

A. K. VATS

Whole Time Director

(MOHD. SHAHID)

Proprietor

Membership No. 70408

NISHA GUPTA

Company Secretary &

Chief Financial Officer

Place : Delhi

Date : May 30, 2009



CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31-3-2009

	(Rs. in Lacs)	
	CURRENT YEAR 31-03-2009	PREVIOUS YEAR 31-03-2008
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	2187.40	1581.44
ADJUSTMENTS FOR:		
DEPRECIATION	668.70	597.89
NON CASH EXPENSES WRITTEN OFF (NET)	58.44	59.36
INTEREST	194.41	567.15
DIVIDEND	-5.64	-56.46
(PROFIT)/LOSS ON SALE OF FIXED ASSETS	0.55	-0.39
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>3103.86</u>	2748.99
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	57.82	-556.67
INVENTORIES	-587.43	-32.57
TRADE PAYABLES	-300.04	528.08
BANK LIMITS	152.71	-676.94
	<u>693.84</u>	632.68
CASH GENERATED FORM OPERATIONS AFTER ADJUSTMENTS FOR	2426.92	3381.67
WORKING CAPITAL CHANGES		
INTEREST PAID	-194.41	-567.15
DIRECT TAXES	-212.09	-211.00
PREVIOUS YEAR ADJUSTMENT	-4.22	-410.73
	<u>-14.53</u>	-792.68
CASH FLOW AFTER ADJUSTED FOR WORKING CAPITAL CHARGES BUT		
BEFORE EXTRA ORDINARY ITEMS	2016.20	2588.99
EXTRA ORDINARY ITEMS (NET)	143.18	367.19
NET CASH FROM OPERATING ACTIVITIES	<u>2159.38</u>	2956.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	-1733.94	-3080.48
SALE OF FIXED ASSETS	23.59	33.20
PURCHASE OF INVESTMENTS	-5.70	-300.00
SALE OF INVESTMENTS	200.00	0.00
DIVIDEND RECEIVED	5.64	56.46
OTHER CAPITAL EXPENDITURE	0.00	-108.49
NET CASH USED IN INVESTING ACTIVITIES	<u>-1510.41</u>	-3399.31



	(Rs. in Lacs)	
	CURRENT YEAR	PREVIOUS YEAR
	31-03-2009	31-03-2008
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	0	121.80
PROCEEDS FROM LONG TERM BORROWINGS (NET)	-475.75	-708.52
DIVIDENDS PAID	-200.34	-200.34
NET CASH SURPLUS/USED IN FINANCING ACTIVITIES	-676.09	-787.06
NET DECREASE IN CASH AND CASH EQUIVALENTS	-27.13	-1230.19
CASH AND CASH EQUIVALENTS AS AT 1-4-2008 (OPENING BALANCE)	166.30	1396.49
CASH AND CASH EQUIVALENTS AS AT 31-3-2009 (CLOSING BALANCE)	139.18	166.30

AUDITOR'S REPORT

We have examined the annexed Cash Flow Statement of Gulshan Polyols Limited for the year ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the books and records of the company and also the Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the Members of the company.

In terms of our separate report of even date

For SHAHID & ASSOCIATES
Chartered Accountants

DR. C. K. JAIN
Managing Director

A. K. VATS
Whole Time Director

(MOHD. SHAHID)
Proprietor
Membership No 70408

NISHA GUPTA
Company Secretary &
Chief Financial Officer

Place : Delhi
Date : May 30, 2009

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

1. Registration Details

CIN No. L24231 UP2000 PLC 034918
Balance Sheet date 31-03-2009

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

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

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

Total Liabilities	17036.96	Total Assets	17036.96
-------------------	----------	--------------	----------

Sources of Funds

Paid up Capital	1442.38
<i>(including share application money)</i>	

Secured Loans	5023.38
Reserves & Surplus	9093.12
Unsecured Loans	615.73
Deferred Tax Liability	862.35

Application of Funds

Net Fixed Assets	11980.22
Net Current Assets	4622.76
Accumulated Losses	NIL
Investments	136.84
Misc. Expenditure	297.14

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

Turnover & Other Income	21769.92	Total Expenditure	19440.01
Profit before Tax	2329.91	Profit After Tax	1737.72
Earning per share (Rs.)	20.82	Dividend Rate %	20

5. Generic Name of Principal Product of the company

Item Code No. (ITC Code) : 2905.44, 2505.90
Product Description : Sorbitol
Liquid Glucose and Calcium Carbonate



GULSHAN POLYOLS LIMITED

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

FORM OF THE PROXY FOR THE 9th ANNUAL GENERAL MEETING

I/We, the undersigned Equity Shareholder(s) of the above company hereby appoint Mr. of and failing him Mr. of as my/our proxy, to vote for me/us at the 9th Annual General Meeting of the Equity Shareholders of the company to be held at the Registered office of the Company at 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (Uttar Pradesh) on Tuesday, 22nd September 2009 at 12:00 Noon or any adjournment or adjournments thereof.

Dated this day of 2009

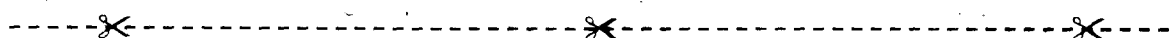
Signature:

Folio No./Client ID

No. of shares held

Address:

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



ATTENDANCE SLIP

GULSHAN POLYOLS LIMITED

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

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

Joint shareholders may obtain additional attendance slip on request.

Name and Address
of the Shareholder :

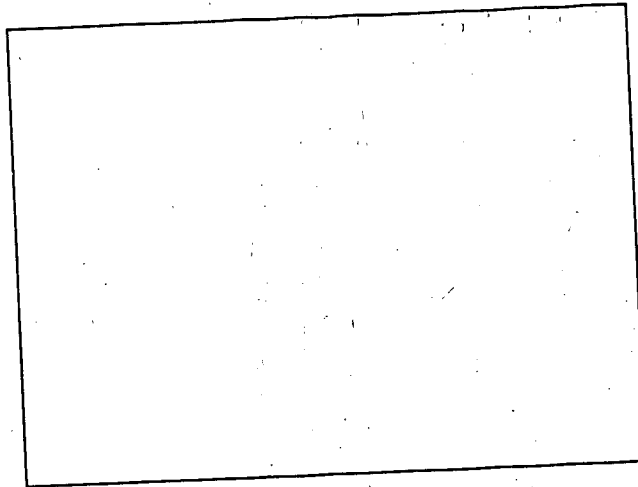
Folio No./Client ID

I hereby record my presence at the 9th Annual General Meeting of the company held on Tuesday, the 22nd September 2009 at the Registered office of the Company at 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (Uttar Pradesh).

SIGNATURE OF THE SHAREHOLDER OR PROXY

Strike out whichever is not applicable.

PRINTED MATTER
BOOK-POST



GULSHAN



If undelivered, please return to:
GULSHAN POLYOLS LIMITED
G-81, PREET VIHAR,
DELHI - 110 092