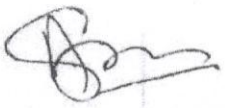
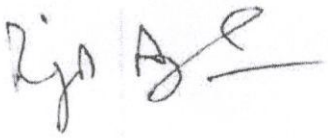
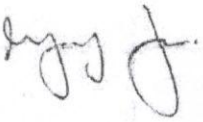
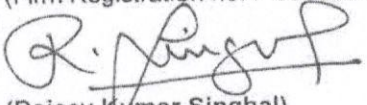
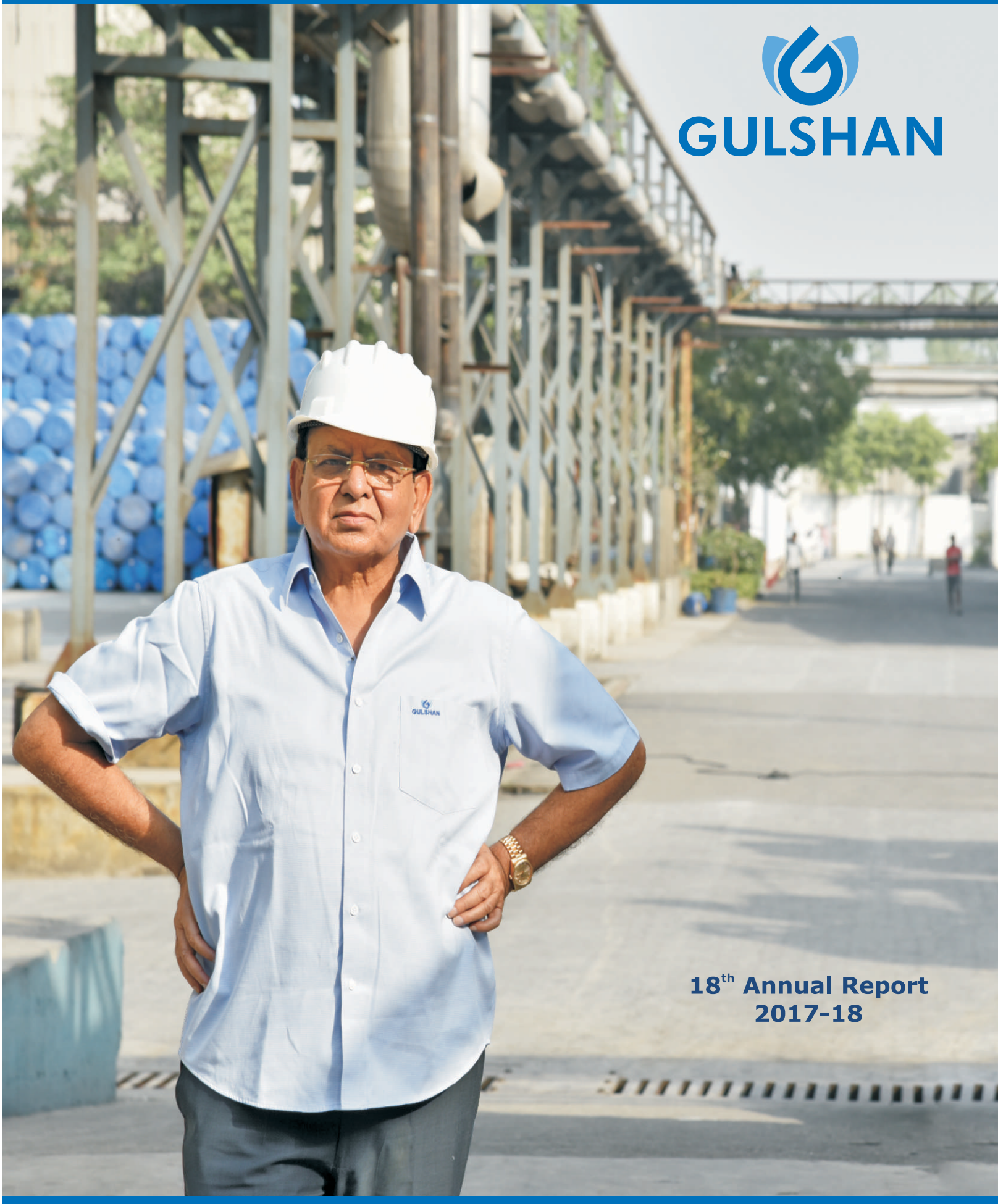
GULSHAN
POLYOLS LIMITED

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

FORM A
(Audit Report with unmodified opinion)

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

1	Name of the company	Gulshan Polyols Limited
2	Annual financial statements for the year ended	Annual Audited Financial Statements for the year ended 31st March, 2018
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by- For Gulshan Polyols Limited Mr. A. K. Vats CEO & Executive Director (DIN: 00062413) For Gulshan Polyols Limited Mr. Rajesh Agrawal Chief Financial Officer For Gulshan Polyols Limited Mr. Ajay Jain Chairman – Audit Committee (DIN: 00062146) Auditor of the Company	   Refer our Audit Report dated 22nd May, 2018 on the Financial Statements of "Gulshan Polyols Limited" **For Rajeev Singal & Co.** Chartered Accountants (Firm Registration no. : 008692-C)  **(Rajeev Kumar Singhal)** Partner Membership No. 077834



GULSHAN

18th Annual Report 2017-18

Corporate Information

BOARD OF DIRECTORS

Dr. C. K. Jain
Chairman & Managing Director

Ms. Arushi Jain
Whole Time Director

Ms. Aditi Pasari
Whole Time Director

Mr. Ashwani Kumar Vats
Executive Director & CEO

Mr. Suresh Kumar Tewari
Whole Time Director

Mr. Ajay Jain
Director

Mr. A. K. Maheshwari
Director

Mr. J. J. Bhagat
Director

Mr. Rakesh Kumar Gupta
Director

Mr. K. C. Gupta
Director

AUDIT COMMITTEE

Mr. Ajay Jain
Chairman

Mr. A. K. Maheshwari
Member

Dr. C. K. Jain
Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. A. K. Maheshwari
Chairman

Mr. Ajay Jain
Member

Ms. Aditi Pasari
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Ajay Jain
Chairman

Mr. A. K. Maheshwari
Member

Mr. Rakesh Kumar Gupta
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ajay Jain
Chairman

Ms. Arushi Jain
Member

Ms. Aditi Pasari
Member

CHIEF FINANCIAL OFFICER
Mr. Rajesh Agrawal

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Nisha Gupta

BANKERS
Bank of Baroda
Citi Bank
HSBC Bank

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

AUDITORS
Rajeev Singal & Co.,
Muzaffarnagar

COST AUDITORS
Rahul Jain & Associates,
Cost Accountants, Delhi

SECRETARIAL AUDITORS
Mr. Sanjay Chugh,
Practicing Company Secretaries,
Delhi

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

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

PLANT LOCATIONS

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

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

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

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

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

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

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

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

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

WHAT'S INSIDE

2	*Notice*
19	*Directors' Report*
23	*Annexures to the Directors' Report*
36	*Corporate Governance Report*
43	*Management Discussion Analysis Report*
47	*Auditors' Report*
51	*Balance Sheet*
52	*Statement of Profit and Loss*
53	*Statement of Change in Equity*
54	*Cash Flow Statement*
55	*Notes to the Financial Statements*

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of GULSHAN POLYOLS LIMITED will be held on Saturday, 29th September, 2018 at 12:30 p.m.at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh 251002 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.

2. To declare a dividend on Preference Shares for the financial year ended 31st March, 2018.

3. To confirm the payment of interim dividend during the financial year 2017-18 and to declare a final dividend on equity shares for the financial year ended 31st March, 2018.

4. To appoint a director in place of Mr. Ashwani Kumar Vats (holding DIN no. 00062413), who retires by retire by rotation, and being eligible, offers himself for re-appointment.

5. To ratify the appointment of Rajeev Singal & Co. (Firm Registration no. -008692C), Statutory Auditors of the Company.

   "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and pursuant to Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, the appointment of Rajeev Singal & Co. Chartered Accountants, (Firm Registration no. -008692C), as Statutory Auditors of the Company be and are hereby ratified from the conclusion of 18th Annual General Meeting (AGM) till the conclusion of 19thAGM of the Company to be held in the year 2019, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

6. Revision in terms of appointment and remuneration of Dr. C. K. Jain, Managing Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Section 196,197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Part I and Section II of Part II of Schedule V (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard, approval of the members of the Company be and is hereby accorded for variation in terms of appointment and remuneration of Dr. C. K. Jain (DIN: 00062221) Managing Director of the Company, designated as Chairman and Managing Director, who has attained the age of 70 years in June 2018, with effect from 1st April, 2017 till his remaining tenure ending on 31st March, 2020.

RESOLVED FURTHER THAT the remuneration paid / payable to Dr. C. K. Jain, Managing Director with effect from April 1, 2017, as approved by the Nomination and Remuneration Committee shall be as under:

1. Basic Salary:

₹ 12,00,000/- per month in the scale of ₹ 12,00,000/- to ₹ 20,00,000/-, with an annual increment as may be decided by the Board on recommendation of Nomination and Remuneration Committee, effective 1st April each year.

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

3. Perquisites :

(i) Company shall provide him suitable owned/ leased accommodation.

(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 with chauffeur and telephone at residence and Mobile phone will be provide 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.

(iv) Reimbursement of actual medical expenses incurred in India and abroad for self and family. The total cost of travel to and fro and also for the stay in the foreign country of the patient, an attendant and medical supervision, if required, shall be borne by the Company.

(v) Club Memberships: Subscription or reimbursement of membership fees for two clubs in India and/or abroad, including admission and life membership fees.

RESOLVED FURTHER THAT the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to revise, amend, alter and vary such terms of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Dr. Chandra Kumar Jain, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Dr. C. K. Jain as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution the Board of Directors and/or the Nomination and Remuneration Committee/the Company Secretary is/are authorized to do all such acts, deeds, matters and things as may be considered it to be necessary or desirable in this regard."

7. Variation in terms of remuneration of Ms. Arushi Jain, Whole Time Director of the Company

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

"RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 16th Annual General Meeting held on 17th September, 2016 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent and ratification of the members be and is hereby accorded that Ms. Arushi Jain (DIN: 00764520), Whole Time Director of the Company be paid remuneration by way of Salary, Perquisites and Allowances as approved by the Members at annual general meeting held on 17th September, 2016 as minimum remuneration with effect from April 1, 2017 for the remaining period of her tenure ending on December 31, 2020, in case where in any financial year, during the currency of the tenure of Ms. Arushi Jain as Whole Time Director, if the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT except for the aforesaid revision in terms of remuneration, all other terms and conditions of her appointment as Whole Time Director of the Company, as approved by the resolution passed at the annual general meeting of the Company held on 17th September, 2016 shall remain unchanged.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board of Directors and/or the Nomination and Remuneration Committee/the Company Secretary is/are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate."

8. Variation in terms of remuneration of Ms. Aditi Pasari, Whole Time Director of the Company

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

"RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company

at 16th Annual General Meeting held on 17th September, 2016 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent and ratification of the members be and is hereby accorded that Ms. Aditi Pasari (DIN: 00120753), Whole Time Director of the Company be paid remuneration by way of Salary, Perquisites and Allowances as approved by the Members at annual general meeting held on 17th September, 2016 as minimum remuneration with effect from 1st April, 2017 for the remaining period of her tenure ending on December 31, 2020, in case where in any financial year, during the currency of the tenure of Ms. Aditi Pasari as Whole Time Director, if the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT except for the aforesaid revision in terms of remuneration, all other terms and conditions of her appointment as Whole Time Director of the Company, as approved by the resolution passed at the annual general meeting of the Company held on 17th September, 2016 shall remain unchanged.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board of Directors and/or the Nomination and Remuneration Committee/the Company Secretary is/are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate."

9. Payment of Commission to Non-Executive Directors of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013, the Non-Executive Directors of the Company (i.e. Directors other than the Managing Director and Whole-time Directors) be paid, by way of an annual payment, in addition to the sitting fees for attending the meetings of the Board of Directors or Committees thereof, a commission as the Board of Directors may from time to time determine, not exceeding 1% (one percent) of net profits of the Company, to be calculated in accordance with the provisions of Sections 198 and other provisions, if any, of the Companies Act, 2013, for a period of 5 (five) years with effect from 1st April, 2018."

10. Approval of Remuneration of Cost Auditor of the Company

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

"RESOLVED THATpursuant to Section 148 and any other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) to Company's Cost Auditor, M/s. Rahul Jain & Associates, Cost Accountants, for auditing the cost records maintained by the Company for the financial year 2018-19."

11. Approval of Gulshan Polyols Limited Employees - Stock Option Plan 2018 (GPL ESOP 2018)

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded respectively to the 'GPL - Employees Stock Option Plan 2018' (hereinafter referred to as the "GPL ESOP 2018") and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee,

including the Nomination and Remuneration /Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution)be and hereby authorised to create, offer and grant from time to time such number of options, to the permanent employees including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or out of India, as may be decided solely by the Board under the Plan, exercisable into not more than 5% options of the issued equity share capital of the Company i.e. 23,45,851 options/equity shares of the present capital, each Option giving the right but not the obligation to the holder to subscribe for cash to one fully paid-up Equity Share in the Company, of face value of ₹ 1/- each, directly by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the GPL ESOP 2018 and in due compliance with the applicable laws and regulations in force."

"FURTHER RESOLVED THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares upon exercise of options by Employee from time to time in accordance with the GPL ESOP 2018 and other applicable laws in force and such Equity shares shall rank pari-passu in all respects with the existing Equity Shares of the Company."

"FURTHER RESOLVED THAT the number of options that may be granted to any employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the GPL ESOP 2018 shall be lesser than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

"FURTHER RESOLVED THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid limit of 5% of the issued equity share capital of the Company i.e. 23,45,851 equity shares of the present capital, shall be deemed to be increased in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment."

"FURTHER RESOLVED THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the options Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 1/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"FURTHER RESOLVED THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the GPL ESOP 2018 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the GPL ESOP 2018 and do all other things incidental and ancillary thereof."

"FURTHER RESOLVED THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the GPL ESOP 2018."

"FURTHER RESOLVED THAT any of the Directors of the Company or Company Secretary of the Company be and is hereby authorized to take necessary steps for listing of the securities allotted under the GPL ESOP 2018 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

12. Acquisition of Shares of the Company through 'Employees Welfare Trust' for implementation of GPL ESOP 2018.

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

"RESOLVED THAT pursuant to the provisions of sections 62(1)(b), 67 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred

to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee/Compensation Committee, duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to the Board to implement 'Gulshan Polyols Limited Employees - Stock Option Plan 2018'(hereinafter referred to as the "GPL ESOP 2018") through an Employees' Welfare Trust (hereinafter referred to as "Trust") to be setup by the Company.

RESOLVED FURTHER THAT the said Trust be and is hereby authorised to subscribe, acquire, purchase, sale, transfer, hold, dispose and deal in the equity shares of the Company either by way of fresh allotment by the company and/or from the secondary market through the trust , such that the total number of shares under secondary acquisition held by the trust does not exceed, at any time 5% of paid up equity share capital of the company for the purpose of implementation of GPL ESOP 2018 or any other employee stock plan or share based employee benefit plan(s), as may be introduced by the Company from time to time, (hereinafter referred to as "Employee Benefits Plan(s)"), or for any other purpose(s) as contemplated herein and to do all such acts, deeds and things as may be incidental or ancillary in this regard.

FURTHER RESOLVED that the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the Paid-up Equity Share Capital as at the end of the previous financial year.

FURTHER RESOLVED that in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger or other re-organisation, if any, additional Equity Shares are required to be issued by the Company to the shareholders, the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to delegate all or any of the powers herein conferred by this resolution to any Committee of directors, Director, Officer or Authorised Representative of the Company and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Members of the Company."

13. To authorise for making of Loan/ Provision of money at Employees' Welfare Trust for purchase of / subscription for Company's shares under GPL ESOP, 2018.

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

"RESOLVED THAT pursuant to the provisions of sections 62(1)(b), 67 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee/Compensation Committee, duly authorised by the Board), consent of the Members of the Company be and are hereby accorded to the Board to make loan and /or provision of money and/or to provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the Employees' Welfare Trust (hereinafter referred to as "Trust") to be set-up by the Company, for an amount not exceeding 5% (Five percent) of the aggregate of the paid-up share capital and free reserves of the Company for the purpose of subscription for and/or acquisition of equity shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be specified under the GPL ESOP 2018 and/or any other employee stock plan or share based employee benefits plan(s), which may be introduced by the Company from time to time (hereinafter collectively referred to as "Employee Benefits Plan(s)") with a view to deal in the equity shares of the Company as contemplated in any of the Employee Benefits Plans or such other purpose(s) as may be permitted under the SEBI SBEB Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT any loan or money or guarantee provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the GPL ESOP 2018 and/or other Employee Benefits Plan(s), as the case may be, subject to exercise price being paid by the employees upon exercise of Options under any of the Employee Benefits Plan(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

14. Re-appointment of Mr. Kailash Chandra Gupta as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kailash Chandra Gupta (DIN: 01649210), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from 29th May, 2018 to 28th May, 2023, and whose office shall not be liable to retire by rotation."

By the order of the Board of Directors

Date: 3rd August, 2018

Place: Delhi

Nisha Gupta

Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A proxy shall not have right to speak at AGM and shall not be entitled to vote except on poll.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder.
4. Proxies in order to be effective must be received at the Company's Corporate Office at G- 81, Preet Vihar, Delhi- 110092 not less than 48 hours before the time fixed for the meeting or Adjourned meeting at which the person named in the instrument proposes to vote. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the appointing organization. A form of Proxy and Admission Slip is enclosed. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy verification of attendance at the Meeting.
6. The Register of Members and Share transfer books of the Company will remain closed from Saturday, 25th August, 2018 to Tuesday, 28th August, 2018 (both days inclusive) in terms of Section 91 of the Companies Act, 2013.
7. Dividend on the Shares, if declared, will be paid at par after 29th September, 2018 to those Members/Beneficial owners whose names appear on the Company's Register of Members/Register of Beneficiaries as at the end of business hours on 24th August, 2018.

8. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special business at item no. 6 to 14 is enclosed.

9. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2010-11 to 2017-18 including Interim Dividend 2017-18, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).

10. In terms of the provisions of Section 124 of the Companies Act, 2013 the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2010-11 is due for transfer to the said Fund. In terms of provisions of Section 124 of the Companies Act, 2013, no claim shall lie against the Company or the said Fund after the said transfer.

11. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

12. Voting through electronic means for 18th Annual General meeting

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 18th AGM by Electronic means and business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

II. The voting period begins at 9:00 A.M. on 26th September, 2018 and ends at 5:00 P.M. on 28th September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

III. The process and manner for remote e-voting is as under:

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

i) Click on "Shareholders" tab to cast your votes.

ii) Now enter your User ID

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

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

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Dividend Bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio.
Bank Details	Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter any one of the details in order to login. In case either of the details are not recorded with the depository or Company, please enter the member id / folio number (User ID) in the Dividend Bank details field.

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

vi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password filed. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

viii) Click on the relevant EVSN for Gulshan Polyols Limited.

ix) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xiv) If demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xv) **Shareholders can also cast their vote using CDSL's mobile app m- voting available for android based mobiles. The m- Voting app can be download from Google Play Store.**

xvi) Please follow the instructions as prompted by the mobile app while voting on your mobile.

xvii) Note for Non-Individual Shareholders & Custodians:

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

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

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

xx) The Company has appointed Ms. Megha Aggarwal, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders

meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchanges (BSE & NSE).

13. Members can also download the notice of AGM from the website of the Company i.e. www.gulshaindia.com.

14. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), change of address, change of name, e-mail address, contact numbers, nominations etc., to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to RTA.

15. Members holding shares in physical form or in multiple folios, in identical names are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.

16. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA /Depositories.

17. Details of directors seeking re-appointment at Item Nos. 6-8 & 14 as required under Regulation 36 (3) of the Listing Regulations is given in the Explanatory Statement.

18. Copies of all documents referred to in the Notice are available for inspection at the Registered Office of the Company during normal business hours (11.00 a.m. to 5.00 p.m.) on all working days till the date of the AGM.

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

Item No. 6

Dr. C. K. Jain, who was re-appointed as Chairman and Managing Director by the members through ordinary resolution at the 15th Annual General Meeting of the Company held on 19th September, 2015, to hold office for a period of 5 years commencing from 1st April, 2015 to 31st March, 2020. He has attained the age of 70 years in June, 2018 and hence continuation of his employment as Chairman and Managing Director requires the approval of members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

Keeping in view that Dr. C. K. Jain has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue the employment of Dr. C. K. Jain as Chairman and Managing Director.

The Board of Directors on the recommendation of Nomination and Remuneration Committee has also decided to revise remuneration paid / payable to Dr. C. K. Jain, subject to the approval of members/shareholders by way of special resolution.

The Company had been making consistent adequate profit upto the financial year 2016-17. The profit during the financial year commencing from 1st April, 2017 to 31st March, 2018 is understood to be under pressure on account of finance cost, increase in operating cost, competition and additional depreciation charged in terms of Companies Act, 2013. Owing to the above factors, the profits to be earned by the Company during the said financial year may not be as per expectations and may become inadequate for the purpose of managerial remuneration in terms of Section 197 of the Companies Act, 2013. Considering the seasonal nature of the industry & the direct impact of the economy on the industry, the Company has been making necessary efforts to improve its profitability by pursuing and implementing strategies. The results of these initiatives are likely to be felt in the coming years.

In view of the above, the payment of the managerial remuneration for the said year(s) may fall within the purview of Section II of Part II of Schedule V of the Companies Act, 2013 which lays down the following limits for payment of managerial remuneration:

Where the effective capital is	Maximum Yearly Permissible Limit of Managerial Remuneration Per Person
₹ 250 crores or more	₹ 120 lakhs plus 0.01% of the effective capital in excess of ₹ 250 crores**

*** Provided that the above limits shall be doubled if the resolution passed by the shareholders is a special resolution.*

Accordingly, the Board of Directors at its Meeting held on 29th January, 2018 felt it prudent to approach the Members of the Company seeking their approval by way of special resolution to the appointment and remuneration payable to the aforesaid managerial personnel for a period of three (3) years i.e. from 1st April 2017 to 31st March 2020 in the event of loss or inadequacy of profits earned by the Company during the aforesaid financial year. The details particulars in respect of the Company and aforesaid managerial personnel are given below forming part of this Notice.

Having regard to the above, the resolution set out at item No. 6 have been proposed and the Board of Directors recommended the same for your approval based on the recommendations of the Nomination and Remuneration Committee.

Except Dr. Chandra Kumar Jain, being an appointee and Ms. Arushi Jain and Ms. Aditi Pasari being daughters of Dr. Chandra Kumar Jain in the capacity of directors of the Company, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned and interested or in the resolution set out at item no. 6.

Item No. 7 & 8

Ms. Arushi Jain and Ms. Aditi Pasari were re-appointed as Whole Time Director(s) of the Company, respectively, at a salary of ₹ 1,50,000/- p.m. (in the time scale of ₹ 1,50,000- ₹ 4,00,000) with effect from 1st January, 2016 for a period of 5 years at the 16th Annual General Meeting of the shareholders held on 17th September, 2016. They were also entitled to Commission on profits, in addition to Salary, perquisites and allowances including Contribution to Provident Fund, Gratuity provided, Encashment of accumulated Leaves, Company's Car, Reimbursement of actual medical expenses, Club Memberships that the aggregate of the remuneration shall be within the maximum limits as laid down under Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act as amended from time to time.

Minimum Remuneration: In terms of the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year, during the currency of the tenure of managerial personnel, the Company has no profits or its profits are inadequate, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following:-

(i) The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.

(ii) There is no default in repayment of any of its debts or interest payable thereon.

(iii) A special resolution has been passed at a general meeting of the Company.

The Company has inadequate profits for the period ended 31stDecember, 2017 in the financial year 2017-18. However, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

The Board of Directors and Nomination and Remuneration Committee at their meeting held on 29th January, 2018, respectively, have already approved the revision in terms of remuneration payable to Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors of the Company as set out in the resolution at Item No. 7 & 8 of the Notice. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

Except for the aforesaid revision in salary, all other terms and conditions of her appointment as Whole Time Director of the Company as approved by the members of the Company shall remain unchanged.

Ms. Arushi Jain, Ms. Aditi Pasari and Dr. C. K. Jain, Directors together with their relatives are interested in the resolution set out at Item No. 7 & 8 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board commends the Special Resolution set out at Item No. 7 & 8 of the accompanying Notice for the approval by the Members.

Item No 9

The Board of Directors are of the opinion that, in order to remunerate the Non-Executive and Independent Directors of the Company (other than the Managing Director and/or Whole-time Directors), for the responsibilities entrusted upon them under the law particularly with the requirements of the Corporate Governance Policies, the current trends and commensurate with the time devoted and the contribution made by them, the Board at their Meeting held on 22nd May, 2018 have approved, subject to such Statutory approvals as may be necessary, payment by way of Commission, to be paid to the Non- Executive and Independent Directors of the Company.

Board of Directors of the Company has approved payment of Commission to Non- Executive and Independent Directors of the Company, within the maximum limit of 1% of net profits of the Company, to be determined by the Board of Directors for each Non-Executive and Independent Director for each financial year, over a period of five years with effect from 1stApril, 2018, in addition to the sitting fees paid for each of the Board and its Committee meetings attended by them.

Section 309 of the Companies Act, 1956 requires approval of members of the Company by passing a Special Resolution in general meeting for payment of remuneration by way of Commission to Non-Executive Directors of the Company.

All the Non-Executive Directors of the Company may be deemed to be concerned or interested in the said resolution no. 9 to the extent of the commission payable to them.

Item No. 10

The Board of Directors at its meeting held on 22nd May, 2018 appointed M/s Rahul Jain & Associates, Cost Accountants (Firm Registration No. 101515), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2019, at a remuneration amounting to ₹ 80,000/- (Rupees Eighty Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

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

None of the Directors, KMP or their relatives are concerned or interested in the resolution as set out at Item No. 10

Item No. 11

The human resource plays a vital role in growth and success of a Company. As a step towards substituting pure financial benefits with ownership and to enable employees to participate in the enhancement of shareholders value, your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path. The Company intends to implement the **Gulshan Polyols Limited – Employees Stock Option Plan 2018 (GPL ESOP 2018),** with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, (SEBI (SBEB) Regulations), the Company seeks members, approval in respect of GPL ESOP 2018 and grant of options to the eligible employees/ Directors of the Company as decided by the Nomination and Remuneration Committee from time to time in due compliance of the SEBI (SBEB) Regulations.

Item No. 12 and 13

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations, the Company proposes to implement Gulshan Polyols Limited Employees - Stock Option Plan 2018("GPL ESOP 2018") through an Employees' Welfare Trust ("Trust") route with a view to efficiently manage the Plan and if required, to enable cashless exercise of vested options. GPL ESOP 2018 envisages issue of 5% options of the issued equity share capital of the Company i.e. 23,45,851 equity shares of the present capital within the term of the Plan. The Company also contemplates to manage any other future employee stock option plan or share based employee benefit plan as may be introduced from time to time through the aforesaid Trust.

The Board proposes to set-up an Employees' Welfare Trust namely Gulshan Polyols Limited Employees' Welfare Trust ("Trust") and to make loan and / or provision of money and / or to provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the Trust, for an amount not

exceeding 5% (Five percent) of the aggregate of the paid-up share capital and free reserves of the Company, as prescribed under SEBI SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014.

The main features of the ESOP 2018 are as under:

1. Brief Description of the Scheme(s):

This proposed Scheme called the 'Gulshan Polyols Limited – Employees Stock Option Plan 2018' and shall extend its benefits to the present and/or future permanent & eligible employees of the Company. The scheme will be implemented via Trust Route which will acquire Equity Shares of the Company by both the ways either by fresh allotment from the company or by Secondary market acquisitions for the purpose of extending the benefits of the scheme to the employees. The scheme may also involve cashless exercise of options, as may be decided by the Committee.

2. Total number of options to be granted:

The maximum number of options/shares to be granted to the Employees under the GPL ESOP 2018 shall not exceed 5% options of the issued equity share capital of the Company i.e. 23,45,851 equity shares of the present capital. Each option when exercised would be converted into one Equity Share of ₹ 1/- each fully paid up.

In case of any corporate action such as right issue, bonus issue, corporate restructuring, other issues, reduction of share capital, buy back of shares, split or consolidation of shares of the Company or like events, the above limit shall be calculated with reference to adjusted capital and number of Equity Shares to be acquired/ granted shall be adjusted accordingly.

3. Identification of classes of employees entitled to participate in GPL ESOP 2018:

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the Company, its holding and subsidiary company(ies) as may be determined by Board/ Committee at its discretion from time to time be allowed under the SEBI SBEB Regulations, 2014, shall be eligible to participate in the GPL ESOP 2018 .

An employee who is a Promoter or belongs to the Promoter Group; a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% (Ten percent) of the outstanding equity shares of the Company, shall not be eligible to participate in the GPL ESOP 2018.

4. Appraisal process for determining the eligibility of the employees to the GPL Scheme 2018

The process for determining the eligibility of the employees will be specified by the Nomination and Remuneration / Compensation Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the aforesaid Committees' at its sole discretion, from time to time.

5. Requirements of vesting and period of vesting:

The options granted shall vest so long as an employee continues to be in the employment of the Company. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the condition that Vesting of options shall commence after a period of minimum one (1) year from the date of grant.

The vesting period shall be decided by the Nomination and Remuneration Committee from time to time but shall not be less than 1 year and not more than 5 years from the date of grant of options. Vesting may happen in one or more tranches.

6. Exercise price or pricing formula:

The exercise price and/or the pricing formula shall be decided by the Nomination and Remuneration Committee from time to time. Employee shall bear all tax liability in relation to grant of options.

7. Exercise period and the process of Exercise:

The Compensation Committee shall decide the exercise period from time to time which can be extended upto 5 years from the vesting date(s).

The Vested options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee

from time to time. The options shall lapse if not exercised within the specified exercise period.

8. Lock in period

The lock in period, if any shall be determined by the Nomination, Remuneration and Compensation Committee.

9. Maximum number of options to be issued per employee and in aggregate:

The maximum number of Options that can be granted to any eligible employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of options unless otherwise approved by the shareholders.

10. The method which the company shall use to value its options;

The value of options will be determined as per the SEBI SBEB Regulations, 2014.

11. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct

The condition under which the Employee Stock Option vested in Employees may lapse is termination of employment for misconduct.

12. Other disclosure

The Company shall comply with the disclosures, the accounting policies and accounting standards and other requirements as may be prescribed under the Companies Act, 2013 and rules made there under and other Applicable Laws from time to time. The Compensation Committee shall have all the powers to take necessary decisions for effective implementation of the GPL ESOP 2018. In terms of the provisions of the Companies Act, 2013 read with rules made there under, GPL ESOP 2018 is required to be approved by the members by passing Special resolution.

13. Maximum Quantum of benefits to be provided per employee under the ESOP 2018

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

14. Implementation and administration of the scheme

The scheme shall be implemented and administered by the "Employee Welfare Trust" of the company. The Company proposes to provide financial assistance to the said Trust for this purpose subject to the overall limits specified under the Applicable Laws, if any.

15. Whether the scheme involves new issue of shares by the company or secondary acquisition by the Trust or both

Both i.e. new issue of shares by the company to the Trust and secondary acquisition by the Trust.

16. Accounting and Disclosure Policies

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESOP 2018 is available for inspection at the Company's Registered Office on all working days (excluding Saturday, Sunday and Holidays) till the date of the Annual General Meeting.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Stock Options that may be granted to them and the resultant equity shares issued, as applicable.

Particulars in respect of the Trust:

a) The class of employees for whose benefit the Plan is being implemented and money is being provided for purchase of and subscription for the shares:

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the Company, its holding and subsidiary company(ies) as may be determined by Board/

Committee at its discretion from time to time.

b) The particulars of the Trustee or employees in whose favour such shares are to be registered:

It is contemplated that one or more of the designated Trustees shall acquire and deal in the shares of the Company. The Trustees shall transfer the shares in favour of the employees on exercise of the Options after ensuring realisation of exercise price and applicable income tax.

c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

An Irrevocable Trust is proposed to be set-up with the name Gulshan Polyols Limited Employees' Welfare Trust having its registered office at G -81, Preet Vihar, Delhi- 110092.

The Trustee(s) would be appointed by the Board and / or the Committee thereof in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations.

A person shall not be appointed as a trustee to hold such shares, if he is a director, key managerial personnel or promoter of the company or its subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or (b) beneficially holds 10% (Ten percent) or more of the paid-up share capital of the Company.

d) Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

The Key Managerial Personnel and Directors are interested in the Scheme only to the extent of stock options as may granted to them, if any, under the Scheme. None of the promoters is concerned or interested in the Scheme.

e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:

The eligible employees shall be granted ESOPs under the Plan, which would vest subject to vesting conditions prescribed by the Committees. Upon exercise of vested stock options, the eligible employees, will be entitled to equivalent number of equity shares of the Company, In case of cashless system of exercise of vested Options, the Committees shall specify such procedures and/or mechanisms for the entitlements under the plan and the same shall be binding on the Option grantees.

f) The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:

As per SEBI SBEB Regulations, neither the Trust nor any of its Trustees shall exercise voting rights in respect of equity shares held in the Trust.

In terms of the provisions of Regulation 6 of the SEBI SBEB Regulations, consent of the Members is being sought by way of Special Resolutions set out at Item Nos. 12 and 13 of this Notice.

Further, in term of the provisions of Regulation 3(8) of the SEBI SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules 2014, consent of the Members is being sought by way of a Special Resolution set out at Item No. 13 of this Notice.

Your Directors recommend Resolutions proposed at Item Nos. 12 and 13 of this Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in these resolutions, except to the extent of their entitlements, if any, under the Plan.

Item No. 14

The Members of the Company, at the 16th Annual General Meeting held on September 17, 2016 had approved the appointment of Mr. Kailash Chandra Gupta as an Independent Director of the Company, whose term expired on 28th May, 2018.

Mr. Kailash Chandra Gupta holds 165 Equity Shares of the Company.

As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a

Company.

In line with the aforesaid provisions of the CA 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Kailash Chandra Gupta, it is proposed to re-appoint him for the second term as an independent Director on the Board of GPL for a period of five years upto 28th May, 2023.

In the opinion of the Board, Mr. Kailash Chandra Gupta fulfills the conditions specified in the Act and except for the above mentioned shareholding; he is independent of the management. Copy of the draft letter for appointment of Mr. Kailash Chandra Gupta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kailash Chandra Gupta as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 14 of the Notice as a Special Resolution.

Except Mr. Kailash Chandra Gupta, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 14.

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

I.	**General Information**	
1.	Nature of industry	Manufacturing of diversified products viz. Calcium Carbonate, Starch Sugars; Alcohol Business; Agro Based Animal Feed & On-Site PCC plants.
2.	Date of commencement of commercial production	Commercial operations commenced in the year 2000.
3.	Financial performance based on givenindicators	Financial performance based on given indicators during the year 2016-17, turnover was ` 529 crores, Net profit was ` 27.91 crores and EPS was ` 5.74
4.	Foreign investments or collaborators, if any	The Company has not entered into any foreign collaboration and no direct capital investment has been made in the company in the last three financial years. Foreign investors, mainly comprising NRIs, FIIs and /or Foreign Nationals are investors in the Company on accounts of past issuance of securities /secondary market purchase.

II.	**Information about the appointee**			
1.	Name and Designation of the Director	Dr. C. K. Jain Managing Director	Ms. Arushi Jain Whole Time Director	Ms. Aditi Pasari Whole Time Director
2.	Background details	He, aged 70, is one of the founding members of Gulshan Polyols Ltd. He is guiding force behind the success of the Company.	She, aged 41 years, is one of the founding member of Gulshan Polyols Ltd. She joined the Company in the year 2010.	She, aged 39 years, is one of the founding member of Gulshan Polyols Ltd. She joined the Company in the year 2010.
3.	List of Directorship in other companies	Gulshan Sugars and Chemicals Limited, Gulshan Holdings Pvt. Ltd. and Gulshan Specialty Minerals Pvt. Ltd.	Gulshan Sugars and Chemicals Limited and Gulshan Holdings Pvt. Ltd., OyeOye.Com Online Services India LLP, Houzilla Interiors Pvt. Ltd	Gulshan Sugars and Chemicals Ltd., Gulshan Lamee Pack Private Limited, Reliance Expovision Private Limited, East Delhi Importers & Exporters Private Limited, Arp Developers Private Limited

4.	Membership/ Chairmanship of committees across other companies	Nil	Nil	Nil
5.	Past remuneration paid	During the year 2016-17, Dr. C. K. Jain was paid ₹ 152.19 Lakhs	Ms. Jain was paid ₹ 51.00 lakhs as annual remuneration for the financial year 2016-17.	Ms. Pasari was paid ₹ 43.00 lakhs as annual remuneration for the financial year 2016-17.
6.	Recognition or awards	The Company has received various awards and recognition during his tenure as a Managing Director of the Company.	The Company has received various awards and recognition during her tenure as a Whole Time Director of the Company.	The Company has received various awards and recognition during her tenure as a Whole Time Director of the Company.
7.	Job profile and his/her suitability	He is highly experienced and is responsible for overall supervision and Control of affairs of the business. He shall perform and discharge all such duties and responsibilities as may from time to time be assigned and entrusted to him by the Board. He is also member of Audit Committee.	She devotes her full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company, subject to the superintendence, control and supervision of the Board. She is also member of CSR Committee.	She devotes her full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company, subject to the superintendence, control and supervision of the Board. She is also Member of Stakeholders Relationship Committee and CSR committee.
8.	Remuneration proposed	Details of proposed remuneration is presented above in the Resolution.	Details of proposed remuneration are presented above. It is the same as approved earlier by the Members at 16th Annual General Meeting held on 17th September, 2016.	Details of proposed remuneration are presented above. It is the same as approved earlier by the Members at 16th Annual General Meeting held on 17th September, 2016.
9.	Comparative remuneration with respect to industry, size of company, profile of the position and person	The current remuneration being paid to the Managing Director (looking at the profile of the position and person) is equal or lower than the remuneration being paid by the companies' comparable size in the industry in which the Company operates.	The remuneration proposed to be paid to Ms. Arushi Jain, Whole Time Director is purely based on merit. Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Ms. Arushi Jain before recommending the remuneration as proposed hereinabove.	The remuneration proposed to be paid to Ms. Aditi Pasari, Whole time Director is purely based on merit. Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Ms. Aditi Pasari before recommending the remuneration as proposed hereinabove.

10.	Pecuniary Relationship with the Company and Other Managerial Person in the Company	Besides the remuneration proposed, he also holds 4846990 equity shares of the Company. Relative (Father) of Ms. Arushi Jain and Ms. Aditi Pasari, Whole Time Directors of the company deemed to be interested in the resolution relating to the remuneration of Dr. C. K. Jain	Besides the remuneration proposed, Ms. Arushi Jain also holds 1024060 equity shares of the Company. Relative (Daughter & Sister) of Dr. C. K. Jain and Ms. Aditi Pasari, Directors of the Company deemed to be interested in the resolution relating to the remuneration of Ms. Arushi Jain.	Besides the remuneration proposed, Ms. Aditi Pasari also holds 611605 equity shares of the Company. Relative (Daughter & Sister) of Dr. C. K. Jain and Ms. Arushi Jain, Directors of the Company deemed to be interested in the resolution relating to the remuneration of Ms. Aditi Pasari.

III.	**Other information**	
1.	Reasons of loss or inadequate profits	The Company does not envisage any loss or inadequate profits. However, hike in the interest rate, rising running cost and challenging business environment may affect the profitability of the Company in future. The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.
2.	Steps taken or proposed to be taken for improvement	The Company is always looking forward to take all such steps and measures including expansion, diversification, restructuring which are in the best interest of the company. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins
3.	Expected increase in productivity and profits in measurable term`	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.
IV.	**Disclosures**	
1. 2.	The information, as required, is provided under Corporate Governance Section of the Annual Report 2018. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.	

DIRECTORS' REPORT

Dear shareholders,

Your Directors have pleasure in presenting their 18th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2018

1. A. THE STATE OF COMPANIES AFFAIRS

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
REVENUE		
Revenue from Operations	**62403.80**	52681.57
Other Income	**183.49**	412.57
TOTAL REVENUE (I)	**62587.29**	53094.14
EXPENSES (II)	**55503.98**	46635.26
Earnings before Interest, Tax , and Depreciation & Amortization (EBITDA) (I –II)	**7083.31**	6458.88
Less: Finance Cost (Interest)	**1080.72**	617.78
Depreciation	**3648.48**	2808.13
PROFIT BEFORE TAX (PBT) (III)	**2354.11**	3032.97
Less - Current Tax	**508.33**	647.71
Add - MAT Credit entitlement	**(508.33)**	(633.70)
- Deferred Tax	**529.91**	284.59
PROFIT AFTER TAX (PAT) (IV)	**1824.20**	2734.38
OTHER COMPREHENSIVE INCOME (V)		
Item that will not be reclassified to Profit and Loss:		
- Equity Instruments through OCI	**-**	18.43
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IV)+(V)	**1824.20**	2752.81
Dividend & Dividend Tax - Interim Dividend	**225.87**	225.87
Cash Accruals	**5472.68**	5560.94
Equity Share Capital	**469.17**	469.17
Earnings per Share - Basic (₹)	**3.89**	5.83
- Diluted (₹)	**3.89**	5.83

B. RESULTS OF OPERATIONS

The Financial Year 2017-18 was a challenging year on multiple fronts, and your Company has delivered a resilient performance. The performance in FY 2017-18 should be viewed in light of the several challenges faced.

During the financial year ended 31st March 2018, Revenue from operations increased to ₹ 624.04 crores from ₹ 526.82 crores in the previous year. The figures are not comparable as the revenue for the year is net of GST. Registered growth is 25% on net revenue basis. EBIDTA of ₹ 70.83 crores for the year against ₹ 64.59 crores in the previous year, a growth of 10% despite a negative EBIDTA of ₹ 3.93 crores from Distillery. Profit after tax (PAT) of ₹ 18.24 crores in FY2017-18 against ₹ 27.34 crores in the previous year. PAT is lower due to higher finance cost of ₹ 4.63 crores and higher depreciation of ₹ 8.40 crores.

During the year the business and affairs of the Company have been carried out in its normal course and no significant events have taken place, which are harmful.

2. TRANSFER TO RESERVES

Your Board recommends to transfer to general reserves of ₹ 3.00 crores (previous year ₹ 3.00 crores). Consequently, the surplus in the statement of Profit and Loss as at 31st March, 2018 would stand at ₹ 183.22 crores (Previous Year ₹ 171.93 crores).

3. DIVIDEND

During the year, the Board of Directors had declared and paid an interim dividend of 40%, on equity shares of face value ₹ 1/- each amounting to ₹ 0.40 per share. Your Directors are pleased to recommend a final dividend of 30% on equity shares of face value ₹ 1/- each amounting to ₹ 0.30 per share for the year ended 31st March, 2018, subject to the approval of the members at this Annual General Meeting. Thus, total dividend for the year amounts to 70% on equity shares (i.e. ₹ 0.70 per share on face value of ₹ 1/- each)

During the year 2017-18, the Company has transferred unclaimed dividend of ₹ 2,21,497.50/- to Investor Education and Protection Fund, as per Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001

4. NEW DEVELOPEMENTS & RECOGNITIONS

- The Company has entered into an agreement to set up 24000 MTPA Onsite PCC/WGCC with a Silver ton Paper Mill in Western U.P.
- Company achieved a 222% volume growth in its Maize Starch sales in FY2017-18.
- Company achieved a 208% volume growth in its HFRS production in FY2017-18.
- The Company has successfully commenced the commercial production of ENA and Rectified Spirit in Borgaon industrial area in Chhindwara (M.P.) during the month of December 2017.

5. PUBLIC DEPOSITS

During the financial year 2017-18, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Companies Act, 2013 and rules framed thereunder

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 5 to the Financial Statements.

7. DISCLOSURE REGARDING SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES

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

8. CREDIT RATINGS

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

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31ST MARCH, 2018 AND 22ND MAY, 2018 (DATE OF THE REPORT)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2018) and the date of the Report (22nd May, 2018).

10. MATERIAL ORDERS BY GOVERNING AUTHORITIES AND COURTS

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

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

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

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

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

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

13. CORPORATE SOCIAL RESPONSIBILITY OF THE COMPANY

During the year, the meeting of CSR Committee was held on 27th May, 2017 for discussing contribution require to be made by Company for fulfilling the objectives as per Company's CSR policy. The contributions in this regard have been made by both ways i.e. directly and corpus to the registered trust / Society. The Annual report on CSR activities is annexed herewith as Annexure B.

14. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Change in Directors and KMPs

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

Retirement by rotation

In terms of Section 152 of the Companies Act, 2013, Mr. Ashwani Kumar Vats,, Executive Director would retire by rotation at the forthcoming AGM. Being eligible, he has offered himself for re-appointment.

Statement on declaration given by Independent Directors

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

Performance evaluation

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

Remuneration Policy

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

Number of Meetings

The Board of Directors duly met 4 times in the financial year 2017-18 on 27th May 2017, 11th August 2017, 13th November, 2017, 29th January, 2018.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' state that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis; and

e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f. the Directors' have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectually.

16. RELATED PARTY TRANSACTION

During the financial year 2017-18, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements), 2015. Further, there were no transactions with related parties which qualify as material transactions under Regulation 23 of SEBI (LODR), 2015.

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

17. DEMAT OF SHARES

Necessary arrangements are made for Dematerialization of Shares, with NSDL and CDSL. Out of the total, 97.23% 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.

18. INDUSTRIAL RELATIONS

The industrial relations have been cordial at all the plants of the Company. The Board records its appreciation of the commitment and support of employees at all levels.

19. INSURANCE

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

20. SAFETY AND ENVIRONMENT

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

21. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

22. VIGIL MECHANISM

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

23. SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint under this policy during the year 2017- 2018.

24. PARTICULARS OF EMPLOYEES

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

Name	Designation	Remuneration received	Nature of Employment	Qualification & Experience	Date of appointment	Age	Last employment	% of equity held	Such employee relative of director in the Co.
Dr. C. K. Jain	Managing Director	₹ 1.66 cr	Contractual	Phd. in Science & 50 yrs. Exp.	20.10.2000	70yrs	No	10.33%	Ms. Arushi jain Ms. Aditi Pasari

25. AUDIT OBSERVATIONS

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

26. AUDITORS:

i) Statutory Auditors:

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

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

ii) Internal Auditors:

a. Shahid & Associates, Chartered Accountants have been appointed as Internal Auditors for the FY 2018-19 for all the Units of the Company except Bharuch Sorbitol Unit. They will perform the duties of internal auditors of the Company and their report will be reviewed by the audit committee from time to time.

b. S. S. Kothari Mehta & Co. appointed as Internal Auditor for audit of Bharuch Sorbitol Unit for the FY 2018-19.

iii) Cost Auditors:

Rahul Jain & Associates, Cost Accountants have been appointed as Cost Auditors for auditing the cost accounts of your Company for the year ending 31st March, 2019 by the Board of Directors. Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, Members are requested to consider the ratification of the remuneration payable to Rahul Jain & Associates. The Cost Audit Report for the year 2016-17 has been filed under XBRL mode.

iv) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and (The Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at its meeting held

on 22nd May, 2018 has appointed Mr. Sanjay Chugh, Practicing Company Secretary (CP No.:3073, FCS: 3754) as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith as 'Annexure D'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

27. EXTRACT OF ANNUAL RETURN

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

28. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Date : 22nd May, 2018
Place : Delhi

Dr. C.K. Jain
Chairman and Managing Director

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-A

FORM-A (See Rule-2)

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

Conservation of energy

(i) **Energy Conservation measures taken:** The Company has realigned the existing power consuming sections to remove bottleneck and to ensure the uninterrupted and quality power supply at the minimum cost.

(ii) Additional investment and proposal, if any, being implemented for reduction of energy consumption: None

(iii) Impact of measures (i) & (ii) above for reduction of energy consumption and consequent impact on cost of production of goods: This would result in higher yield and reduction in power cost.

(iv) Total energy consumption and energy consumption per unit of production as per Form 'A': The details are as under:

A	Power Consumption and Fuel Consumption:	31.03.2018	31.03.2017
1	**Electricity :**		
a	**Purchased:**		
	Units	**39123193**	28430963
	Total Amount (₹)	**291642501**	207045831
	Average Rate (₹)/Unit	**7.45**	7.28
b	**Own Generation :**		
i	Through Diesel Generator :		
	Units	**0**	12890
	Cost (₹)	**0**	246174
	Cost (₹)/Unit	**0**	19.10
ii	Through Steam Turbine/Generator :		
	Units	**29750106.5**	20430382
	Cost (₹)	**89226561**	43363620
	Cost (₹)/Unit	**3.00**	2.12

2	**Coal /Coke : (Used in Boiler ,Microniser & Gas Producer)**		
	Qty. (MT)	**60885.938**	60323.985
	Total Cost (₹)	**455626720**	403785683
	Average Rate (₹)	**7483.28**	6693.62
3	**Agriculture Waste : (Used in Boiler ,Microniser & Gas Producer)**		
	Qty. (MT)	**15917.000**	0
	Total Cost (₹)	**73799324**	0
	Average Rate (₹)	**4636.51**	0
4	**HSD : (Used in Microniser)**		
	Qty. (Ltrs)	**0**	4603
	Total Cost (₹)	**0**	246174
	Average Rate (₹)	**0**	53.48
B	**Consumption Per Unit (MT) of Production**		
1	**Products - Production**		
	Calcium Carbonate (in MT)	**97539.936**	101014.040
	Sorbitol & Sweetner (in MT)	**87617.860**	87348.690
	Starch (in MT)	**46449.000**	15146.000
	Liquor -ENA/IMFL	**1674901.000**	0.000
2	**Electricity (Units/Ton)**		
	Calcium Carbonate (in MT)	**194**	225
	Sorbitol & Sweetner (in MT)	**353**	294
	Starch (in MT)	**378**	248
	Liquor -ENA/IMFL (Units/Ltr.)	**1.19**	0
3	**Coal/Coke (MT/Ton) : (On Directly attributable Production)**		
	Calcium Carbonate (in MT)	**0.15**	0.37
	Sorbitol & Sweetner (in MT)	**0.43**	0.47
	Starch (in MT)	**0.23**	0.45
	Liquor -ENA/IMFL (Units/Ltr.)	**0.003**	0
4	**Agriculture Waste (Mt/Ton) : (On Directly attributable Production)**		
	Calcium Carbonate (in MT)	**0.10**	0
	Sorbitol & Sweetner (in MT)	**0.21**	0
	Starch (in MT)	**0.16**	0

FORM-B

TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

No technology ties up were entered into. The Company keeps itself updated with latest technological innovations by way of constant communication, personal discussions and visits to foreign countries/ plants.

FORM-C

Foreign Exchange Earnings & Outgo: Despite severe competition from low cost countries, the Company has made efforts on various fronts for promotion of exports.

(Amount in ₹)

S.No.	PARTICULARS	2017-18	2016-17
(i)	Earnings by way of Export of Goods calculated on FOB basis	**738531267**	738787928
(ii)	Payment of interest on loan taken	**19579393**	32839260
(iii)	Payment of Commission on Export of Goods	**9152435**	8261299
(iv)	Expenditure on foreign Traveling	**2777267**	4848391
(v)	Expenditure on Technical Service	**1972940**	16288466
(vi)	Expenditure on Legal & Professional fee	**1063998**	439379

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken

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

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

a. Enhance the quality of life of the people in areas surrounding the plant and offices;

b. Create a positive impact by making sustainable developments in the society and promote good environmental practices;

c. Be responsible and responsive corporate citizen through endeavors to create a safe, harmonious and ecologically balanced environment for its members and the community at large;

d. Maintain commitment to quality, health and safety in every aspect of the business and people.

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

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

a. Promoting Education

b. Providing Sanitation Facilities

c. Promoting healthcare including preventive healthcare

d. Ensuring Environment Sustainability

e. Rural Development

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

2. The Composition of the CSR Committee:

a. Mr. Ajay Jain - Chairman

b. Ms. Arushi Jain - Member

c. Ms. Aditi Pasari - Member

3. Average net profit of the company for last three financial years: ₹ 33.49 Crores

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 66.98 Lakhs

5. Details of CSR spend for the financial year 2017-18:

a. Total amount spent for the financial year : ₹ 14.41 Lakhs

b. Amount unspent if any : ₹ 52.57 Lakhs

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which projects is covered	Locations	Amount Outlay (Budget) Project or Programme-wise (₹ in Lakhs)	Amount spent on the project Or Programme (₹ in Lakhs)	Cumulative Expenditure Upto Reporting Period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency
1	Free Eye Checkup and Contract eye surgery Camp	Health & Family Welfare	Muzaffar nagar and Shukratal	6.00	6.62	6.62	Direct
2	Organized Cricket and Volley ball tournament	Promoting Sports	Bharuch and Muzaffar nagar	1.00	1.07	1.07	Direct
3	Organized Blood donation camp	Health & Family Welfare	Delhi & Bharuch	1.50	1.22	1.22	Direct
4	Distribution of notebooks to various schools around GIDC Jhagadia	Promoting Education	Bharuch	2.00	1.92	1.92	Direct
5	Donation to Vedic Cultural Centre and Help Care society	Spiritual better-ment & Social Welfare	Mumbai and Muzaffar Nagar	0.64	0.64	0.64	Direct
6	Distribution programs of Food and Liquid refreshment in various local areas of Jhagadia	Appetite Eradication	Bharuch	2.00	1.65	1.65	Direct
7	SD inter college Shukartal for distribution of sweets	Promoting Education	Muzaffar Nagar	0.20	0.19	0.19	Direct
8	Paint work, Agricultural work, Jhoola work, Tile work and Tractor work at Police Modern school	Promoting Education	Muzaffar Nagar	0.75	0.73	0.73	Direct
9	Installed submersible pump at Junior High School, Nirana	Promoting Education	Muzaffar Nagar	0.40	0.37	0.37	Direct
	Total			**14.49**	**14.41**	**14.41**	

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

On behalf of the Board of Directors

Date: 22nd May, 2018
Place: Delhi

Dr. C.K. Jain
Managing Director

Ajay Jain
Chairman of CSR Committee

ANNEXURE C TO THE DIRECTORS' REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

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

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

For and on behalf of Board of Directors

(Dr. C. K. Jain)
Chairman and Managing Director

Annexure D TO THE DIRECTORS' REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year ended on 31st March, 2018

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

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering financial year ended on **March 31, 2018** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2018** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India Prohibition of Insider Trading) Regulations, 2015 (applicable with effect from May 15, 2015).

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any debt securities)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the audit period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**

VI) OTHER APPLICABLE LAWS.

(a) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and

(b) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.

(c) The Factories Act, 1948 and Rules made there under.

(d) Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations.

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above without any material non-compliance.

To comply with section 135 of the Companies Act, 2013 read with the Companies (Corporate Responsibility Policy) Rules 2014, the Company has spent approx 21.51% of the eligible amount on Corporate Social Responsibility during the financial year(F.Y).

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

MANAGEMENT RESPONSIBILITY:

i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;

iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

v. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that,

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

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

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

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

We report further that during the audit period of the Company:

The company has transferred 4,11,370 shares into Investor Education and Protection Fund for the FY 2009-10 for those shareholders who has not claimed their dividend amount from the last seven consecutive years.

SANJAY CHUGH
COMPANY SECRETARY
Member Ship No.: F3754
Certificate of Practice NO.: 3073

Place: New Delhi
Date: 22nd May, 2018

ANNEXURE E TO THE DIRECTORS REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sorbitol & Sweeteners	106-21,23,24,26,29	79.75
2	Calcium Carbonate	20119	20.25

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual	8748065	Nil	8748065	18.65	8748065	Nil	8748065	18.65	0.00
b) Bodies Corp.	18881035	Nil	18881035	40.24	18881035	Nil	18881035	40.24	0.00
Total Shareholding of Promoters (A)	**27629100**	**Nil**	**27629100**	**58.89**	**27629100**	**Nil**	**27629100**	**58.89**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3084500	Nil	3084500	6.57	Nil	Nil	Nil	0.00	(6.57)
b) Foreign Portfolio Investor	2175000	Nil	2175000	4.64	2175000	Nil	2175000	4.64	0.00
c) Banks / FI	8338	Nil	8338	0.01	18157	Nil	18157	0.04	0.03
Sub-total (B) (1):-	**5267838**	**Nil**	**5267838**	**11.22**	**2193157**	**Nil**	**2193157**	**4.67**	**(6.54)**
2. Non-Institutions									
(i)Individual shareholders holding nominal share capital up to and equal to ₹ 2 lacs	7980754	1803095	9783849	20.85	10464352	1224460	11688812	24.91	4.06
(ii)Individual shareholders holding nominal share capital in excess of ₹ 2 lacs	Nil	Nil	Nil	0.00	Nil	Nil	Nil	0.00	0.00
NBFC Registered with RBI	125	Nil	125	0.00	2500	Nil	2500	0.01	0.01
Any Other # Corporate Domestic	1012715	77140	1089855	2.32	1723696	73480	1797176	3.83	1.51
Any Other # Corporate Foreign	2500000	Nil	2500000	5.33	2500000	Nil	2500000	5.33	0.00
Non Resident Indians	646253	Nil	646253	1.38	695405	Nil	695405	1.48	0.10
Any Other # IEPF	Nil	Nil	Nil	0.00	410870	Nil	4104870	0.88	0.88
Sub-total (B) (2):-	**12139847**	**1880235**	**14020082**	**29.88**	**15796823**	**1297940**	**17094763**	**36.44**	**6.56**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**17407685**	**1880235**	**19287920**	**41.11**	**17989980**	**1297940**	**19287920**	**41.11**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**45036785**	**1880235**	**46917020**	**100.00**	**45619080**	**1297940**	**46917020**	**100.00**	**Nil**

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year at 01-04-2017			Shareholding at the end of the year at 31-03-2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Dr. C. K. Jain	4846990	10.33	Nil	4846990	10.33	Nil	No Change
2	Gulshan Holdings Pvt. Ltd.	18881035	40.24	Nil	18881035	40.24	Nil	No Change
3	Mrs. Mridula Jain	1560105	3.33	Nil	1560105	3.33	Nil	No Change
4	Ms. Arushi Jain	1024060	2.18	Nil	1024060	2.18	Nil	No Change
5	Ms. Aditi Jain	611605	1.31	Nil	611605	1.31	Nil	No Change
6	Ms. Anubha Jain	705305	1.50	Nil	705305	1.50	Nil	No Change

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Dr. C. K. Jain**				
	At the beginning and at the end of the year	4846990	10.33	**4846990**	**10.33**
2.	**M/s Gulshan Holdings Pvt. Ltd.**				
	At the beginning and at the end of the year	18881035	40.24	**18881035**	**40.24**
3.	**Mrs Mridula Jain**				
	At the beginning and at the end of the year	1560105	3.33	**1560105**	**3.33**
4.	**Mrs Arushi Jain**				
	At the beginning and at the end of the year	1024060	2.18	**1024060**	**2.18**
5.	**Mrs Aditi Jain**				
	At the beginning and at the end of the year	611605	1.31	**611605**	**1.31**
6.	**Mrs Anubha Jain**				
	At the beginning and at the end of the year	705305	1.50	**705305**	**1.50**

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

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the financial year 2017-18		Shareholding at the end of the financial year 2017-18	
		No of Shares	%	No of Shares	%
1	Reliance Capital Trustee Co Ltd-A/C Reliance Mid &	3084500	6.57	NIL	NIL
2	Antara India Evergreen Fund Ltd	2715000	4.64	2175000	4.64

3	Antara India Evergreen Fund Ltd	2500000	5.33	2500000	5.33
4	Adesh Ventures Llp	139651	0.30	139651	0.30
5	Anish And Co Pvt Ltd	125000	0.27	125000	0.27
6	Anirudh Mohta	125000	0.27	125000	0.27
7	Rajesh Kumar Agrawal	107000	0.23	104200	0.22
8	Anuja Chintan Virani	100000	0.21	100000	0.21
9	Sunita Agarwal Jt1: Rajesh Kumar Agrawal	79800	0.172	76531	0.16
10	Sudhir Laxman Nayak	56225	0.12	56225	0.12
11	Varsha Ramesh Parikh	-	-	50110	0.11

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Dr. Chandra Kumar Jain**	Explained above in Promoters shareholding			
2.	**Mr. Ashwani Kumar Vats**				
	At the beginning and end of the year	Nil	Nil	Nil	Nil
3.	**Mr. Suresh Kumar Tewari**				
	At the beginning and end of the year	Nil	Nil	Nil	Nil
4.	**Ms. Arushi Jain**	Explained above in Promoters shareholding			
5.	**Ms. Aditi Pasari**	Explained above in Promoters shareholding			
6.	**Mr. Ajay Jain**				
	At the beginning and end of the year	435	0.00	435	0.00
7.	**Mr. Akhilesh Kumar Maheshwari**				
	At the beginning of the year	2410	0.05	2410	0.005
	Buy / ~~Sell~~ during the year	-	-	200	0.0005
	At the end of the year			**2610**	**0.005**
8.	**Mr. Jeewan Jyoti Bhagat**				
	At the beginning and end of the year	370	0.00	370	0.00
	Buy / ~~Sell~~ during the year	-	-	15000	
	At the end of the year			15370	0.032
9.	**Mr. Rakesh Kumar Gupta**				
	At the beginning of the year	270	0.00	270	0.0005
	Buy / ~~Sell~~ during the year	-	-	730	0.001
	At the end of the year			**1000**	**0.002**
10.	**Mr. Kailash Chandra Gupta**				
	At the beginning and end of the year	165	0.00	**165**	**0.00**
11.	**Mr. Rajesh Kumar Agrawal**				
	At the beginning of the year	300	0.00	300	0.0005
	Buy / ~~Sell~~ during the year	-	-	2200	0.004
	At the end of the year	300	0.00	**2500**	**0.005**
12.	**Ms. Nisha Gupta**				
	At the beginning of the year	43	0.00	-	-
	~~Buy~~ / Sell during the year	-	-	-	-
	At the end of the year	43	0.00	-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	83,73,69,788	Nil	Nil	83,73,69,788
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	34,02,886	Nil	Nil	34,02,886
Total (i+ii+iii)	**84,07,72,674**	**Nil**	**Nil**	**84,07,72,674**
Change in Indebtedness during the financial year				
* Addition	40,26,98,845	Nil	Nil	40,26,98,845
* Reduction	29,04,32,022	Nil	Nil	29,04,32,022
Net Change	**11,22,66,823**	**Nil**	**Nil**	**11,22,66,823**
Indebtedness at the end of the financial year				
i) Principal Amount	94,96,36,609	Nil	Nil	94,96,36,609
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	22,02,649	Nil	Nil	22,02,649
Total (i+ii+iii)	**95,18,39,258**	**Nil**	**Nil**	**95,18,39,258**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Dr. C.K. Jain (MD)	Mr. A. K. Vats (WTD)	Mr. S. K. Tewari (WTD)	Ms. Arushi Jain (WTD)	Ms. Aditi Pasari (WTD)	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,44,00,000	33,42,031	23,19,608	39,00,000	36,00,000	2,75,61,639
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,99,600	-	-	39,600	39,600	22,78,800
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify…		-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	**1,65,99,600**	**33,42,031**	**23,19,608**	**39,39,600**	**36,39,600**	**2,98,40,439**
	Ceiling as per the Act	**1,30,07,727**	**1,30,07,727**				**2,60,15,453**

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors (Non-executive & Independent Directors)					Total Amount
		Mr. A. K. Maheshwari	Mr. Ajay Jain	Mr. J. J. Bhagat	Mr. R. K. Gupta	Mr. K.C Gupta	
1)	**Non-executive & Independent Directors**						
	Fee for attending board & committee meetings	40,000	40,000	30,000	20,000	40,000	1,70,000
	Commission	3,00,000	3,00,000	3,00,000	3,000,000	3,00,000	15,00,000
	Others – Travelling fees	6,000	6,000	4,500	3,000	6,000	25,500
	Total (1)	**3,46,000**	**3,46,000**	**3,34,500**	**3,23,000**	**3,46,000**	**16,95,500**
	Ceiling as per the Act						**26,01,545**

C. Remuneration to Key Managerial Personnel other than Md/Manager/Wtd

SN	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Ashwani Kumar Vats (CEO)	Ms. Nisha Gupta (CS)	Mr. Rajesh Kumar Agrawal(CFO)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,42,031	497972	18,71,969	57,11,972
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission a. as % of profit b. others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**33,42,031**	**4,97,972**	**18,71,969**	**57,11,972**

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

ANNEXURE F

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for its stakeholders. As required under Regulation 27 of Chapter IV of the Listing Regulations 2015 with the Stock Exchange, following disclosures are set out towards achievements of good Corporate Governance.

II. BOARD OF DIRECTORS

Composition and Category of Directors, attendance of each Director at the Board Meetings, the last Annual General Meeting and their directorship and membership of committees of other companies as on 31st March, 2018, is tabulated hereunder:

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

CMD - Chairman & Managing Director, NE - Non-executive, CEO- Chief Executive Officer, ED- Executive Director, ID - Independent Director.

As at 31st March, 2018, the Company's Board of Directors headed by a regular executive Chairman comprised total ten directors including two woman directors, out of which five directors are Independent & Non-Executive Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

During the year, the Board met four times on 27th May, 11th August, 13th November, 2017, and 29th January, 2018. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations. During the year, separate meeting of the Independent Directors was held on 29th January, 2018 without the attendance of non-independent directors and members of the management. Four Independent Directors attended the said meeting out of total five members.

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

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

III. AUDIT COMMITTEE

a) Terms of Reference:

Pursuant to Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act 2013, the Audit committee role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the whistle blower mechanism.

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

b) Composition

The Audit Committee consists of three directors, Mr. Ajay Jain, Independent Director, being the Chairman of the Committee, Mr. A. K. Maheshwari, Independent Director and Dr. C. K. Jain, Managing Director, being the members of the Committee. Chief Financial Officer, Internal Auditors and Statutory Auditors are also invited to the meetings of the Audit Committee and the Company Secretary officiates as the Secretary of the Committee. During the year 2017-18, the Committee met four (4) times on 27th May, 11th August, 13th November, 2017 and 29th January, 2018 which was attended by all the members of the Committee.

IV. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of reference

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

b) Composition

The Nomination and Remuneration Committee comprises 3 Non-executive and Independent Directors i.e. Mr. Ajay Jain (Chairman), Mr. A. K. Maheshwari and Mr. R. K. Gupta, being members of the Committee. During the financial year 2017-18, two (2) meeting(s) were held on 27th May, 2017 and 29th January, 2018 which were attended by all the members except Mr. R. K. Gupta was absent in 29.01.2018 meeting.

c) Performance Evaluation

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

d) Remuneration to Executive Directors: (As on 31st March, 2018)

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

(₹ in Lakhs)

Name	Salaries	Commission	Perks	Total
Dr. Chandra Kumar Jain	144.00	-	22.00	166.00
Ms. Arushi Jain	39.00	-	0.40	39.40
Ms. Aditi Pasari	36.00	-	0.40	36.40
Mr. Suresh Kumar Tewari	23.19	-	-	23.19
Mr. Ashwani Kumar Vats	33.42	-	-	33.42
Total	**275.61**	**-**	**22.80**	**298.41**

e) Remuneration by way of Commission to Non-Executive Directors for the FY 2017-18:

The Non-Executive Directors of your Company are paid sitting fees for attending meetings of the Board or Committees thereof. Apart from the sitting fees, the Non-Executive Directors are also paid commission not exceeding 1% of the net profits of the Company for the year, calculated as per provisions of the Companies Act, 2013.

Commission to Non-Executive Directors for the FY 2017-18:

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

V. STAKEHOLDERS RELATIONSHIPS COMMITTEE

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

This Committee comprising Mr. A. K. Maheshwari (Chairman, Independent Director), Mr. Ajay Jain (Independent Director) and Ms. Aditi Pasari (Executive Director) being members of the Committee. Ms. Nisha Gupta, Company Secretary is the Compliance Officer. The Committee met four (4) times during the year as on 27.05.2017, 11.08.2017, 13.11.2017 and 29.01.2018 which were attended by all the members of the Committee. The Company has received 1 complaint during the year 2017-18. There were no pending share transfers and shareholders complaints except for disputed cases and sub-judice matter

VI. GENERAL BODY MEETINGS

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

Financial Year	Date and time	Venue	Special resolution passed
2016-17	09.09.2017 at 12:15 p.m.	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	There was no special resolution passed in this meeting
2015-16	17.09.2016 at 12:15 p.m.	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	There was no special resolution passed in this meeting
2014-15	19.09.2015 at 12:00 noon	Solitaire INN Hotel, 6 miles Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh	i. Change in Memorandum of the Company ii. Amendment of the Liability Clause of the Memorandum of Association. iii. Amendment of the Capital Clause of the Memorandum of Association. iv. Authorization for Related Party Transactions of the Company.

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

VII. MEANS OF COMMUNICATION

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

VIII. GENERAL SHAREHOLDER INFORMATION

a. The 18th Annual General Meeting is proposed to be held on Saturday, 29th September, 2018 at 12:30 p.m. at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh 251002.

b. **Financial Calendar:** 1st April to 31st March

c. **Financial Reporting for 2018-19 is as follows:**

- First Quarter — Mid of August 2018
- Second Quarter — Mid of November 2018
- Third Quarter — Mid of February 2018
- Fourth Quarter — Last week of May 2019

d. **Dates of Book Closures**: 25st August, 2018 to 28th August, 2018 (both days inclusive).

e. **Dividend payment date**: on or after 29th September, 2018.

f. **Listing of Equity Shares on Stock Exchange at**: National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE). The Company has paid the listing fees for the period 1st April, 2017 to 31st March, 2018.

g. **Demat ISIN Number for Equity Shares:** INE255D01024

h. **Stock Code and Stock Market price data for the year 2017-18**

MONTH	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	532457		GULPOLY	
	Month's High	Month's Low	Month's High	Month's Low
April, 2017	102.10	86.30	102.00	85.50
May, 2017	92.95	77.65	93.00	79.00
June, 2017	95.00	83.75	94.80	83.50
July, 2017	113.95	86.10	113.25	85.35
August, 2017	99.40	78.00	100.45	78.70
September, 2017	88.90	78.10	88.80	78.05
October, 2017	93.85	78.10	93.80	78.80
November, 2017	86.75	76.65	86.45	76.20
December, 2017	92.00	77.75	91.70	78.10
January, 2018	98.90	80.50	99.00	81.90
February, 2018	89.75	75.25	87.00	77.00
March, 2018	83.50	64.75	80.40	64.95

i. **Registrar and Share Transfer Agent:** M/s Alankit Assignments Ltd, 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi 110055, and Phone No: 011-42541234/ 42541955, Fax No: 011-42541201, E-mail: rta@alankit.com.

j. **Share Transfer System:** The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who process the transfers, in respect of physical shares and shares under Demat.

k. **Dematerialization of Shares:** As on 31st March, 2018, 97.23% of the Company's total shares representing 45619080 shares were held in dematerialized form and the balance 1297940 equity shares representing 2.77% shares were in Physical form.

l. **Distribution of shareholding as on 31st March, 2018**:

No. of shares	Number of shareholders	% of shareholders	No. of shares	% of shareholding
Up to 1000	15302	88.17	4235534	9.03
1001- 5000	1632	9.40	3686023	7.86
5001- 10000	236	1.36	1725899	3.68
10001- 20000	102	0.59	1500137	3.20

20001- 30000	36	0.21	876731	1.87
30001- 40000	14	0.08	488068	1.04
40001- 50000	10	0.06	455406	0.98
50001- 100000	11	0.06	706252	1.50
100001- 500000	5	0.03	938870	2.00
500001 and above	8	0.05	32304100	68.84
Total	**17356**	**100.00**	**46917020**	**100.00**

m. Categories of Shareholders as on 31st March, 2018 :

Category	No. of share holders	No. of shares held	% of share holding
Promoters	6	27629100	58.89
Institutions:			
Mutual Fund	-	-	-
Foreign Portfolio Investor	1	2175000	4.64
FI/ Banks	4	18157	0.04
Non Institutions:			
- Individuals	16656	11688812	24.91
- NBFC Registered with RBI	1	2500	0.00
Any other			
- Bodies Corporate (domestic)	371	1797176	3.83
- Bodies Corporate (Foreign)	1	2500000	5.33
- NRI	315	695405	1.48
- IEPF	1	410870	0.88
Total	**17356**	**46917020**	**100.00**

n. During the year 2017-18: The Company has transferred 411370 shares to Investor Education Protection Fund in respect of which dividend has not been paid or claimed for seven (7) consecutive years for the FY 2009-10 into the Demat Accoun t of IEPF Authority.

o. Plant Locations:

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

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

IX. OTHER DISCLOSURES

i) Basis of related party transactions

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

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

Further, the transactions with related parties have been shown in "Note No. 38" to the Notes to the Accounts of the company".

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

iii) Board Disclosures - Risk Management

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

iv) Whistle Blower Policy

The Whistle Blower Policy has been adopted to provide appropriate avenues to the employees to bring to the attention of the management, the concerns about any unethical behaviour, by using the mechanism provided in the Policy. In terms of Company's Code of Conduct, any instance of non adherence to the code / any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee. We affirm that no director or employee has been denied access to the Chairman of the Audit Committee during financial year 2017-18.

v) Disclosure of Accounting Treatment

The Company has been adopted Disclosure of accounting treatment there has been following changes in accounting policies during the year.

The Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2017 with transition date being 1st April, 2016 and accordingly the financial statement for the year ended 31st March, 2018 corresponding previous year ended 31st March, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

X. NON-MANDATORY REQUIREMENTS

a) The Board has taken cognizance of the non-mandatory requirements of Regulation 27 (1) read with schedule II Part E of Listing Regulations and shall consider adopting the same at an appropriate time.

b) The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XI. CODE FOR PREVENTION OF INSIDER TRADING

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

XII. CEO/ CFO CERTIFICATION

The Chief Executive Officer and Whole Time Director; and the Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2018.

XIII. COMPLIANCE WITH THE CODE OF CONDUCT

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

The CEO has given below declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2017-18:

Declaration

I, Ashwani Kumar Vats, Chief Executive Officer (CEO) of Gulshan Polyols Limited, to the best of my knowledge and belief based on the affirmation received, declared that all the members of the Board of Directors and Senior Management personnel have affirmed Compliance with the Code of conduct of the Company for the year ended March 31, 2018.

Ashwani Kumar Vats
Whole Time Director &
Chief Executive Officer

Date : 22nd May, 2018
Place: Delhi

CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To

The Board of Directors

GULSHAN POLYOLS LIMITED

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

a) We have reviewed financial statements and the Cash flow statement of the Company for the year 2017-18 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into the company during the year, which are fraudulent or illegal of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and Audit committee that:

   i) there has not been any significant changes in internal control during the year;

   ii) there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) We are not aware of any instances during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

	Ashwani Kumar Vats	**Rajesh Agrawal**
Date : 22nd May, 2018	Whole Time Director	Chief Financial Officer
Place : Delhi	& Chief Executive Officer	

Auditors Certificate on Corporate Governance

To,
The Members,
Gulshan Polyols Ltd.

We have examined the compliance of regulations of Corporate Governance by Gulshan Polyols Limited for the year ended March 31, 2018, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

For RAJEEV SINGAL & CO.

Chartered Accountants

Date : 22nd May, 2018
Place : Delhi

(Rajeev Kumar singhal)
Partner
Membership No: 077834

MANAGEMENT'S DISCUSSION & ANALYSIS

1. FORWARD-LOOKING STATEMENT

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

Industry Structure & Development

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

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

India's economic growth (GDP growth) estimate for the fiscal year 2017-18 is at a four-year low at 6.5% in the current fiscal, the lowest under the Modi government, mainly due to the poor performance of agriculture and manufacturing sector, as against 7.1% in the last fiscal. However, even as the structural reforms — the GST and demonetisation — are expected to ease out over the next few quarters. Government will be required to work to improve purchasing power and create additional demand.

Indian agriculture is highly dependent on monsoon. Not surprising then, that two consecutive years (2016 and 2017) saw deficit rainfall which has been the single most important factor impacting the growth of the agriculture and other allied sectors for the period under review. The rising demand for maize for feed and starch industry, increased usage of hybrid seeds and rise in export demands has led to steady growth in production of maize. The Minimum Support Prices (MSP) for maize has significantly increased in the last few years to encourage farmers to enhance maize farming. This has resulted in improvement in ranking of Maize Cultivation in the Country from rank 3rd to 2nd in the year 2018 in overall Agricultural Productivity. With increased availability of maize in the Country, the Company is expected to benefit in achieving economies of scale.

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

The Company: Overview and recent developments

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

Gulshan Polyols Ltd. caters to wide range of industry & niche markets in core sector encompassing pharmaceuticals, personal care products, footwear, tyres, rubber & plastics, paints, alcohol, value added paper, agrochemicals, food and agro products. It caters to leading industrial units of the country such as Colgate Palmolive, Hindustan Unilever Ltd, Dabur, Asian Paints and ITC etc.

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

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

2. COMPANY'S PRODUCT CATEGORIES:

2.1 Starch Sugars Business: includes product of Sorbitol-70% solution, Liquid Glucose, Maltro-Dextrin Powder (MDP), Dextrose Mono-Hydrate (DMH), and planning to introduce Native Starch, High Fructose Rice Syrup (HFRS), Brown Rice Syrup and Rice Syrup Solids during the current FY.

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

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

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

During the year, your Company invested resources to augment its manufacturing capacities to be in a position to support the increased future demand in a timely manner. Therefore, the Company has completed capacity expansion of Starch Sugar business at its Rice based Unit with grinding capacity of 45,000 TPA which includes the following products to be manufactured in our plant from Non-GMO rice using the latest technology:

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

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

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

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

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

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

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

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

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

During the year, the Company has entered into an agreement to set up 24000 MTPA Onsite PCC/WGCC with a silverton Paper Mill in Western U.P.

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

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

2.5 Alcohol Business: The Company has successfully commenced the commercial production of ENA and Rectified Spirit in Borgaon industrial area in Chhindwara (M.P.) during the month of December 2017.

3. OPPORTUNITIES & THREATS

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

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

Calcium carbonate (Activated Calcium Carbonate and Precipitated Calcium Carbonate) is linked to growth of PVC irrigation & Cables, Paints, Dentifrice, Detergents, Plastics etc. Since the per capita consumption of these products is regularly increasing in our country, the growth in this field is evidently perpetual. There are inherent opportunities available to the Company to which it is catering for many decades such as pharmaceuticals, personal care products, footwear, tyres, rubber & plastics, paints, alcohol, value added paper, agrochemicals, food and agro products.

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

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

In 2017-18, the monsoon was below normal in maize growing area resulted in lower availability of maize. Due to this, prices were higher of maize as compared to previous years. The impact of increase in raw material cost was not fully passed on to the customers. Inability of the Company to pass on costs to customers has resulted in subdued margins.

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

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

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

4. RISK AND CONCERNS

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

As a risk mitigating strategy, the company has diversified its product portfolio, and uses alternative raw material

considering its viability in terms of prevailing market conditions. The other main raw material is lime stone for Calcium Carbonate business, which we source from the domestic market. The location of our plants is in close vicinity to the source of lime stone due to which we are able to maintain our edge effectively to manage our cost and quality of procuring lime stone.

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

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

5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate internal control system commensurate with its size and complexity. The Company has a system of monthly physical verification of all types of stocks viz. finished goods, semi-finished goods and raw materials by Internal Auditor in addition to yearly verification of stores. The monthly monitoring and verification of these stocks helps the management to analyse and focus on the consumption and efficiency of raw materials viz. a viz. production output.

The remedial measures, as and when required, in any process or plant with respect to adverse variation in raw material consumption, etc is taken up immediately to avoid re-occurrence.

The financial statements are prepared in conformity with the established Accounting Standards and Principles. Regular Internal Audit is carried out to ensure that the systems are adequate.

The Company has appointed Internal Auditors to observe the Internal Controls to ensure that the work flow of organization is being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations.

The Board of Directors of the Company have adopted various policies such as Related Party Transactions Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

During the year under review, your company has achieved gross revenue from operations of ₹ 62403.80 lakhs as compared to ₹ 52681.57 lakhs in the previous year. Profit before tax stood at ₹ 2354.11 lakhs as compared to ₹ 3032.97 lakhs during the previous year. After providing for taxes and other adjustments Profit after tax is ₹ 1824.20 lakhs as compared to ₹ 2734.38 lakhs during the previous year

7. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

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

INDEPENDENT AUDITOR'S REPORT

To the Members of ,

Gulshan Polyols Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gulshan Polyols Limited ***("the Company")*** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by Institute of Chartered Accountants of India. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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

(i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2018;

(ii) in the case of the Statement of Profit and Loss (comprising of other comprehensive income), of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date and

(iv) changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

   e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B**".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (1) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

      (2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      (3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

Place : Delhi
Date : 22nd May, 2018

ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31st, 2018:

(i) In Respect of its Fixed Assets:

(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with regular program of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the company.

(ii) **In Respect of its Inventory:**

According to the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.

(iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.

(iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

(v) According to information and explanations given to us the company has not accepted any deposits during the year.

(vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records

and Audit) Rules 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the Cost Records with a view to determine whether they are accurate and complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess , Goods and Service Tax and any other statutory dues with the appropriate authorities.

(b) Details of Disputed Statutory dues which have not deposited as on march 31, 2018 on account of disputed matters pending before appropriate authorities are given below:

Name of the Status	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where pending
Central Excise Act 1944	Excise Duty	263.24	2006-07, 2007-08, 2008-09, 2009-10 & 2010-11	CESTAT
Central Excise Act 1944	Excise Duty	40.43	2010-11 & 2011-12	CESTAT
Central Excise Act 1944	Excise Duty	24.46	2013-14, 2014-15 & 2015-16	Commissioner (Appeal)

(viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). However a term loan of Rs.40.00 crore has been raised during the year.

(x) According to the information and explanations given to us, we have not noticed or reported any fraud by the company or any fraud on the Company by its officers or employees during the year.

(xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) This clause of the Caro 2016 is not applicable to the Company as the company is not a Nidhi Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us, the company has not entered into any non cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with;

(xvi) This clause of the Caro 2016 is not applicable to the Company as the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

Place : Delhi
Date : 22nd May, 2018

"ANNEXURE - B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GULSHAN POLYOLS LIMITED

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

We have audited the internal financial controls over financial reporting **of GULSHAN POLYOLS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of

internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajeev Singal & Co
Chartered Accountants
(Firm Registration no. 008692C)

(Rajeev Kumar Singhal)
Partner
Membership No. 077834

Place : Delhi
Dated : 22nd May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	**29,760.69**	19,777.00	14,096.91
(b) Capital Work-in-Progress	3	**71.52**	9,692.77	9,722.00
(c) Intangible assets	4	**16.90**	-	-
(d) Financial Assets				
(i) Investments	5	**46.73**	104.57	728.70
(ii) Other Financial Assets	6	**309.70**	302.04	226.00
(e) Non Current Tax Assets (Net)		**32.85**	43.98	32.24
(f) Other Non-Current Assets	7	**546.38**	577.32	820.41
(g) Deferred Tax Assets (Net)	8	**130.72**	152.30	-
Total Non- Current Assets		**30,915.49**	30,649.98	25,626.26
Current Assets				
(a) Inventories	9	**7,439.44**	7,899.56	4,194.39
(b) Financial Assets				
(i) Investments	5	**531.68**	692.22	-
(ii) Trade Receivables	10	**11,597.85**	8,936.06	7,365.97
(iii) Cash and Cash equivalents	11	**289.71**	104.07	258.89
(iv) Balance with Bank Other than (iii) above	12	**49.48**	303.89	4,201.45
(c) Other Current Assets	13	**455.78**	703.77	723.94
Total Current Assets		**20,363.94**	18,639.57	16,744.64
TOTAL ASSETS		**51,279.43**	49,289.55	42,370.90
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	**469.17**	469.17	463.04
(b) Other Equity	15	**26,842.25**	25,426.42	22,888.77
(c) Convertible warrrants application money		**-**	-	214.48
Total equity		**27,311.42**	25,895.59	23,566.29
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	**7,021.34**	7,494.28	9,671.34
(b) Deferred Tax Liabilities (Net)	17	**-**	-	196.82
Total Non Current Liabilities		**7,021.34**	7,494.28	9,868.16
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	**7,508.97**	5,931.39	2,856.10
(ii) Trade payables	19	**3,321.86**	4,602.13	2,167.00
(iii) Other Financial Liabilities	20	**4,911.70**	4,810.68	3,469.37
(b) Other Current Liabilities	21	**735.58**	276.49	197.49
(c) Provisions	22	**186.17**	173.96	214.64
(d) Laibilities for current Tax (Net)		**282.39**	105.03	31.85
Total Current Liabilities		**16,946.67**	15,899.68	8,936.45
TOTAL EQUITY AND LIABILITIES		**51,279.43**	49,289.55	42,370.90
The accompanying notes form an integral part of the financial statements	1			

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

Place : Delhi
Dated : 22nd May, 2018

NISHA GUPTA
Company Secretary

RAJESH AGRAWAL
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	31st March, 2018	31st March, 2017
REVENUE			
Revenue from Operations	23	**62,403.80**	52,681.57
Other Income	24	**183.49**	412.57
Total Revenue (I)		**62,587.29**	53,094.14
EXPENSES			
Cost of Materials Consumed	25	**31,539.45**	26,282.34
Purchase of Stock in Trade	26	**415.81**	7.05
Changes in Inventories of Finished goods, work in progress and stock in trade	27	**196.44**	(1,490.03)
Excise Duty on sale of goods		**888.68**	3,405.79
Employee Benefits expense	28	**2,242.54**	2,048.11
Finance Cost	29	**1,080.72**	617.78
Depriciation & amortisation Expenses	30	**3,648.48**	2,808.13
Other Expenses	31	**20,221.06**	16,382.00
Total Expenses (II)		**60,233.18**	50,061.17
Profit Before Tax (I-II) = (III)		**2,354.11**	3,032.97
Tax Expense:	33		
Current Tax Expense		**508.33**	647.71
Less: MAT Credit (Available)		**(508.33)**	(633.70)
Deferred Tax Expense		**529.91**	284.58
Total Tax Expenses (IV)		**529.91**	298.59
Profit for the year (III-IV) = (V)		**1,824.20**	2,734.38
OTHER COMPREHENSIVE INCOME			
Item that will not to be reclassified to Profit and Loss:			
- Equity Instuments through OCI		**-**	18.43
TOTAL OTHER COMPREHENSIVE INCOME (VI)		**-**	18.43
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (V +VI) = (VII)		**1,824.20**	2,752.81
Earning per equity share of face value of ₹ 1/- each Basic and diluted (in ₹)	39		
Basic		**3.89**	5.83
Diluted		**3.89**	5.83
The accompanying notes form an integral part of the financial statements	1		

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

Dated : 22nd May, 2018
Place : Delhi

NISHA GUPTA
Company Secretary

RAJESH AGRAWAL
Chief Financial Officer

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

		RESERVES AND SURPLUS						
Particulars	**Equity Share Capital**	**Capital Reserve**	**Securities Premium Reserve**	**General Reserve**	**Retained Earning**	**Convertible warrants Application mony**	**Equity Instruments through other Comprehensive Income**	**Total**
Balance as at 1st April 2016	463.04	132.35	3,493.21	4,086.24	15,182.31	214.48	(5.34)	23,566.29
Profit for the Year					2,734.38	-	-	2,734.38
Addition during the year	6.13	-	208.35	-		(214.48)	-	-
Amount Transferred to General Reserve	-	-	-	300.00	(300.00)	-	-	-
Dividend on equity shares	-	-	-	-	(351.88)	-	-	(351.88)
Dividend Distribution Tax	-	-	-	-	(71.63)	-	-	(71.63)
Fair value change in Equity Instrument	-	-	-	-	-	-	18.43	18.43
Balance as at 31st March 2017	469.17	132.35	3,701.56	4,386.24	17,193.18	-	13.09	25,895.59
Proft for the year	-	-	-	-	1,824.20	-	-	1,824.20
Amount Transfer to General Reserve	-	-	-	300.00	(300.00)	-	-	-
Dividend on equity shares	-	-	-	-	(328.42)	-	-	(328.42)
Dividend Distribution Tax	-	-	-	-	(66.86)	-	-	(66.86)
Gain on transfer of equity instrument	-	-	-	-	-	-	(13.09)	(13.09)
Balance as at 31st March, 2018	**469.17**	**132.35**	**3,701.56**	**4,686.24**	**18,322.10**	**-**	**-**	**27,311.42**

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

Dated : 22nd May, 2018
Place : Delhi

NISHA GUPTA
Company Secretary

RAJESH AGRAWAL
Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax	**2,354.11**	3,032.97
	Adjustment for :		
	Depreciation and Amortization Expenses	**3,648.48**	2,808.13
	Dividend income	**(1.57)**	(1.93)
	Net Gain on Sale/Fair value of non-current investment	**(35.64)**	(64.93)
	Profit on Sale of Curent Investments	**(49.67)**	(34.22)
	Provision/(write back) for doubtful debts and advances (net)	**26.45**	-
	(Gain) / Loss on disposal of property, plant and equipment	**(50.97)**	(16.47)
	Interest income	**(27.27)**	(275.36)
	Interest expenses	**1,080.72**	617.78
	Cash generated from operations before working capital changes	**6,944.65**	6,065.97
	Adjustment for :		
	Decrease/(incease) in other assets	**521.95**	3,993.45
	Decrease/(incease) in trade receivables	**(2,688.23)**	(1,570.09)
	Decrease/(incease) in inventories	**460.12**	(3,705.17)
	Decrease/(incease) in other current liabilites	**459.09**	79.00
	Decrease/(incease) in provisions	**(58.46)**	267.95
	Decrease/(incease) in trade and other payables	**(1,108.57)**	3,495.05
	Cash generated from operating activities	**(2,414.12)**	2,560.20
	Direct taxes paid (net of refunds)	**(316.12)**	(522.20)
	Net Cash flow generated from operating activities (A)	**4,214.41**	8,103.97
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale proceeds from property, plant and equipment	**84.66**	70.23
	Purchase of property, plant and equipment	**(4,042.10)**	(8,512.75)
	Purchase of intangibles	**(19.41)**	-
	Sale proceeds of from sale/maturity of non-current investments and curent investments	**290.59**	237.49
	Purchase of current investments	**-**	(188.00)
	Interest income	**27.27**	275.36
	Dividend income	**1.57**	1.93
	Net Cash Flow Generated from investing activities (B)	**(3,657.42)**	(8,115.73)
C.	**CASH FLOW FROM FINANCING ACTIVITES**		
	Interest expenses	**(1,080.72)**	(617.78)
	Repayment of long-term borrowings	**(472.94)**	(2,177.06)
	Proceeds of short-term borrowi ngs	**1,577.59**	3,075.29
	Dividend paid	**(328.42)**	(351.88)
	Dividend distribution tax paid	**(66.86)**	(71.63)
	Net Cash flow Generated from financing activities (C)	**(371.35)**	(143.06)
	Net increase in cash and cash equivalents (A+B+C)	**185.64**	(154.82)
	Cash and cash equivalents at the beginning of the year	**104.07**	258.89
	Cash and cash equivalents at year end	**289.71**	104.07

Note:

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

The Accompanying notes form an integral part of the financial statements

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

Dated : 22nd May, 2018
Place : Delhi

NISHA GUPTA
Company Secretary

RAJESH AGRAWAL
Chief Financial Officer

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

(i) Corporate Information

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

(ii) Compliance with Ind-AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first the Company has prepared in accordance with Ind AS. Refer Note No. 1.20 for information on how the Company has adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values or amortised cost depending upon classification

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of Estimates

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

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

1.3 Current versus non-current classification

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

1.4 Assessment of functional currency

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

1.5 Critical estimates and judgments

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

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

The areas involving critical estimates or judgment are:

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

1.6 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

1.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017 Central Excise, Value added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard- 18 on

Revenue and Schedule –III of the Companies Act, 2013, unlike Excise duties, levies like GST, VAT etc. are not part of Revenue.

(i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, sales tax and applicable trade discounts and volume rebates. Revenue includes shipping and handling costs billed to the customer.

(ii) Interest income

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

(iii) Dividend

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

(iv) Other Income

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

(v) Export Incentives

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

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

1.8 Taxes

Tax expenses comprise of current and deferred tax:

Current income tax

a. Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b. Current tax items are recognised in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax

a. Deferred tax is provided using the balance sheet approach on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

b. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

c. The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

d. Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity, in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

e. The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period.

1.9 Earnings per share

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

1.10 Property, Plant and Equipment Recognition and measurement

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation has been provided on written down value method in terms of expected life span of assets specified in Schedule – II of the Companies Act, 2013 or as determined by management. The residual value and useful life is reviewed annually and any deviation is accounted for as a change in estimate.

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

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

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

1.11 Intangible Assets

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

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

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

1.12 Borrowing costs

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

1.13 Leases

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

Finance Leases

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

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

Operating Leases

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

1.14 Inventories

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

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

(i) Raw Materials, Packing Materials And Stores & Spares : FIFO basis

(ii) Finished Goods: Cost of input plus appropriate overhead.

(iii) Work In Progress : Cost of input plus overhead up-to the stage of completion.

(iv) By- Products : At net realizable value

(v) Stock-In-Trade : FIFO Basis

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

1.15 Impairment of non-financial assets

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

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

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

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

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Liabilities

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

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

Contingent Assets

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

1.17 Employee benefits

a. Short Term Employee Benefits:

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

b. Post-Employment Benefits:

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

The Company has Defined Benefit Plan for post-employment benefit in the form of Gratuity for eligible Employees, which is administered through a Gratuity Policy with Life Insurance Corporation of India (L.I.C). Gratuity Liability on the basis of actuarial valuation as per Ind AS 19. Liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expense in the statement of profit and loss. Actuarial gain / loss arising from experience adjustments and changes in actuarial assumptions are credited / debited to "other comprehensive Income" forming part of other equity.

1.18 Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the

expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities:

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

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

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

Derecognition

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

1.19 Cash and cash equivalents

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

1.20 Note on First Time Adoption of Ind AS

These financial statements, for the year ended 31st March 2018, are the first time the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements,

including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions availed:

Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from Indian GAAP to Ind AS.

Optional exemptions

a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

b) Leases

The Company does not have any arrangements containing a lease as defined under Appendix C to Ind AS 17, "Determining whether an arrangement contains a lease". Consequently, this exemption is not applicable to the Company.

c) Business Combinations

Ind AS 103, Business Combinations has not been applied to acquisitions, which are considered businesses under Ind AS that occurred before 1st April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

d) Long term foreign currency monetary items

The Company continues the policy of capitalising exchange difference arising on translation of long term foreign currency monetary items.

The outstanding Foreign Currency Term Loan (FCTL) availed for acquisition of fixed assets has been revalued as per the foreign exchange rate as on 31-3-2018 and derivatives booked to hedge these loans. The revaluation has resulted in foreign exchange difference of ` 26.98 lakhs, the same has been capitalized to fixed assets and FCTL increased by the same amount.

Mandatory exceptions

e) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2016 and 31st March, 2017 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

a) Investment in equity instruments carried at Fair Value.

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

c) De-recognition of financial assets and liabilities

Ind AS 101 requires at first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Indian GAAP to those computed as per Ind AS and the same is given in note below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Indian GAAP to those computed as per Ind AS and the same is given in note below.

I. Reconciliation of equity as at 1st April , 2016 (₹ in Lakhs)

Particulars	Foot No.	As at April 1, 2016 (Date of Transition)		
		Indian GAAP	Effect of Transition	IND AS
ASSETS				
Non-Current Assets				
(a) Property,Plant and Equipment	1	14,467.65	(370.74)	14,096.91
(b) Capital Work-in-Progress		9,722.00	-	9,722.00
(c) Financial Assets				
(i) Investments	2	694.03	34.67	728.70
(ii) Other Financial Assets	1	-	226.00	226.00
(d) Non Current Tax Assets (Net)	1	-	32.24	32.24
(e) Other Non-Current Assets	1	712.93	107.48	820.41
Total Non- Current Assets		25,596.61	29.65	25,626.26
Current Assets				
(a) Inventories		4,194.39	-	4,194.39
(b) Financial Assets				
(i) Trade Receivables		7,365.97	-	7,365.97
(ii) Cash and Cash equivalents	1	4,472.52	(4,213.63)	258.89
(iii) Balance with Bank Other than above	1	-	4,201.45	4,201.45
(c) Other Current Assets	1	1,926.14	(1,202.20)	723.94
Total Current Assets		17,959.02	(1,214.38)	16,744.64
TOTAL ASSETS		43,555.62	(1,184.72)	42,370.90
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	3	1,488.04	(1,025.00)	463.04
(b) Other Equity		22,705.89	182.88	22,888.77
(c) Convertible warrrants application money		214.48	-	214.48
Total equity		24,408.41	(842.12)	23,566.29
Non-Current Liabilities				
(a) Financial Liabilities				
(i) - Borrowings	3	8,646.34	1,025.00	9,671.34
(b) Deferred Tax Liabilities (Net)		593.73	(396.91)	196.82
Total Non Current Liabilities		9,240.07	628.09	9,868.16
Current Liabilities				
(a) Financial Liabilities				
(i) - Borrowings		2,856.10	-	2,856.10
(ii) - Trade payables		2,167.00	-	2,167.00
(iii)- Other Financial Liabilities	1	-	3,469.37	3,469.37
(b) Other Current Liabilities	1	3,070.82	(2,873.33)	197.49
(c) Provisions	1	1,813.22	(1,598.58)	214.64
(d) Liabilities for current Tax (Net)	1	-	31.85	31.85
Total Current Liabilities		9,907.14	(970.69)	8,936.45
TOTAL EQUITY AND LIABILITIES		**43,555.62**	**(1,184.72)**	**42,370.90**

II (a) Reconciliation of equity as at 31st March, 2017

(₹ in Lakhs)

Particulars	Foot No.	As at 31st March, 2017 (End of last period presented under previous GAAP)		
		Indian GAAP	Effect of Transition	IND AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	20,155.72	(378.72)	19,777.00
(b) Capital Work-in-Progress		9,692.77	-	9,692.77
(c) Financial Assets				
(i) Investments	2	91. 48	13.09	104.57
(ii) Other Financial Assets	1	-	302.04	302.04
(d) Non-Current Tax Assets (Net)	1	-	43.98	43.98
(e) Other Non-Current Assets	1	558.56	18.76	577.32
(f) Deferred Tax Assets (Net)	1	-	152.30	152.30
Total Non-Current Assets		**30,498.52**	**151.45**	**30,649.98**
Current Assets				
(a) Inventories		7,899.56	-	7,899.56
(b) Financial Assets				
(i) Investments	2	589.80	102.42	692.22
(ii) Trade Receivables		8,936.06	-	8,936.06
(iii) Cash and Cash equivalents	1	419.81	(315.74)	104.07
(iv) Balance with Bank Other than (iii) above	1	-	303.89	303.89
(c) Other Current Assets	1	2,321.05	(1,617.28)	703.77
Total Current Assets		**20,166.28**	**(1,526.71)**	**18,639.57**
TOTAL ASSETS		**50,664.80**	**(1,375.26)**	**49,289.55**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	3	1,494.17	(1,025.00)	469.17
(b) Other Equity		25,211.28	215.14	25,426.42
Total equity		**26,705.45**	**(809.86)**	**25,895.59**
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	3	6,469.28	1,025.00	7,494.28
(b) Deferred Tax Liabilities (Net)		878.31	(878.31)	-
Total Non-Current Liabilities		**7,347.59**	**146.69**	**7,494.28**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		5,931.39	-	5,931.39
(ii) Trade payables		4,602.13	-	4,602.13
(iii) Other Financial Liabilities	1	-	4,810.68	4,810.68
(b) Other Current Liabilities	1	4,182.50	(3,906.01)	276.49
(c) Provisions	1	1,895.75	(1,721.79)	173.96
(d) Liabilities for current Tax (Net)	1	-	105.03	105.03
Total Current Liabilities		16,611.77	(712.09)	15,899.68
TOTAL EQUITY AND LIABILITIES		**50,664.80**	**(1,375.26)**	**49,289.55**

II (b) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Note	As per Indian GAAP	Ind AS Adjustments	Ind AS
Continuing operations				
Revenue from operations		53,786.68	(1,105.11)	52,681.57
Less: Excise Duty/Service Tax	5	3,405.79	(3,405.79)	-
		50,380.90		52,681.57
Other Income	2	350.16	62.41	412.57
Total Income		**50,731.06**	**2,363.08**	**53,094.14**
Expenses				
Cost of Materials Consumed		26,282.34	-	26,282.34
Purchase of Stock in Trade		7.05	-	7.05
Changes in inventory of finished good and Work-in-Progress		(1,490.03)	-	(1,490.03)
Employee Benefits Expense		2,048.11	-	2,048.11
Excise Duty on sale of goods	5	-	3,405.79	3,405.79
Finance Costs	6	519.08	98.69	617.78
Depreciaton and Amortisation Expense		2,800.15	7.98	2,808.13
Other Expenses		17,474.76	(1,092.75)	16,382.01
Total Expenses		**47,641.46**	**2,419.71**	**50,061.17**
Profit Before Tax		3,089.60	(56.62)	3,032.97
Tax Expense:				
Current tax expense		647.72	-	647.71
Less: MAT Credit (Available)		(633.70)	-	(633.70)
Deferred tax expense		284.58	-	284.58
Total Income tax Expense		**298.59**	**-**	**298.59**
Profit for the year		**2,791.00**	**(56.62)**	**2,734.38**

Foot Note to the Reconciliation

1. Reclassification as per requirement of Ind AS

Reclassification have been done in respective heads as per requirement of Indian Accounting Standards (Ind AS).

2. Fair Valuation of equity instruments

Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has classified such investments as FVTOCI investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognized as an adjustment to Other Comprehensive Income (OCI) net of related deferred taxes.

3. Preference Shares

Under previous GAAP, redeemable preference shares were classified as part of total equity. However, under Ind AS, financial are classified as a liability or equity according to the substance of the contractual arrangement and not it's legal form. These preference shares do not contain any equity component and hence, have been classified in their entirely as a financial liability under Ind AS.

4. Fair valuation for Financial Assets & Financial Liabilities

Certain investments (other than investments in subsidiaries, joint ventures and associates) have been measured at fair value through profit or loss and resultant gain/(loss) has been recognized in Statement of Profit and Loss (FVTPL).

5. Excise Duty

Under Indian GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS, the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

6. Interest Expenses recognized on Redeemable Preference Shares

Under previous GAAP, redeemable preference shares were classified as part of total equity. However, under Ind AS, financial instrument issued are classified as a liability or equity according to the substance of the contractual arrangement and not it's legal form. These preference shares do not contain any equity component and hence, have been classified in their entirety as a financial liability under Ind AS.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Free hold Land	Lease hold Land	Building	Plant and Equip-ment	Office Furni-ture and Equip-ment	Vehicle	Total
Gross Block (Deemed Cost)							
Balance as at 1st April 2016	258.76	628.53	1,193.38	11,680.51	77.17	258.56	14,096.91
Additions	-	5.54	1,228.68	7,190.23	34.95	82.58	8,541.98
Disposals	-	-	-	47.04	-	6.72	53.76
Balance as at 31st March 2017	258.76	634.07	2,422.06	18,823.70	112.12	334.42	22,585.13
Additions	-	-	1,335.11	12,258.12	21.29	48.83	13,663.35
Disposals	0.02	-	0.15	31.35	-	2.17	33.69
Balance as at 31st March 2018	**258.74**	**634.07**	**3,757.02**	**31,050.47**	**133.41**	**381.08**	**36,214.79**
Accumulated Depreciation							
Balance as at 1st April 2016	-	-	-	-	-	-	-
Additions	-	7.98	155.11	2,536.96	24.00	84.08	2,808.13
Disposals	-	-	-	-	-	-	-
Balance as at 31st March 2017	-	**7.98**	155.11	2,536.96	24.00	84.08	2,808.13
Additions	-	7.98	254.17	3,276.78	26.77	80.27	3,645.97
Disposals	-	-	-	-	-	-	-
Balance as at 31st March 2018	**-**	**15.96**	**409.28**	**5,813.74**	**50.77**	**164.35**	**6,454.10**
Net Block							
Balance at at 1st April,2016	258.76	628.53	1,193.38	11,680.51	77.17	258.56	14,096.91
Balance as at 31st March 2017	258.76	626.09	2,266.95	16,286.74	88.12	250.34	19,777.00
Balance as at 31st March 2018	**258.74**	**618.11**	**3,347.74**	**25,236.73**	**82.64**	**216.73**	**29,760.69**

3. CAPITAL WORK IN PROGRESS

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Work in Progress consist of the following:			
Construction work in progress	**71.52**	8,491.59	9,125.42
Expenditure during Construction pending allocation	**-**	1,201.18	596.58
Balance as at 31st March 2018	**71.52**	9,692.77	9,722.00

4. INTANGIBLE ASSETS

Particulars	As at 31st March, 2018
Gross Block	
Balance as at 1st April 2017	
Additions	**19.41**
Disposals	**-**
Balance as at 31st March 2018	**19.41**
Accumulated Depreciation	
Balance as at 1st April 2017	
Additions	**2.51**
Disposals	**-**
Balance as at 31st March 2018	**2.51**
Net Block	
Balance as at 31st March 2017	**-**
Balance as at 31st March 2018	**16.90**

5. INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
NON-CURRENT INVESTMENTS			
(a) Investment at fair value through OCI Equity Shares – Unquoted (Fully paid up)			
(i) 10,500 equity shares of ₹ 10 each - Gujarat Environmental Infrastructure Ltd.	**1.05**	1.05	1.05
(ii) 4,09,025 equity shares of ₹ 10 each - Bharuch Eco-Aqua Infrastructure Ltd.	**40.90**	40.90	40.90
(iii) 4,778 equity shares of ₹ 100 each - Gulshan Mercantile Urban Co-operative Bank Ltd.	**4.78**	4.78	4.78
(iv) 750 equity shares of ₹ 100 each - Eduspire Serives Private Ltd.	**-**	-	0.75
(b) Investment at Fair value through P & L Equity Shares quoted- Fully paid up			
(i) 8,780 (Previous Year 4,480) equity shares of ₹ 10 each - Tata Steel Limited	**-**	42.38	28.05
(ii) 11,600 equity shares of ₹ 1 each - NMDC Limited	**-**	15.46	11.36
(c) Investment at Fair Value through P&L (Quoted Mutual Fund)			
(i) 17,72,768.095 units - HDFC Corporate Debt Opportunity Fund - Growth	**-**	-	221.40
(ii) 2,00,000 units - ICICI Prudential Mutual Fund - FMP	**-**	-	217.89
(iii) 1,40,944 units Tata Equity Opportunity Fund Plan	**-**	-	202.52
TOTAL A	**46.73**	104.57	728.70
CURRENT INVESTMENTS			
(a) Investment at Fair Value through P&L (Quoted Mutual Fund)			
(i) 17,72,768.095 units (Previous Year 17,72,768.095 units) - HDFC Corporate Debt Opportunity Fund - Growth	**264.74**	246.85	-
(ii) 2,00,000 units (Previous Year 2,00,000 units) - ICICI Prudential Mutual Fund - FMP	**266.94**	249.20	-
(iii) NIL (Previous Year 648723.257 units) - ICICI Pru Balanced Advanced Fund(G)	**-**	196.17	-
TOTAL B	**531.68**	692.22	-
TOTAL (A+B)	**578.41**	796.79	728.70

6. OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
NON-CURRENT			
(Unsecured, Considered good)			
(i) Security Deposits:			
Investment in term Deposits (with remaining maturity of more than twelve months)	**309.70**	302.04	226.00
TOTAL	**309.70**	302.04	226.00

7. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances	**231.26**	256.52	486.93
Prepaid Rent	**304.87**	308.95	321.31
Balances with government authorities	**10.25**	11.85	12.17
TOTAL	**546.38**	577.32	820.41

8. DEFERRED TAX ASSETS (NET)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Depreciation and amortisation	**(1,408.22)**	(878.31)	-
MAT Receivables	**1,538.94**	1,030.61	-
TOTAL	**130.72**	152.30	-

9. INVENTORIES

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Raw Materials	**3,690.94**	4,310.10	2,248.41
(ii) Work in Progress	**624.56**	691.20	435.95
(iii) Finished Goods	**1,725.29**	1,926.55	691.77
(iv) Stock in Traded Goods	**71.46**	-	-
(v) Stores and Spares & Packing	**587.12**	477.44	488.94
(vi) Coal and Fuel & Chemicals	**740.07**	494.27	329.32
TOTAL	**7,439.44**	7,899.56	4,194.39

10. TRADE RECEIVABLES

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Un-secured and Considered Good	**11,359.82**	8,936.06	7,365.97
Considered Doubtful *	**238.03**	-	-
TOTAL	**11,597.85**	8,936.06	7,365.97

Note: *A provision of ₹ 26.45 Lakhs on doubtful trade receivable has been made during the year.

11. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Cash in hand	**13.72**	9.92	10.30
b) Balance with Banks			
- In Current accounts	**113.10**	94.15	248.59
c) Other Bank Balances			
- Term Deposits with original maturity of less than three months	**162.89**	-	-
TOTAL	**289.71**	104.07	258.89

12. OTHER BANK BALANCE

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) On unpaid dividend account	**49.48**	44.34	35.27
b) Other Bank Balances :			
Term Deposits with original maturity of more than three months but less than 12 months	**-**	259.55	4,166.18
TOTAL	**49.48**	303.89	4,201.45

13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured and Considered Good			
- Advance to employees	**31.76**	32.63	41.05
- Balance with govt authorities	**197.67**	113.08	165.82
- Other Advances *	**226.35**	558.06	517.06
TOTAL	**455.77**	703.77	723.94

*Other loans and advances mainly include prepaid expenses, advances to suppliers and service provider, Balance with Govt. Authorities etc.

14. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Equity Share Capital:			
22,50,00,000 Equity shares of ₹ 1 each	**2,250.00**	2,250.00	2,250.00
Total	**2,250.00**	2,250.00	2,250.00
Issued, Subscribed and Paid up:			
4,69,17,020 Equity shares of ₹ 1 each (Pevious Year 92,60,842 Equity shares of ₹ 5 each)	**469.17**	469.17	463.04
Total	**469.17**	469.17	463.04

(a) Reconciliation of Number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
Equity shares	**No. of shares**	**Amount (₹ 1 Each)**	No. of shares	Amount (₹ 1 Each)	No. of shares	Amount (₹ 5 Each)
Shares outstanding at the begining of the year	**46,917,020**	**469.17**	46,304,210	463.04	8,883,404	444.17
Add: Issued during the year	**-**	**-**	612,810	6 .13	377,438	18.87
Closing balance	**46,917,020**	**469 .17**	46,917,020	469.17	9,260,842	463.04

Terms/rights attached to the equity shares

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

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

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of shares held	**% of holding**	No. of shares held	% of holding	No. of shares held	% of holding
(i) Gulshan Holdings Pvt. Ltd.	**1,88,81,035**	**40.24%**	1,88,81,035	40.24%	37,76,207	40.78%
(ii) Dr. C . K. Jain	**48,46,990**	**10.33%**	48,46,990	10.33%	9,69,398	10.47%
(iii) Antara India Evergreen Fund Ltd	**46,75,000**	**9.96%**	46,75,000	9.96%	8,12,438	8.77%
(iv) Reliance Capital Trustee Co. Ltd.	**-**	**-**	30,84,500	6.57%	6,16,900	6.66%

15. OTHER EQUITY

(₹ in Lakhs)

Particulars	RESERVES AND SURPLUS					
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earning	Equity Instument through Other Comprehensive Income	Total
Balance as at 1st April 2016 as per IND AS*	132.35	3,493.21	4,086.24	15,182.31	(5.34)	22,888.77
Addition during the year	-	208.35	-	-	-	208.35
Amount Transfer to General Reserve	-	-	300.00	(300.00)	-	-
Dividend on equity shares	-	-	-	(351.88)	-	(351.88)
Dividend Distribution Tax	-	-	-	(71.63)	-	(71.63)
Fair value change in equity instruments	-	-	-	-	18.43	18.43
	132.35	3,701.56	4,386.24	14,458.80	13.09	22,692.04
Proft for the year	-	-	-	2,734.38	-	2,734.38
Balance as at 31st March, 2017	132.35	3,701.56	4,386.24	17,193.18	13.09	25,426.42
Proft for the year	-	-	-	1,824.20	-	1,824.20
Amount Transfer to General Reserve	-	-	300.00	(300.00)	-	-
Dividend on equity shares for the year	-	-	-	(328.42)	-	(328.42)
Dividend Distribution Tax	-	-	-	(66.86)	-	(66.86)
Gain on transfer of equity Instrument	-	-	-	-	(13.09)	(13.09)
Balance as at 31st March, 2018	**132.35**	**3,701.56**	**4,686.24**	**18,322.10**	**-**	**26,842.25**

*Refer Note 1.20 on First Time adoption of Ind AS

16. FINANCIAL LIABILITIES –NON CURRENT BORROWINGS

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Loans			
(i) Term Loans from banks measured at amortised cost	**5,834.90**	5,469.38	8,444.22
(ii) Long term maturities of Finance Lease obligations/ hire purchase finance	**161.44**	197.98	202.12
	5,996.34	5,667.36	8,646.34
Unsecured Loans			
(i) Loans and Advances from Related Parties	**-**	801.92	-
(ii) 10,25,000, 8% Redeemable Preference shares of ₹ 100 each	**1,025.00**	1,025.00	1,025.00
	1,025.00	1,826.92	1,025.00
TOTAL	**7,021.34**	7,494.28	9,671.34
(a) Nature of security for secured borrowings are given below:			
(i) Term Loans from Banks	**9,496.37**	8,373.70	10,733.86
The Immovable and Movable Assets of the Unit Located at Boregoan Industrial Area, Distt.Chhindawara (M.P.) and Abu Road, Sirohi, Rajasthan are charged to Citi Bank by way of First charge for Foreign Currency Term Loan of USD 11.60 million.			
The Immovable and Movable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and Mauja Rampur Majri Tehsil Paonta Sahib, District Sirmor, Himachal Pradesh and movable assets of Unit located at Muzaffarnagar (UP) are charged to Citi Bank by way of First charge for Foreign Currency Term Loan of USD 4 million.			

(₹ in Lakhs)

The Immovable and Movable Assets of the Unit Located at the Jhagadia Industrial Estate, Dist Bharuch (Gujarat) and movable assets of Units located at Muzaffarnagar (UP) are charged to The Hongkong & Shanghai Banking Corporation Ltd. by way of First charge on pari-passu with Citi Bank for Term Loan of Rs 40 crores. The Term Loans from banks are further secured by 2nd charge on currents assets of the company.			
(ii) Long term maturities of Finance Lease obligations	**161.44**	197.99	202.12
Above loans are secured against vehicles purchased through them under hire purchase agreements.			
(b) The aggregate amount of loans under each head guaranteed by Directors or others are given below:			
(i) Term Loans from Banks	**9,496.37**	8,373.70	10,733.86
Above term loans are secured by personal gurantee of the Promoter Director.			

17. DEFERRED TAX LIABILITIES (NET)

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Depreciation and amortisation	**-**	-	593.73
MAT Receivable		-	(396.91)
TOTAL	**-**	-	196.82

18. SHORT TERM BORROWINGS

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Secured loans			
Working Capital Loan	**7,508.97**	5,931.39	2,856.10
TOTAL	**7,508.97**	5,931.39	2,856.10

(a) The Working Capital Loans are secured by the Hypothecation of Present and Future stock of Raw Materials, Stores, Stock in Process , Chemicals and Consumables , Fuels, Packing , Finished Goods etc. and Book Debts of the Company.

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

19. TRADE PAYABLES

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Tarde Payables consist of the following:			
Other Creditors	**3,321.86**	4,602.13	2,167.00
TOTAL	**3,321.86**	4,602.13	2,167.00

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

20. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Interest accrued but not due on borrowings	**24.60**	34.04	59.74
(b) Current maturities of long term debt	**3,661.47**	2,904.32	2,289.64
(c) Unclaimed dividends	**49.48**	44.33	35.27
(d) Capital liabilities	**342.16**	923.33	488.68
(e) Expenses Payable	**735.30**	805.97	596.04
(f) Interest Accrued on Preference Shares	**98.69**	98.69	-
TOTAL	**4,911.70**	4,810.68	3,469.37

21. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Advance from Customers	**115.93**	134.62	112.55
(b) Other liabilities	**619.65**	141.87	84.94
TOTAL	**735.58**	276.49	197.49

22. PROVISIONS

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefits	**186.17**	173.96	214.64
TOTAL	**186.17**	173.96	214.64

23. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue		
(a) Sale of Product (including excise duty)	**60,528.36**	49,682.72
(b) Freight and Handling Charges recovered	**858.77**	2,103.48
(I)	**61,387.13**	51,786.20
Other Operating Revenues		
(a) Export and Other Incentives	**279.47**	190.43
(b) Miscellaneous Receipts & claims	**135.23**	49.79
(c) Lease Rent, Operation & Maintenance Charges	**601.97**	655.15
(II)	**1,016.67**	895.37
REVENUE FROM OPERATIONS (I+II)	**62,403.80**	52,681.57

24. OTHER INCOME

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest Income		
(i) On Bank Deposits & Others	**27.27**	275.36
(b) Dividend Income		
(i) On Invetsments	**1.57**	1.93
(c) Gain / (Loss) on sale of investments (Net)		
(i) On Investments	**49.67**	34.22
(d) Net gain on financial assets designated at fair value through Profit and Loss account	**35.64**	64.93
(e) Profit/ (Loss) on property, plant and equipment sold / discarded (Net)	**50.97**	16.47
(f) Other Non-Operating income*	**18.37**	19.66
TOTAL	**183.49**	412.57

* It includes Agriculture income

25. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Raw Material	**31,539.45**	26,282.34
TOTAL	**31,539.45**	26,282.34

26. PURCHASES OF STOCK IN TRADE

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Purchase of Stock in Trade	**415.81**	7.05
TOTAL	**415.81**	7.05

27. CHANGES IN INVENTORIES

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Opening inventories		
(i) Traded Goods	**-**	-
(ii) Work in progress	**691.20**	435.95
(iii) Finished Goods	**1,926.55**	691.77
	2,617.75	1,127.72
(b) Less: Closing Inventories		
(i) Traded Goods	**71.46**	-
(ii) Work in progress	**624.56**	691.20
(iii) Finished Goods	**1,725.29**	1,926.55
	2,421.31	2,617.75
TOTAL	**196.44**	(1,490.03)

28. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Salaries and Wages	**1,992.20**	1,791.95
(b) Contribution to Provident and Other Funds	**83.10**	84.62
(c) Employee Welfare	**167.24**	171.54
TOTAL	**2,242.54**	2,048.11

29. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest & Charges on Bank borrowing for working Capital	**906.38**	486.10
(b) Interest on Term and Other Loans	**118.20**	96.16
(c) Net Gain on foreign currency transactions and translation	**(42.55)**	(63.17)
(d) Interest Expenses recognised on Redeemable Preference Shares	**98.69**	98.69
TOTAL	**1,080.72**	617.78

30. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Depreciation on Property, Plant and Equipment	**3,645.97**	2808.13
(b) Amortisation of Intangible Assets	**2.51**	-
TOTAL	**3,648.48**	2,808.13

31. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Manufacturing Expenses		
(i) Process Chemiclas & Consumables	**3,264.83**	2,990.24
(ii) Stores, Spare Parts & Packing	**2,669.14**	2,407.94
(iii) Power and Fuel	**8,299.44**	5,522.00
(iv) Excise Duty*	**(65.40)**	93.21
(v) Repair & Maintenance:		
-Building	**11.22**	31.30
-Plant & Machinery	**786.66**	649.77
TOTAL (A)	**14,965.88**	11,694.46
* Excise duty shown under expenditure represents the aggregate of Excise duty borne by compnay and difference between excise duty on opening and closing stock of finished goods.		
(b) Administrative Expenses		
(i) Rates and Taxes	**140.98**	71.52
(ii) Rent	**117.57**	119.90
(iii) Printing and Stationary	**26.79**	29.77
(iv) Advertsiment and Publicity	**5.27**	5.90
(v) Subscription and Membership fees	**7.03**	3.14
(vi) Travelling Expenses	**203.85**	209.76
(vii) Legal and Professional Expense (**)	**156.81**	112.43
(viii) Communication Charges	**67.65**	71.74
(ix) Repair and Maintenance	**46.64**	21.76
(x) Insurance	**34.82**	27.50
(xi) Donation	**2.92**	2.71
(xii) Corporate Social Responsibility expense (***)	**14.41**	14.80
(xiii) Miscellaneous Expenses	**8.07**	13.33
(xiv) Allowance for Doubtful trade receivables	**26.45**	-
TOTAL (B)	**859.26**	704.26
(c) Selling and Distribution Expenses		
(i) Commission & Discount	**306.55**	325.99
(ii) Freight and Forwading Expenses	**4,035.00**	3,552.83
(iii) Others	**54.38**	104.46
TOTAL (C)	**4,395.93**	3,983.28
TOTAL (A+B+C)	**20,221.06**	16,382.00

( )**

Details of Auditors Remuneration are as follows:		
(i) Audit Fees	**5.75**	5.75
(ii) Taxation matters	**1.25**	1.25
(iii) fee for certification	**1.25**	1.25
(iv) Reimbursement of expenses	**1.13**	0.69
	9.00	8.94

(***)

Details of Corporate Social Responsibility expenditure in accordance with section 135 of the Companies Act, 2013:		
Particulars	**2017-18**	2016-17
Gross amount required to be spent by the Company during the year	**66.98**	67.45
Amount Spent during the year	**14.41**	14.80
Amount Unspent during the year	**52.57**	52.65

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

i) Defined Contribution Plan

Employers' contribution towards provident fund amounting to ₹ 61.12 Lakhs (Previous year ₹ 36.47 Lakhs) is recognized as an expense and included in Employee Benefit expenses Note No 3 (28).

ii) Defined Benefit Plan

Gratuity

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

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

Expected contributions to gratuity plans for the year 2018-19 are ₹ 4.24 Lakhs

Reconciliation of present value of defined benefit obligation (₹ in Lakhs)

A

Particulars	Gratuity (Funded)	
	31st March, 2018	31st March, 2017
Change in the Present value of obligation		
Balance at the beginning of the year	**236.16**	201.05
Benefits paid	**-**	-
Current service cost	**31.06**	29.42
Interest cost	**17.69**	15.07
Past Service cost		-
Actuarial (gains) losses recognised in profit and loss:		
-Changes in demographic assumptions		-
Actuarial (gains) losses recognised in OCI:		
-Changes in demographic assumptions	**-**	-
-Changes in financial assumptions	**(12.66)**	-
-Experience adjustments	**(25.91)**	(9.38)
Balance at the end of the year	**246.34**	236.16

B

Particulars	Gratuity (Funded)	
	31st March, 2018	31st March, 2017
Change in the fair value of plan asset		
Balance at the beginning of the year	**241.89**	207.28
Contributions paid into the plan	**12.50**	20.00
Benefits paid	**-**	-
Expected Return on Plan Asset	**18.13**	15.53
Acturial Gain/(Loss) on Planned Assets	**1.20**	(0.92)
Balance at the end of the year	**273.72**	241.89
Net Defined Benefit (Liability)	**(27.38)**	(5.73)

C

Particulars	Gratuity (Funded)	
	31st March, 2018	31st March, 2017
Expense recognized in profit or loss		
Current service cost	**31.05**	29.43
Interest cost	**(0.42)**	(0.47)
Acturial (Gain)/Loss	**-**	-
Expected Return on plan assets	**-**	-
TOTAL	**30.63**	28.96

D Plan Assets

Plan Assets comprise of the following: (₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Equities	**0%**	0%
Bonds	**0%**	0%
Gilts	**0%**	0%
Pooled assets with an insurance company*	**100%**	100%
Others	**0%**	0%
TOTAL	**100%**	100%

***** The company's assets are managed by the Life Insurance Corporation of India, the total assets held as on 31st March, 2018 is ₹ 273.72 Lakhs.

E

Actuarial Assumptions	Gratuity (Funded)	
	31st March, 2018	31st March, 2017
Economic assumptions:		
Discount Rate (Per annum)	**8.00%**	7.50%
Future Salary increase	**6.50%**	6.50%
Demographic assumptions:		
Retirement Age(Years)	**58**	58
Mortality rates inclusive of provision for disability**	IALM (2006-08)	
Withdrawl Rate (%)	0.50%	

****** The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31st March, 2017: 11 years).

F Sensitivity Analysis

Particulars	Gratuity (Funded)	
	31st March, 2018	31st March, 2017
Present Value of Obligation at the end of the period	**246.34**	236.16
a) Discount rate-100 basis points	**272.62**	263.29
b) Discount rate+100 basis points	**223.81**	213.08
c) Salary Growth Rate -100 basis points	**223.32**	212.68
d) Salary Growth Rate+100 basis points	**272.75**	263.29
e) Attrition Growth Rate-50% of attrition rates	**245.70**	235.73
f) Attrition Growth Rate+50% of attrition rates	**246.95**	236.57
g) Mortality Growth Rate-10% of mortality rates	**246.22**	236.08
h) Mortality Growth Rate+10% of mortality rates	**246.44**	236.23

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

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

G Risk Exposure

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

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

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

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

H Maturity Profile of defined benefit obligation (₹ in lakhs)

Actuarial Assumptions	Gratuity (Funded)	
	31st March, 2018	31st March, 2017
Year 1	**17.49**	17.70
Years 2-5	**75.45**	59.56
Years 6-10	**112.66**	105.60
Beyond 10	**463.73**	451.82

33 INCOME TAX

A. Amounts recognised in profit or loss

Particulars	31st March, 2018		31st March, 2017	
Current tax expense				
Current year	**508.33**		647.71	
Less: MAT Credit Available	**508.33**	**-**	633.70	14.01
		-		14.01
Deferred Tax Expense				
Property, plant and equipment		**529.91**		284.58
Total Tax Expense		**529.91**		298.59

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

B Movement in deferred tax balances

Particulars	As at 31st March, 2017	Recognized in P&L	Recognized in OCI	As at 31st March, 2018
Deferred Tax Assets				
MAT Receivable	1,030.61	508.33		**1,538.94**
Total Deferred Tax Assets	1,030.61	508.33	-	**1,538.94**

Particulars	As at 31st March, 2017	Recognized in P&L	Recognized in OCI	As at 31st March, 2018
Deferred Tax Liabilities				
Property, plant and equipment	878.31	529.91	-	**1,408.22**
Total Deferred Tax Assets (Net)	878.31	529.91	-	**1,408.22**
Net Deferred Tax Asests (Liability)	152.30	(21.58)	-	**130.72**

Particulars	As at 31st March, 2016	Recognized in P&L	Recognized in OCI	As at 31st March, 2017
Deferred Tax Assets				
MAT Receivable	396.91	633.70		1,030.61
Total Deferred Tax Assets	396.91	633.70	-	1,030.61
Deferred Tax Liabilities				
Property, plant and equipment	593.73	284.58		878.31
Total Deferred Tax Liabilities	593.73	284.58	-	878.31
Net Deferred Tax Asests (Liability)	(196.82)	349.12	-	152.30

Deferred tax Assets as on 31st March, 2018 is ₹130.72 Lakhs & 31st March, 2017 is ₹ 152.30 Lakhs

34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Fair value measurements

(₹ in lakhs)

Particulars	Carrying Amount		
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Financial assets measured at Fair Value			
Non-current			
Investments in Equity Instruments	**46.73**	104.57	728.70
Current			
Investments in Mutual Funds	**531.68**	692.22	-
Financials Assets measured at Amortized Cost			
Non-current			
Other non-current financial assets	**309.70**	302.04	226.00
Current			
Trade Receivables	**11,597.85**	8,936.06	7365.97
Cash and cash equivalents	**289.71**	104.07	258.89
Bank balances other than above	**49.48**	303.89	4201.45
	12,825.15	10,442.85	12,781.01
Financial liabilities measured at Amortized Cost			
Non-current			
Borrowings (Long Term)	**7,021.34**	7,494.28	9671.34
Current			
Borrowings (Short Term)	**7,508.97**	5,931.39	2856.10
Trade Payables	**3,321.86**	4,602.13	2167.00
Other current financial liabilities	**4,911.70**	4,810.68	3469.37
	22,763.87	22,838.48	18,163.81

Fair Value Hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The quoted equity and mutual funds investemnts are categorised as Level 1.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unlisted equity securities.

Note:

a. There are no transfers between level 1 and level 2 during the year.

b. The fair value of financial assets and liabilities approximate their carrying amount measured under Level III hierarchy.

Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

i Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents , bank balances, security deposits, loans to employees.

Trade and other receivables

The company has established a credit policy under which each new customer is analysed individually for evaluation of credit worthiness before offering company's terms and conditions of payment and delivery. The Company computes an allowance for impairment of trade receivables for unrelated parties based on a simplified approach, that represents its expected credit losses.The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted with scalor factors to reflect differences between current and historical economic conditions and the management's view of economic conditions over the expected lives of the receivables. Based on the industry practice and business environment in which the entity operates, management considers that the trade receivables are in default (credit impaired) based on risk assessment of debtor.

Reconciliation of loss allowance provision – Trade and other receivables (₹ in Lakhs)

Particulars	**31st March, 2018**	31st March, 2017
Opening balance	**-**	-
Provision made during the year	**26.45**	-
Trade receivables written off during the year	**-**	-
Provision reversed during the year / collection	**-**	-
Closing balance	**26.45**	-

Cash and cash equivalents, deposits with banks and other financial instruments

Credit risk from balances with banks and other financial instruments is managed by Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management, for periodic updation.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

Concentration of significant credit risk

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

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses recognized represent the maximum credit exposure. The maximum exposure to credit risk as at 31st March, 2018 and 31st March, 2017 was as follows:

Particulars	**31st March, 2018**	31st March, 2017	31st March, 2016
Trade receivables	**11,597.85**	8,936.06	7,365.97
Cash and cash equivalents	**289.71**	104.07	258.89
Bank balances other than above	**49.48**	303.89	4,201.45
	11,937.04	9,344.02	11,826.31

ii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash or exchange of another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficiency of liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The company mitigates liquidity risk by way of formulation of cash budget and comparion of actual cash flows with budget on a continous basis.

(a) Financing arrangements

As at 31st March, 2018 and 31st March, 2017, the Company had unutilised credit limits from banks of ₹ 3,491.03 Lakhs and ₹ 5,821.00 Lakhs respectively.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)

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

	Contractual cash flows			
	31st March, 2017	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	7,494.28	-	7,494.28	-
Borrowings (Short Term)	5,931.39	5,931.39	-	-
Trade Payables	4,602.13	4,602.13	-	-
Other current financial liabilities	4,810.68	4,810.68	-	-
Total non-derivative liabilities	22,838.48	15,344.20	7,494.28	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company does not uses derivatives to manage market risks.

a. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The carrying amounts of the company's foreign exchange monetary items as at the end of reporting period are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March 2016
Transaction currency -->	**USD**	USD	USD
Financial assets			
Trade receivables	**18.82**	14.48	6.87
Financial liabilities			
Borrowings	**84.33**	129.12	177.1
Net statement of financial position exposure	**(65.51)**	(114.64)	(170.23)
Conversion Rates	**65.17**	64.85	66.25

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

Sensitivity analysis

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

(₹ in Lakhs)

	Profit or loss	
	Strong	**Weak**
31st March 2018		
USD (10% movement)	(1.88)	1.88
31st March 2017		
USD (10% movement)	(1.45)	1.45
31st March 2016		
USD (10% movement)	(0.69)	0.69

b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Any rise in market rate of interest effective effecting valuation of financial instruments, financial assets and financial liabilities have been regularly analysed for mitigational measure.

Exposure to interest rate risk

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

Particulars	**Nominal Amount**	
	31st March, 2018	**31st March, 2017**
Financial liabilities		
Variable-rate instruments		
Long term borrowings	**7,021.34**	7,494.28
Financial Assets		
Fixed-rate instruments		
Fixed Deposits	**309.70**	302.04
Short Term Borrowings	**7,508.97**	5,931.39

(Profit) or loss

Particulars	**50 bp increase**	**50 bp decrease**
31st March 2018		
Variable-rate instruments	**35.11**	(35.11)
31st March 2017		
Variable-rate instruments	**37.47**	(37.47)

Fair value sensitivity analysis for fixed-rate instruments

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

iv Fiscal Risk

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

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

A. Raw Materials Consumed: (₹ in Lakhs)

Products	2017-18	2016-17
Rice	**3,878.06**	5,099.55
Corn/Starch	**24,279.82**	17,790.97
Lime & Lime Stone	**3,381.57**	3,391.82
TOTAL	**31,539.45**	26,282.34

B. Traded Goods

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Lime & Lime Stone	**415.81**	7.05	**479.22**	7.93	-	-	**71.46**	-
TOTAL	**415.81**	7.05	**479.22**	7.93	**-**	**-**	**71.46**	-

C. Manufactured Goods

Products	Sales		Opening Stock		Closing Stock	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1.Sorbitol & Sweetner	**24,235.88**	27,289.54	**926.94**	422.65	**430.09**	926.94
2. Fructose	**4,940.58**	1,360.65	**318.01**	-	**286.66**	318.01
3. Starch	**11,054.54**	3,603.53	**-**	-	**-**	-
4. Calcium Carbonate	**11,353.71**	12,109.20	**339.34**	205.53	**219.12**	339.34
5. By Products	**9,162.43**	7,411.72	**329.77**	47.46	**234.05**	329.77
6. Liquor-IMFL	**160.78**	3.64	**12.49**	16.13	**555.37**	12.49
TOTAL	**60,907.92**	**51,778.28**	**1,926.55**	691.77	**1,725.29**	1,926.55

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

Particulars	2017-18	2016-17
Raw Materials, Stores and Components	**540.86**	513.93
Capital Goods	**173.13**	323.08

B. Expenditure in foreign currency during the year:

Particulars	2017-18	2016-17
Interest	**195.79**	328.39
Commission	**91.52**	82.61
Travelling	**27.77**	48.48
Technical Service Expenses	**19.73**	162.88
Legal & Professional Fee	**10.64**	4.39

C. Earnings in Foreign Exchange:

Particulars	2017-18	2016-17
Export of Goods on F.O.B. basis	**7,385.31**	7,387.88

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

Particulars	Value (₹ in Lakhs)			
	2017-18	2016-17	2017-18	2016-17
Raw Materials:				
Imported	**25.82**	-	**0.08%**	-
Indigenous	**31,513.63**	26,282.34	**99.92%**	100.00%
	31,539.45	26,282.34	**100.00%**	100.00%
Coal and Fuel:				
Imported	**-**	-	**-**	-
Indigenous	**4,524.19**	3,656.74	**100.00%**	100.00%
	4,524.19	3,656.74	**100.00%**	100.00%
Stores and Spares:				
Imported	**32.48**	-	**9.53%**	8.82%
Indigenous	**308.26**	269.63	**90.47%**	91.18%
	340.74	269.63	**100.00%**	100.00%

37. Contingent Liabilities in respect of:

i) Corporate guarantee (in the form of counter guarantee) extended to Gujarat Industrial Development Corporation (GIDC) for ₹ 7.39 Lakhs (Previous year ₹ 7.39 Lakhs) on account of Bharuch Eco Infrastructure Limited, for proportionate share of financial assistance pertaining to the company extended to GIDC by Industrial Development Finance Corporation (IDFC) for laying the common pipe line for treated water from industrial units.

ii) Bank guarantees for ₹ 30.47 Lakhs (Previous Year ₹ 87.86 Lakhs) in favour of Government Departments.

iii) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 365.70 Lakhs (Previous year ₹ 898.15 Lakhs).

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

(a) Name of related party and nature of related party relationship where control exist

(i) Holding Company : Nil

(ii) Subsidiary Company : Nil

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

(i) Joint Ventures etc. : Nil

(ii) Key Management Personnel : Dr. C.K. Jain, Managing Director
Mrs. Aditi Pasari, Whole Time Director
Mrs. Arushi Jain, Whole Time Director
Mr. S. K. Tewari, Whole Time Director
Mr. A. K. Vats, CEO & Whole Time Director
Mr. Rajesh Agrawal, CFO
Mrs. Nisha Gupta, CS

(iii) Relative of KMP : Mrs. Mridula Jain

(iv) Corporate entities over which key management personnel are able to exercise significant influence: Gulshan Lamee Pack Pvt. Ltd, Gulshan Holdings Pvt. Ltd, and Gulshan Speciality Minerals Private Limited, Gulshan Sugar & Chemicals Ltd., Reliance Expovision Pvt Ltd., East Delhi Importers & Exporters Pvt Ltd., ARP Developers Pvt Ltd., Oye Oye.com Online Services India LLP., Houzilla Interiors Pvt Ltd

(v) Transactions with related parties of the period 01.04.2017 to 31.03.2018 :

(₹ in Lakhs)

Key Managerial Personnel	**2017-18**	2016-17
Remuneration to Key Personnel: - Salaries & Perks - Commission on Profits	**323.80** **-**	268.19 55.00
Rent Paid - Dr. C.K Jain - Mrs. Mridula Jain, Relative	**60.00** **38.40**	60.00 38.40
Gulshan Holding Private Ltd. - Interest paid	**50.59**	-

39. Earning Per Share

	Particulars	**2017-18**	2016-17
1	Net Profit After Tax	**1824.20**	2734.38
2	Weighted Average of number of Equity Share outstanding during the year	**469.17**	469.17
3	Basic Earning Per Share of ₹ 1/- each	**3.89**	5.83
4	Diluted Earning Per Share of ₹ 1/- each	**3.89**	5.83

40. Information on segment reporting pursuant to Ind AS 108 – Operating Segments

Operating segments:

- Mineral Processing
- Grain Processing
- Distillary

Identification of Segments:

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

Segment revenue and results:

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

Segment assets and liabilities:

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

(₹ in Lakhs)

Particulars	Mineral Processing		Grain Processing		Distillary		Total	
	31st March 2018	31st March 2017	**31st March 2018**	31st March 2017	**31st March 2018**	31st March 2017	**31st March 2018**	31st March 2017
Revenue								
External sales	**12,382.91**	12,778.03	**49,773.08**	39,899.90	**247.81**	3.64	**62,403.80**	52,681.58
Total Revenue	**12,382.91**	12,778.03	**49,773.08**	39,899.90	**247.81**	3.64	**62,403.80**	52,681.58
Results								
Segmanet results before interest and Finance cost	**1,884.96**	1,582.39	**2,341.89**	1,969.21	**(823.96)**	(131.50)	**3,402.89**	3,420.10
Unallocable Income	**-**	-	**-**	-	**-**	-	**31.94**	230.65
Operating Profit	**1,884.96**	1,582.39	**2,341.89**	1,969.21	**(823.96)**	(131.50)	**3,434.83**	3,650.75
Interest Expenses							**1,080.72**	617.78
Cureent Tax (Net of MAT Credit/debit)							**-**	14.01
Deferred Tax Charge/ (Credit)							**529.91**	284.58
Net Profit							**1,824.20**	2,734.38

Other Information

	Mineral Processing		Grain Processing		Distillary		Others		Total	
	31st March 2018	31st March 2017	**31st March 2018**	31st March 2017	**31st March 2018**	31st March 2017	**31st March 2018**	31st March 2017	**31st March 2018**	31st March 2017
Segment Assets	**6,938.31**	6,814.62	**31,848.12**	32,547.98	**11,599.46**	8,399.61	**-**	-	**50,385.89**	47,762.21
Unallocated Assets	**-**	-	**-**	-	**-**	-	**893.53**	1,527.34	**893.54**	1527.34
TOTAL ASSETS	**6,938.31**	6,814.62	**31,848.12**	32,547.98	**11,599.46**	8,399.61	**893.53**	1,527.34	**51,279.43**	49,289.55
Segment Liabilities	**3,146.74**	746.41	**13,014.45**	12,809.61	**6,180.61**	7,661.84	**-**	-	**22,341.80**	21,217.86
Unallocated Liabilities & Provisions	**-**	-	**-**	-	**-**	-	**1,626.20**	2,176.10	**1,626.20**	2,176.10
TOTAL LIABILITIES	**3,146.74**	746.41	**13,014.45**	12,809.61	**6,180.61**	7,661.84	**1,626.20**	2,176.10	**23,968.01**	23,393.96

41. SUBSEQUENT EVENTS

There are no significant events that occurred after the balance sheet date.

42. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Appendix B to Ind AS 21, Foreign Currency transactions and advance consideration: On March 28, 2018, the Ministry of Corporate Affairs ("the MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign Currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

The amendment will come into force from April 1, 2018.

Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, the MCA notified the Ind AS 115. The core principle of new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in

exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective Approach: Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative Catch up approach).

The effective date of adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

The company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The company is currently evaluating the impact of the above mentioned pronouncements.

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(RAJEEV KUMAR SINGHAL)
Partner
Membership no: 077834

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

ASHWANI KUMAR VATS
Whole Time Director and CEO
DIN : 00062413

Dated : 22nd May, 2018
Place : Delhi

NISHA GUPTA
Company Secretary

RAJESH AGRAWAL
Chief Financial Officer

GULSHAN POLYOLS LIMITED

CIN: L24231UP2000PLC034918
Regd. Off.: 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (UP)

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

Name & Address of Member .....

Regd. Folio No.: .....D.P. ID / Client ID.....

E-mail Id:.....

I / WE, being a member(s) of _____equity shares of the above named Company, hereby appoint

Name: _____ Email: _____

Address: _____

Signature: _____or failing him/her

Name: _____Email: _____

Address: _____

Signature: _____or failing him/her

Name: _____ Email: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual general meeting of the company, to be held on the Saturday, the 29th September, 2018 at 12:30 p.m. at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh 251002 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution number	Resolution
Ordinary Business	
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2	To declare a dividend on Preference Shares for the financial year ended 31stMarch, 2018.
3	To confirm the payment of Interim dividend during the financial year 2017-18 and to declare a Final dividend on Equity Shares for the financial year ended 31st March, 2018.
4	To appoint a director in place of Mr. A. K. Vats (holding DIN no. 00062413), who retires by retire by rotation, and being eligible, offers himself for re-appointment
5	To ratify the appointment of Rajeev Singal & Co. (Firm Registration no. - 008692C), Statutory Auditors of the Company.
Special Business	
6	Revision in terms of appointment and remuneration of Dr. C. K. Jain, Managing Director of the Company
7	Variation in terms of remuneration of Ms. Arushi Jain, Whole Time Director of the Company
8	Variation in terms of remuneration of Ms. Aditi Pasari, Whole Time Director of the Company
9	Payment of Commission to Non-Executive Directors of the Company
10	Approval of Remuneration of Cost Auditor of the Company
11	Approval of Gulshan Polyols Limited Employees - Stock Option Plan 2018 (GPL ESOP 2018)
12	Acquisition of Shares of the Company through 'Employees Welfare Trust' Implementation of GPL ESOP 2018
13	To authorise for making of Loan/ Provision of money at Employees' Welfare Trust for purchase of / subscription for Company's shares under GPL ESOP, 2018
14	Re-appointment of Mr. Kailash Chandra Gupta as an Independent Director of the Company

Affixed Revenue Stamp

Signed this…… …day of…….. 2018

Signature of shareholder Signature of Proxy holder(s)

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

GULSHAN POLYOLS LIMITED

CIN: L24231UP2000PLC034918
Regd. Off.: 9th K.M. Jansath Road, Muzaffarnagar – 251 001 (UP)

Attendance Slip For Attending Annual General Meeting

Regd. Folio No…….. No. of Shares held ……..

DP. ID. No. ……..…… Client ID.No. ……..

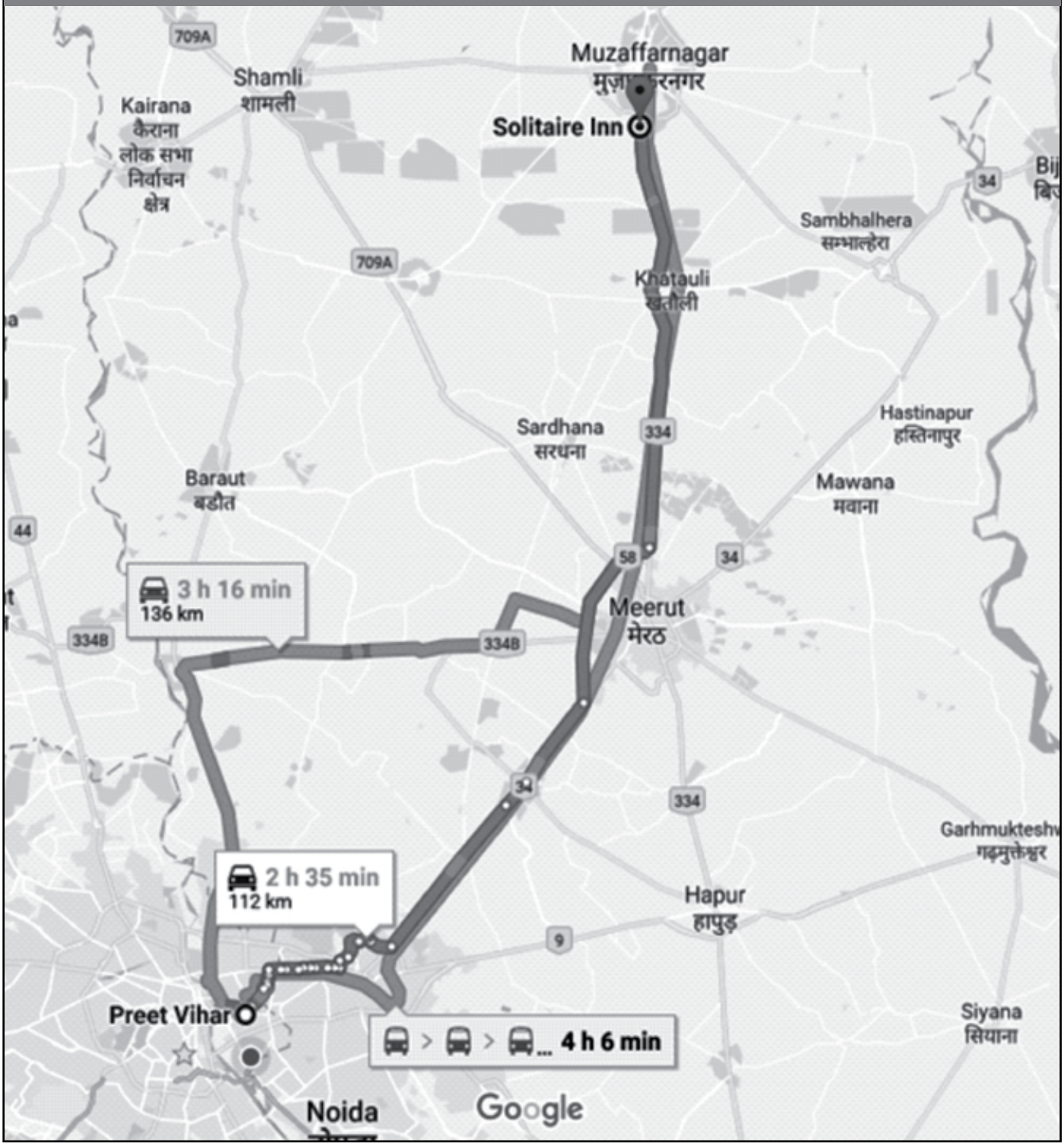
I certify that I am a member / proxy for the member(s) of the Company.

I hereby record my presence at the 18th Annual General Meeting of the Company at Solitaire INN Hotel, 6 Mile Stone, Meerut Road, National Highway 58, Muzaffarnagar, Uttar Pradesh- 251002 at 12:30 p.m. on Saturday, 29th September, 2018.

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

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

Route Map for Venue of 18th Annual General Meeting (AGM)



Venue of AGM - Solitaire INN Hotel
6 Mile Stone, Meerut Road,
National Highway 58,
Muzaffarnagar, Uttar Pradesh 251002

Our People, Our Strength



PLANT LOCATIONS

MUZAFFARNAGAR, UTTAR PRADESH	**BHARUCH, GUJARAT**	**CHHINDWARA, MADHYA PRADESH**
DHAULA KUAN, HIMACHAL PRADESH	**ABU ROAD, RAJASTHAN**	**ITC, TRIBENI WEST BENGAL**
DSG, PATIALA PUNJAB	**AMLAI, MADHYA PRADESH**	**SILVERTONE, UTTAR PRADESH**

CORPORATE OFFICE

G-81 Preet Vihar, Delhi 110092

Phone: (011) 49999200

www.gulshanindia.com