

NOTICE

NOTICE is hereby given that the 70th Annual General Meeting of the members of Polson Limited will be held on 30th day of September, 2011 at the Registered office of the Company at Ambaghat, Vishalgad, Taluka – Shahuwadi, Dist – Kolhapur, Kolhapur – 415 101 at 10.00 a.m. to transact the following businesses :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011, along with the Profit and loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Sushila Kapadia who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT M/s. A. S. Madon & Co., Chartered Accountants, Mumbai be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the members be and is hereby given for the reappointment of Mr. Amol Kapadia as a Managing Director of the Company for a period of three years w.e.f. 1st April, 2011 on the following terms of remuneration:

- | | | |
|-----------------------|---|--|
| 1. Basic Salary | : | Rs. 4,00,000/- p.m. |
| 2. Personal Allowance | : | Rs. 50,000/- p.m. |
| 3. Medical | : | Reimbursement of medical expenses for self and family subject to maximum of one month's basic salary for a year. |

Notwithstanding the ceiling specified in this clause, if reimbursement of expenses under this clause claimed is less than the specified maximum limit, the balance shall be added to the personal allowance on an annual basis.

4. Leave Travel Allowance : As per provisions of Income Tax Act, 1961
5. Club : Club fees subject to a maximum of two clubs. This will include annual membership fees but not admission fees and life membership fees.
6. Insurance : As per policy of the Company.
7. Leave : full pay leave for 30 days per annum.
8. Provident Fund : Contribution to Provident fund/ Annuity Fund/ Superannuation Fund or allowance as per policy of the Company.
9. Gratuity : In accordance with the policy of the Company
10. Telephone : Actual basis subject to maximum Rs. 5000/- per month
11. Car : Petrol expenses and Driver's salary subject to maximum of Rs. 15,000/- per month.
12. Commission : 1% of the net profits of the Company as computed in accordance with the provisions of Section 198, 349 and 350 of the Companies Act, 1956.

RESOLVED FURTHER THAT the gross remuneration to be paid to Mr. Amol Kapadia be increased, augmented and /or enhanced subject to the aforesaid provisions and applicable approvals upto 20% per annum, effective from April 1 each year, and first such increase shall be granted w.e.f. April 1, 2012.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits for any financial year, Mr. Amol Kapadia shall subject to approval from the Central Government, if any required, be paid remuneration by way of salary and perquisites as specified above, subject to the restrictions, if any, set out in Schedule XIII to the Companies Act, 1956 (including any statutory modification

or re-enactment thereof, for the time being in force) as may be applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors/ Committee of Directors be and is hereby authorized from time to time to amend, alter or otherwise vary terms and conditions of the re-appointment of Mr. Amol Kapadia including remuneration, provided that such remuneration shall not exceed maximum limits for payment of remuneration as may be admissible to him, within the overall limits specified in the Act, and as existing or amended, modified or re-enacted from time to time by the Government of India, as the Board may deem fit,

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized to file necessary forms and returns with the Registrar of Companies, Maharashtra, Pune or to make application to the Central Government, as the case may be, and to do all such acts, deeds and things as may be necessary.

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

“RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 or any amendments or modifications thereof (including any ordinance or statutory modification, re-enactment thereof for the time being in force) and subject to consent and approvals of Reserve Bank of India (RBI), Public Financial Institution(s), Securities and Exchange Board of India (SEBI) or such authorities, if required and/or in accordance with the guidelines and notifications issued by SEBI, Government, etc. and such other approvals/permissions as may be necessary under any other statute for the time being in force, consent and approval of the Company be and is hereby accorded to the Board of Directors of the Company to invest/acquire from time to time by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments of any company or body corporate, whether in India or outside, or to make loan to any other company/body corporate or to give any guarantee or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate/ company, as the Board may think fit, in excess of the limits specified in section 372A of the Companies Act, 1956 but not exceeding Rs. 100 Crores;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to any Director of the Company and generally to do all acts, deeds and things that may be necessary,

proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

Regd Office :
Ambaghat, Vishalgad,
Taluka – Shahuwadi ,
Dis. Kolhapur
Kolhapur – 416001

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 02nd September 2011

NOTES

1. A member to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself. A proxy need not be a member of the company. Proxies, in order to be effective, must be received at Registered Office of the Company not less than 48 hours before the meeting.
2. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 4 and 5 of the Notice is hereto annexed.
3. The resolution no.5 is required to be passed by means of voting by postal ballot in terms of provisions of Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The postal ballot form is enclosed with this notice for your consideration.
4. Notice pursuant to Section 192 A (2) of the Companies Act, 1956 to pass the resolution no. 5 mentioned in the above notice of calling of an AGM is enclosed herewith.
5. Documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of this meeting and will also be available for inspection.
6. Register of Members and Transfer Register will remain close from 28th September 2011 to 30th September 2011 (both days inclusive).
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Registrar and Transfer Agent of the Company for doing their needful.

8. Members are requested to notify change in address, if any, immediately to Registrar and Transfer Agent of the Company quoting their folio numbers.
9. Members seeking the information with regards to the proposed resolution are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.

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Kolhapur – 416001

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 02nd September 2011

Dear Shareholders,

Notice pursuant to Section 192A (2) of the Companies Act, 1956:

Your Company has identified areas for expanding the business activities in India and abroad. Till the actual deployment of funds in the various projects, the Company may invest it in the capital of other companies/ body corporate by way of subscription and /or purchase of equity/ equity related securities or preference shares or any other instrument or it may give loan to other bodies corporate. In the process of business, the Company may give corporate guarantee to others. The said investments, Inter-corporate Loans and guarantee may exceed the limits set out in Section 372A of the Act, but not exceeding Rs. 100 Crores and hence requires prior approval of shareholders by conducting postal ballot under section 192A of Companies Act, 1956.

Hence the resolution no. 5 mentioned in the notice is proposed for approval of shareholders by way of conducting postal ballot.

The Board recommends approval of the aforesaid resolutions in the best interest of the Company.

None of the Directors of the company are interested or concerned in the said resolution.

Proposed Special Resolution no. 5 and Explanatory Statement stating all material facts and the reasons for the proposal is enclosed with this notice and a Postal Ballot form is enclosed for your consideration. The Company has appointed Komal Deshmukh & Associates, Practicing Company Secretaries as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read carefully the instruction printed in the Postal Ballot Form and return the form duly completed in all respects in the enclosed self-addressed envelope so as to reach the Scrutinizer on or before the close of working hours on 10th October, 2011.

The Scrutinizer will submit her report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on 13th October, 2011 at the corporate office of the Company at 3rd Floor, South West Wing, Cambatta Building, Above Eros Cinema, Churchagate, Mumbai- 400 021 at 11.00 a.m.

By order of the Board of Directors

Sd/-

Jagdish Kapadia
Chairman

Place : Mumbai

Date : 02nd September 2011

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4:

The tenure of Managing Directorship held by Mr. Amol Kapadia has lapsed on 31st March 2011. The Board in its meeting held on 3rd March, 2011 has reappointed Mr. Amol Kapadia as a Managing Director with revised salary. The said appointment is subject to approval of shareholders. For past three years Mr. Amol Kapadia is drawing Rs. 30 lacs p.a. as his remuneration despite there is manifold increase in earnings in the Company. As per provisions of section 198 of the Act, a Company can pay only 5% of its profits to one such director and 10% of its profits if there is more than one such director. To pay the remuneration within the said limit is not justifying for the Managing Director who takes more efforts in growing the business of the Company. Therefore the Board has revised the said remuneration.

Amol Kapadia, age 45, finished schooling from St. Mary's, Mumbai, is a graduate from Sydemham College of Commerce & Economics in 1987 and a post graduate with MBA from IMD, Lausanne, Switzerland. He has worked for several years with Coopers & Lybrand in USA and in Australia in various positions of associate, senior associate and manager in consultancy arm of Coopers & Lybrand.

In 1993 became Managing Director of Polson Limited, India. He turned around loss making family run manufacturing business to make it profitable while partnering with major multinationals in the industry.

Throughout his professional career, he has demonstrated the ability to negotiate and close transactions, arrange financings, work with management teams, improve operations and cash flow etc.

None of the other Directors of the Company except the appointee himself, Mr. Jagdish Kapdia and Mrs. Sushila Kapadia may be considered to be interested in the passing of the Resolution. The terms of his appointment have been given in the resolution.

This may also be treated as an abstract and memorandum issued pursuant to Section 302 of the Companies Act, 1956.

Item No. 5

Your Company has identified areas for expanding the business activities. Till the actual deployment of funds in the various projects, the Company may invest the idle funds in the capital of other companies/ body corporate by way of subscription and /or purchase of equity/ equity related securities or preference shares or any other instrument or it may give loan to other bodies corporate. In the process of business, the Company may give corporate guarantee to others. The said investments, Inter-corporate Loans and guarantee may exceed the limits set out in Section 372A of the Act, but not exceeding Rs. 100 Crores and hence requires prior approval of

shareholders by conducting postal ballot under section 192A of Companies Act, 1956.

None of the directors may be considered to be interested or concerned in the said resolutions.

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai

Date : 02nd September 2011

DIRECTORS REPORT

To,
The Members
Polson Limited

Your directors take pleasure in presenting the 70th Annual Report, together with the Audited Accounts of your Company for the year ended 31st March 2011.

FINANCIAL RESULTS

	Rs. In Lacs	
FINANCIAL RESULTS:	2010-11	2009-10
Gross Income (including Non-operating income)	7672.48	6082.57
Less: Total Expenses excluding depreciation	6611.72	5250.76
Profit/(Loss) Before Depreciation	1102.76	831.81
Less: Depreciation	144.57	100.27
Profit/(Loss) Before Taxation	916.19	731.54
Less: Provision for Tax	265.75	245.51
Add : Deferred Tax Asset	-3.86	0.74
Profit/(Loss) After Taxation	623.47	486.76
Add: Profit/(Loss) Brought Forward	1527.79	1114.04
Less: Transferred to General reserve	93.52	73.02
Balance Carried to Balance sheet	2042.24	1527.78

OPERATIONS

During the year, the Company has achieved a turnover of Rs.7672.48 lacs against Rs. 6082.57 lacs for the previous year registering a growth of 20.7% and net profit after taxation for the year is Rs. 688.58 lacs which is 29.4% higher on Rs. 486.76 lacs for the previous year .

TRANSFER TO RESERVE:

During the year under review, Company has transferred Rs. 93,52,087/- to the General Reserve.

DIVIDEND

Your directors wish to retain the earnings for the development in the business and therefore do not recommend any dividend for the year under review.

PUBLIC DEPOSITS

Company has not accepted any deposit from the public within the meaning of section 58A of the Companies Act, 1956 during the year under review.

DISCLOSURE UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:

The Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules,1988 in Annexure-I to this Directors report.

PARTICULARS OF EMPLOYEES:

Only Managing Director is falling in the category of employees of the Company drawing remuneration as stated in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975. As per provisions of section 219 (1) (b) (iv) of the Companies Act, 1956, the Director's Report and Accounts are being sent to all shareholders of the Company excluding the Statement of particulars of employees. Any shareholder interested in obtaining a copy of the Statement may write to the Company.

AUDITORS:

M/s. A. S. Madon & Company, Chartered Accountants, Mumbai hold office until the conclusion of forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if reappointed.

AUDITORS OBSERVATION:

Observations in the auditors report are self-explanatory and do not need further comments from directors in this report.

DIRECTORS

Mrs. Sushila J Kapadia retires by rotation and being eligible, offer herself for reappointment.

During the year 2010-11, the Company has acquired majority Shares and Debentures of Ms.

Dudhwala Builders P Ltd which has become Subsidiary Company of Polson Limited.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that:

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

2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of the Company for that period;
3. the Directors have 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 your Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the support and co-operation, which the Company continues to receive from its Customers, Supplier and employees of the Company. The Directors are also thankful to the shareholders for their unstinted support of the Company.

Regd Office :
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Kolhapur – 415101

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairmen

Place : Mumbai
Date : 30th August 2011

ANNEXURE I

I. CONSERVATION OF ENERGY:

Operations of the Company are not Energy intensive. However, the Company has endeavored to optimize the use of energy resources and taken adequate steps to avoid wastage and use latest technology and equipments, wherever feasible, to reduce energy consumption.

(a) Energy conservation measures taken: – The Company continued using Natural Raw Materials like Hirda, Tamarind Testa etc in the manufacturing process. The residue of these raw materials is further used as FUEL for Boiler , thus reduce the consumption of Furnace Oil

(b) Additional investments and proposals if any, being implemented for reduction of consumption of energy:- NIL

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:-

Consumption of Furnace Oil is kept at 24% increase as against the actual increase of 46 % in production.

(d) Total energy consumption and energy consumption per unit of production: – As per Form A of the Annexure

II. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption : As per Form B of the Annexure.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(f) Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans;

(g) Total foreign exchange used and earned:-

I. Earnings in Foreign Exchange during the year- US\$ 66,26,313

II. Foreign Exchange outgo during the year – =IRs. 2,03,756

Regd Office :
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By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairmen

Place : Mumbai
Date : 30th August 2011

ANNEXURE

FORM A
(See rule 2)

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption

1.	Electricity	Current year	Previous year
	(a) <i>Purchased</i>		
	Unit	739120	665091
	Total amount	4188720	3696873
	Rate / Unit	5.67	5.56
	(b) <i>Own generation</i>		
	(i) Through diesel generator		
	Unit / Rs	3968463	3685344
	Unit per-ltr. Of fuel oil/gas	5 units	5 units
	Cost/unit	8.28	4.23
	(ii) Through steam turbine/generator		
	Unit		
	Unit per-ltr. Of fuel oil/gas	NIL	NIL
	Cost/unit		
2.	<i>Coal (specify quality and where used)</i>		
	Quality (tones)	NIL	NIL
	Total Cost		
	Average rate		
3.	<i>Furnace oil</i>		
	Quantity (k. ltrs.)	549916 LTRS	628646 LTRS
	Total amount	133,43,302	150,14,815
	Average rate	24.26 PER LTR	23.88 PER LTR
4.	<i>Others/internal generation (Please give details)</i>		
	Quality	NIL	NIL
	Total Cost		
	Rate / Unit		

B. Consumption per unit of production

	Standards (if any)	Current year	Previous year
		1	2
Products (with details) unit MT		14768	12829
Electricity		4188720 283.63	3696873 288.16
Furnace oil		13343302 603.52	15014815 1170.38
Coal (specify quality)		Nil	NIL
Other (specify)		NIL	NIL

NOTES:

- (1) Please give separate details for different products/items produced by the company and covered under these rules.
- (2) Please give reasons for variation in the consumption of power and fuel from standards of previous year.
- (3) In case of production of different varieties / specification consumption details may be given for equivalent production.

FORM B
(See rule 2)

Form for disclosure of particulars with respect to absorption

Research and development (R & D)

- | | |
|---|---|
| 1. Specific areas in which R & D carried out by the Company | Leather chemicals and its application and performance on leather in laboratory |
| 2. Benefits derived as a result of the above R & D | Reduction in Raw Material cost and there by increase in % of yield in comparison with Raw Material cost.
Also new Product Developments |
| 3. Future plan of action | New Product Developments and targeting new customer base in domestic & overseas market |
| 4. Expenditure on R & D: | |
| (a) Capital | During the year Company has incurred Rs. 943,138./- |
| (b) Recurring | of expenditure on Research & Development |
| (c) Total | |
| (d) Total R & D expenditure as a percentage of total turnover | |

Technology absorption, adoption and innovation

- | | |
|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | The Company has a Research Laboratory headed by professionals working on new product development for Global and Domestic markets. It undertakes projects in innovative research and technology for new chemicals used by leather industries. |
| 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | Achieved to capture new clients and developed several new products and derived new advanced process. |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : | N.A. |
| (a) Technology imported | |
| (b) Year of import | |
| (c) Has technology been fully absorbed? | |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action | |

Regd Office :
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Kolhapur - 416001

Place : Mumbai
Dated: 30th August, 2011.

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

COMPLIANCE CERTIFICATE

To
The Members
POLSON LIMITED
Mumbai

I have examined the registers, records, books and papers of POLSON LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31-2011.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in 'Annexure A' to this certificate, as per the provisions and the rules made there under.
2. The Company has duly filed the forms and returns as stated in 'Annexure B' to this certificate, with the Registrar of Companies, Regional Director and Central Government, Company Law Board or other authorities within the prescribed time under the Act and the rules made there under by paying the prescribed fees.
3. The Company being Public Limited Company has a paid up capital of Rs. 60,00,000 (Rupees Sixty Lacs Only) divided into 120,000 Equity Shares of Rs. 50/- each and provisions of Section 3(1) (iii) are not applicable.
4. The Board of Directors duly met **16** times (**Sixteen**) on 10.4.2010, 22.4.2010, 13.5.2010, 26.7.2010, 30.7.2010, 18.8.2010, 30.8.2010, 24.9.2010, 26.10.2010, 3.11.2010, 12.11.2010, 13,12,2010, 30.12.2010, 11.2.2011, 26.2.2011, 3.3.2011 in respect of which meetings proper notices were given, proceedings of the same were properly signed & recorded in the minutes book for the purpose.

5. The Company closed its Register of Members from 24th September 2010 to 27th September, 2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting of the Company for the financial year ended on March 31, 2010 was held on September 27, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary general meeting was held during the year under review.
8. During the year under review the Company has not advanced any amount as loan or given any guarantee or provide any security to any of its director, and/or persons or firms or Companies referred to Section 295 of the Act.
9. During the year under review, the Company has entered into several contracts with BK Giulini Specialities Private Limited in respect of section 297 of the Act and duly complied with the provisions of the Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act during the year under review.
11. As informed by the Management, the Company was not required to obtain any approvals from the Board of Directors, members and previous approval of Central Government pursuant to section 314 of the Act during the year under scrutiny.
12. During the year under review, no duplicate share certificates were issued.
13. The Company
 - i. Has delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii. Has not declared any dividend during the year under review
 - iii. Was not required to pay / post warrants for dividends to all the members, since no dividend was declared
 - iv. Transferred the amount in unpaid dividend account, application money due for refund, matured deposit, matured debentures and the interest accrued thereon have remained unclaimed or unpaid for a period of seven years and required to be transferred to Investor Education and Protection Fund.-
Not Applicable

v. Has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of directors has been duly made.
15. The re-appointment of Managing Director & Executive Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act subject to approval from the Central Government. The said approval is awaited subsequent to the yearend under the review.
16. As informed by the Management, there was no appointment of sole selling agents during the year under review.
17. During the year under review, there was no occasion which required the Company to obtain approvals of the Central Government, Company Law Board, Regional Director or such other authorities as prescribed under the various provisions of the Act except revision in remuneration of Managing Director for which application has been submitted to the Central Government.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Companies Act 1956 and the rules made there under.
19. The Company has not issued any securities during the financial year.
20. The Company has not bought back any shares during the financial year ending March 31, 2011.
21. The Company does not have issued any preference shares/ debentures. Hence relevant provisions for redemption of preference shares / debentures are not applicable.
22. There was no transaction necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the year under review.
23. The Company has not accepted/ renewed Fixed Deposit within the meaning of section 58A and 58AA of the Act. Hence compliance with the provisions of section 58A and 58AA of the Act read with Companies (Acceptance of Deposits) Rules, 1975/ the applicable directions issued by the Reserve bank of India/ any other authority in respect of deposit accepted are not applicable.
24. The amount borrowed by the Company from directors, public, financial institutions, banks and others during the financial year ending March 31, 2011 is

within the borrowing limits of the Company and that necessary resolutions have been passed in this regards.

25. *The Company has made loans and investments, and provided securities to other bodies corporate in excess of prescribed limits of section 372A of the Companies Act, 1956. However the Company has already taken necessary steps to obtain the approval of the shareholders for enhancement of the said limit u/s 372A of the Act.*
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. As informed by the management of the Company no prosecution has been initiated against the company. The Company has not received a show cause notice which subsequently resulted in prosecution and punishment.
32. Since the company has not received any amount as security from its employees during the year under certification there is no requirement to deposit any amounts as per the provisions of section 417(1) of the Act.
33. The Company has not constituted Provident Fund under Section 418 of the Companies Act, 1956 and therefore the said provisions are not applicable.

Place: Mumbai

Date: August 30, 2011

Sd/-

**KOMAL DESHMUKH
COMPANY SECRETARY**

C. P. No.: 8102

Annexure A
(Refer Para 1 of report)

Registers as maintained by the Company

Register of Members under Section 150

Register of Contracts under Section 301

Register of Directors, Managing Director under Section 303

Register of Directors' Shareholdings under Section 307

Register of Share Transfer under Section 108

Register of Charges under Section 143

Place: Mumbai

Date: August 30, 2011

Sd/-
KOMAL DESHMUKH
COMPANY SECRETARY
C. P. No.: 8102

Annexure B
(Refer Para 2 of report)

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on March 31, 2011.

Serial No.	Form No.	Description	Section	Filed on
1.	Form No. 23AC and Form 23ACA	Balance Sheet and Profit and Loss Account for the year ending 31.03.2010	220	26.10.2010
2.	Form No. 20B	Annual Return	159	26.11.2010
3.	Form No. 66	Compliance Certificate under Section 383A	383A	26.10.2010
4.	Form No.8	Modification of mortgage dated 1.10.2009 on 24.4.2010 by Kotak Mahindra Bank Limited for Rs. 509Lacs	135	21.5.2010
5.	Form No. 8	Creation of charge by Religare Finvest Limited on 22.1.2011 for Rs. 1.05 Cr.	125	1.2.2011
6	Form No. 8	Modification of Charge by Citi Bank on 13.12.2010 for Rs. 13.70 Cr.	135	4.1.2011*
7.	Form No. 8	Modification of Charge by Citi Bank on 13.12.2010 for Rs. 12Cr.	135	22.12.2010
8.	Form No.8	Modification of charge by Citi Bank on 29.6.2010 for Rs. 11.84 Cr.	135	30.7.2010*
9.	Form NO. 8	Creation of Charge by Kotak Mahindra Bank on 26.7.2010 for Rs. 2.60 Cr.	125	24.8.2010*
10	Form No.8	Creation of Charge by Kotak Mahindra Bank on 29.12.2010 for Rs. 7.70 Cr.	125	(No records available)
11.	Form No. 8	Modification of Charge by Kotak Mahindra Bank Ltd.	135	29.3.2011*

		on 31.12.2010 for Rs. 4.60Cr.		
12.	Form No. 8	Modification of Charge by Kotak Mahindra Bank Ltd. on 31.12.2010 for Rs. 70.90 Lacs	135	14.2.2011
13	Form No. 8	Modification of Charge by Kotak Mahindra Bank Ltd. 31.12.2010 for Rs. 9.70 Cr.	135	14.2.2011
14.	Form No.8	Creation of Charge by Religare Finvest Ltd on 26.2.2011 for Rs. 88.90 lacs	125	8.3.2011
15.	Form No.8	Modification of Charge by Kotak Mahindra Bank Ltd. on 31.12.2010 for Rs. 460 Lacs	135	14.2.2011

** Filing date were not available, therefore registration dates have been mentioned.*

Sd/-
KOMAL DESHMUKH
COMPANY SECRETARY
C. P. No.: 8102
Place: Mumbai
Date: August 30, 2011

A. S. MADON & Co.

CHARTERED ACCOUNTANTS

79-80, ESPLANADE MANSION, 2ND FLOOR, 144, M G ROAD, OPP KALA GHODA, FORT,
MUMBAI – 400023

TEL: 22844754, 9821212208 TELEFAX: 22833795 EMAIL: jasoft@vsnl.com

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AUDITOR'S REPORT

To

The Shareholders of Polson Limited

1. We have audited the attached Balance Sheet of **POLSON LIMITED as at 31st March, 2011** and also the Profit & Loss Account and Cash Flow statement for the Financial Year Ended on that date, annexed thereto. These financial statements are responsibility of the Company's Management. Our responsibility is to express opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with our accounting standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An Audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation.
3. As required by the Companies' (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies' Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of Accounts as required by Law have been kept by the Company so far as appear from our examination of the books;

- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the Books of Accounts;
- iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies' Act, 1956;
- v. On the basis of written representation received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon/attached thereto and the schedule of the significant Accounting policies given in the prescribed manner the information required by the Act and give a

true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of Balance Sheet, of the State of Affairs of the Company as on 31st March, 2011;
- (b) in the case of Profit and Loss Account of the profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Place- Mumbai,
Date- 30.08.2011

For A.S.MADON & Co,
(Chartered Accountants)
Sd/-
Jay.M.Shah
Partner
Membership No. 48417

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITOR'S REPORT TO THE MEMBERS OF POLSON LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH ,2011.

- (i) (a) The company, for Fixed Assets, has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, the company has not made any substantial disposals during the year.
- (ii) (a) As explained to us , the inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to the book record were not material.
- (iii) (a) The Company has taken loans from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not , prima facie, prejudicial to the interest of the company.
- (c) There is no agreement for the repayment of the loan but the interest amount is paid properly.
- (d) As there is no commitment for the repayment of loan, hence in our opinion there is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of the business for the purchase of inventory, fixed asset and sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us ,we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) There were transactions that need to be entered into the Register in pursuance of section 301 of the Companies Act, 1956 and have been appropriately recorded.
- (vi) The company has not accepted deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules ,1975.

- (vii) The Company has an internal audit system which, in our opinion is commensurate with its size and nature of the business.
- (viii) According to the information and explanation given to us, the notification issued by Central Government under section (209) (i) (d) of the Companies Act 1956 is not applicable to the company.
- (ix) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues with appropriate authorities.
(b) According to the information and explanation given to us, no undisputed amount payable in respect of Income Tax , wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess were outstanding as at 31st March, 2011 for the period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty & Excise Duty which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any bank or debenture holders as at the Balance Sheet date. The Company has not taken loan or credit facility from any financial institution (except commercial Bank).
- (xii) The company has not granted any loans or advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund, Nidhi or mutual benefit fund /societies. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanation given to us , no guarantee has been given by the Company for loans taken by others from banks and financial institutions.
- (xvi) In our opinion, the term 'loan' has been applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us , and on an overall examination of the Balance Sheet of the company , funds raised on short term basis have, prima facie, not been used during the year for Long term investment and vice versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies found in the register maintained under section 301 of the companies Act, 1956 during the year.
- (xix) According to the information and explanation given to us and the records examined by us, no debentures have been issued by the Company.
- (xx) The company has not raised any money by way of public issue during the year.

(xxi) On the basis of our examination and according to the information and explanation given to us, no fraud on or by the company, has been noticed or reported during the year.

For A.S.Madon & co
Chartered Accountants

Place-Mumbai,
Date-30.08.2011

sd/-
Jay.M.Shah
Partner
Membership No. 48417

POLSON LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	SCH	As at 31-3-2011 Rs.	As at 31-3-2010 Rs.
<u>SOURCES OF FUNDS</u>			
a) <u>Shareholders Funds</u>			
Share Capital	1	6,000,000	6,000,000
Reserves & Surplus	2	242,443,767	182,080,717
b) <u>Loans Funds</u>			
Secured	3	375,922,628	158,139,408
Unsecured	4	75,369,000	45,834,376
TOTAL		699,735,395	392,054,501
<u>APPLICATION OF FUNDS</u>			
a) <u>Fixed Assets</u>			
Net Block (Cost less Depreciation)	5	236,084,834	145,526,474
Capital Work-in-Progress sub-total		29,685,170 265,770,004	
b) Investments	6	48,833,670	42,070
c) Deferred Tax Asset		647,093	1,833,721
d) <u>Net Current Assets</u>			
<u>Current Assets, Loans & Advances</u>			
Inventories	7	93,563,068	88,666,320
Debtors	8	91,214,216	82,115,036
Cash and Bank Balances	9	12,131,944	16,137,856
Loans and Advances	10	327,675,986	193,283,237
	'A'	524,585,214	380,202,449
Less: Current Liabilities and Provisions	'B'	139,714,253	135,550,213
Less: Deferred Tax Liability		386,332	
Net Current Assets	(A - B)	384,484,629	244,652,236
TOTAL		699,735,395	392,054,501

As per our report of even date

J.J.KAPADIA

Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Mg. Director

SUSHILA J. KAPADIA Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated : 30th August 2011

Mumbai
Dated : 30th August 2011

POLSON LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	Sch	Year ended 31st March '11	Year ended 31st March '10
Operating Income:	12	752,074,184	Rs. 596,209,896
Less : <u>Operating Expenses</u>			
Direct Expenses:	13	558,016,775	455,034,901
Indirect Expenses:	14	117,612,191	80,068,649
Total Operating Expenses		675,628,966	535,103,550
Operating Profit		76,445,218	61,106,346
Add : Non Operating Income	15	15,174,302	12,047,103
PROFIT BEFORE TAX		91,619,520	73,153,449
Less: Income Tax		28,885,942	24,551,168
Deferred Tax Liability		386,332	0
Deferred Tax Asset			74,492
PROFIT AFTER TAX		62,347,246	48,676,773
Less: Transferred to General Reserve 15%		9,352,087	7,301,516
<u>Add: Balance B/F from last year</u>		152,778,922	111,403,665
Less: <u>Deferred Tax Asset for previous years adjusted</u>		1,549,466	
Add: Excess+ / (Short -) of Tax over provision			0
BALANCE CARRIED TO BALANCE SHEET		204,224,615	152,778,922

As per our report of even date

J.J.KAPADIA

Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Managing Director

SUSHILA J. KAPADIA

Director

JAY M. SHAH
PARTNER
Membership no. 48417
Mumbai
Dated : 30th August 2011

Mumbai
Dated : 30th August 2011

SCHEDULE -- 1 SHARE CAPITAL

PARTICULARS	AS AT 31.3.2011 Rs.	AS AT 31.3.2010 Rs.
Authorised		
50,000 6% Cumulative Redeemable Preference Shares of Rs.100 each	5,000,000	5,000,000
400,000 Equity Shares of Rs. 50 each	20,000,000	20,000,000
TOTAL	25,000,000	25,000,000
Issued, Subscribed and fully Paid		
20,000 Equity Shares against Preference Shares of Rs. 50 each	1,000,000	1,000,000
73,145 Equity Shares of Rs. 50 each issued for cash	3,657,250	3,657,250
5,000 Equity Shares of Rs. 50 each issued pursuant to a contract, without the payment being received in cash	250,000	250,000
21,855 Equity Shares of Rs. 50 each allotted as Bonus Shares issued by way of Capitalisation of Reserve	1,092,750	1,092,750
120,000 TOTAL	6,000,000	6,000,000

SCHEDULE 2: RESERVES AND SURPLUS

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
Capital Reserve	7,446,248	7,446,248
Investment Allowance Reserve	108,724	108,724
General Reserve	22,200,992	12,848,906
Profit & Loss Account	204,224,615	152,778,922
Asset Revaluation Reserve (Opening Balance Less Depreciation)	8,463,188	8,897,917
TOTAL	242,443,767	182,080,717

As per our report of even date

FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated : 30th August 2011

J.J.Kapadia Chairman

Amol J Kapadia Mg. Director

Sushila J. Kapadia Director

Mumbai
Dated : 30th August 2011

SCHEDULE 3 : SECURED LOANS

(in Rupees)

PARTICULARS	AS AT	AS AT
	31-3-2011	31-3-2010
	Rs.	Rs.
Cash credit & Packing credit with bank	98,070,571	71,356,035
Export Bills Discounted/Purchased by Bank	8,609,043	9,022,128
(Both the above are secured by hypothecation of stock of raw material and finished goods, book debts, and equitable mortgage of land and building by deposit of title deeds)		
Term Loan (Equitable mortgage of Land, Building, Machinery)	10,909,091	28,762,847
Vehicle Loan (Secured by 6 Vehicles)	4,089,227	-
Term Loan (Secured against Ownership Flat at Mumbai)	234,256,196	33,202,898
LIC Loan against the Keyman Insurance Policy	19,988,500	15,795,500
TOTAL	375,922,628	158,139,408

SCHEDULE 4 : UNSECURED LOANS

(In Rupees)

PARTICULARS	AS AT	AS AT
	31-3-2011	31-3-2010
	Rs.	Rs.
From Directors	2,875,000	1,660,376
From Companies Under the Same Management	38,920,000	20,400,000
23774 0% Bonds of Rs. 1000 each (Convertible on 25-3-2030)	23,774,000	23,774,000
Loan from Others (Rental Deposit)	9,800,000	
TOTAL	75,369,000	45,834,376

As per our report of even date

J.J.KAPADIA

Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Mg. Director

SUSHILA J KAPADIA

Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated : 30th August 2011

Mumbai,
Date : 30th August 2011

POLSON LIMITED

SCHEDULE 5 -- FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st March 2011

	Particulars	GROSS BLOCK			DEPRECIATION							NET BLOCK		
		As at 1st April, 2010	Additions	Sale	As at 31st March 2011	Deprn %	Written off upto 31st March, 2010	Written off for the period	Deprn for Addn	Total Written off during the year	Deprn on sales written back	Written off upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	Land	12,031,101.00	373,300.00		12,404,401.00	-	-	-	-	-	-	-	12,404,401.00	12,031,101.00
2	Buildings - For Factory	19,159,904.00	3,176,952.00		22,336,856.00	10.00	8,048,121.85	1,111,178.21	207,155.00	1,318,333.21	-	9,366,455.07	12,970,400.93	11,111,782.15
	Buildings - For others	109,534,450.00	87,498,112.00		197,032,562.00	5.00	27,775,308.82	4,087,957.06	1,890,958.00	5,978,915.06	-	33,754,223.88	163,278,338.12	81,759,141.18
	Buildings	19,917,770.00			19,917,770.00	-	-	-	-	-	-	-	19,917,770.00	19,917,770.00
3	Plant & Machinery - AMBA	43,254,876.16	3,557,085.00		46,811,961.16	27.82	35,696,202.78	2,102,822.93	562,535.00	2,665,357.93	-	38,361,560.71	8,450,400.45	7,558,673.38
	Plant & Machinery - MIDC	1,883,230.00	-		1,883,230.00	27.82	1,240,251.12	178,876.72		178,876.72	-	1,419,127.85	464,102.15	642,978.88
4	Transformer	357,308.00	-		357,308.00	15.33	341,062.51	2,490.43		2,490.43		343,552.94	13,755.06	16,245.49
5	Oil Tank	409,715.00	-		409,715.00	15.33	383,941.67	3,951.05		3,951.05		387,892.72	21,822.28	25,773.33
6	Electric Installation	97,842.00	-		97,842.00	13.91	82,036.97	2,198.48		2,198.48		84,235.45	13,606.55	15,805.03
7	Furniture & Fixture	454,929.00	-		454,929.00	18.10	415,710.13	7,098.62	384,303.00	391,401.62		807,111.74	(352,182.74)	39,218.87
		8,392,526.00	4,435,763.00		12,828,289.00	18.10	3,672,901.78	854,251.98		854,251.98	-	4,527,153.76	8,301,135.24	4,719,624.22
8	Office Appliances	117,749.00	-		117,749.00	13.91	112,511.84	728.49		728.49		113,240.32	4,508.68	5,237.16
	Office Equipments	1,604,842.41	313,913.00		1,918,755.41	13.91	421,836.48	164,556.12	27,129.00	191,685.12		613,521.61	1,305,233.80	1,183,005.93
9	Laboratory	521,689.48	39,786.00		561,475.48	13.91	293,950.95	31,678.43	3,500.00	35,178.43		329,129.38	232,346.10	227,738.53
10	Motor Car	10,234,538.76	6,347,901.00	2,775,138.00	13,807,301.76	25.89	5,621,419.97	1,068,793.77	1,256,243.00	2,325,036.77	2,290,230.00	5,656,226.75	8,151,075.01	4,613,118.79
11	Motor Cycle	18,730.00	-		18,730.00	25.89	18,715.26	3.82		3.82		18,719.08	10.92	14.74
		82,454.00	-		82,454.00	25.89	78,661.08	981.99		981.99		79,643.07	2,810.93	3,792.92
12	Cycle	636.00	-		636.00	20.00	636.00	0.00		0.00		636.00	0.00	0.00
13	Pipe Line	306,782.00	-		306,782.00	15.33	301,934.21	743.17		743.17		302,677.38	4,104.62	4,847.79
14	Agri. Machinery	199,424.00	-		199,424.00	13.91	189,114.12	1,434.10		1,434.10		190,548.22	8,875.78	10,309.88
15	Pattern	5,015.00	-		5,015.00	13.91	4,882.24	18.47		18.47		4,900.71	114.29	132.76
16	Deep Tube Well	65,280.00	-		65,280.00	13.91	61,654.39	504.32		504.32		62,158.71	3,121.29	3,625.61
17	Airconditioner	1,474,674.00	55,000.00	200,000.00	1,329,674.00	13.91	515,724.51	627,774.82	7,336.00	635,110.82	100,000.00	1,050,835.33	278,838.67	958,949.49
18	Stiching Machine	12,902.00	-		12,902.00	13.91	10,192.75	376.86		376.86		10,569.60	2,332.40	2,709.25
19	Motor Tractor	438,130.00	-		438,130.00	30.00	416,272.31	6,557.31		6,557.31		422,829.62	15,300.38	21,857.69
20	Computer & Printer	2,438,743.58	237,095.00		2,675,838.58	40.00	1,832,096.98	242,658.64	52,439.00	295,097.64	-	2,127,194.62	548,643.96	606,646.60
21	Weighing Scale	70,602.00	-		70,602.00	13.91	53,307.61	2,405.65		2,405.65		55,713.26	14,888.74	17,294.39
22	Goodwill	29,079.00	-		29,079.00	-	-	-		-		-	29,079.00	29,079.00
	TOTAL	233,114,922.39	106,034,907.00	2,975,138.00	336,174,691.39		87,588,448.33	10,500,041.45	4,391,598.00	14,891,639.45	2,390,230.00	100,089,857.78	236,084,833.61	145,526,474.06
	Previous year figures	186,071,593.27	50,085,866.12	3,042,537.00	233,114,922.39		78,314,361.36	8,880,807.80	1,615,772.17	10,496,679.97	1,222,593.00	87,588,448.33	145,526,474.06	107,757,231.91

As per our report of even date

FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER Membership No. 48417

Mumbai
Dated 30th August 2011

Total Depreciation for the year (2010-11) 14,891,639.45
LESS: Depreciation for Revalued Assets debited to Asset Revaluation Reserve (Sch-2) -434,729.38
Balance debited to Profit & Loss a/c (Sch - 14) 14,456,910.07
Rounded to Rs. 14,456,910.00

J.J.KAPADIA Chairman
AMOL J. KAPADIA Managing Director
SUSHILA J. KAPADIA Director

Mumbai
Dated : 30th August 2011

Schedule - 6 -- INVESTMENTS

PARTICULARS	AS AT 31-3-2011 Rs.	AS AT 31-3-2010 Rs.
4,000 Shares of Vallabh Glass Works at Book Value Rs. 10 each. (Market Value as at 31-03-2008 Rs.4,000/- (Previous year Rs. 4,000/-)	40,000	40,000
20 Shares of NELCO at Book Value of Rs.104 each (Market Value as at 31-03-2008 Rs.5,866/-, Previous Year Rs.5,866/-)	2,070	2,070
Equity Shares of Dudwala Builders P Ltd	6,991,600	-
Debentures of Dudwala Builders P Ltd	41,800,000	-
Total	48,833,670	42,070

SCHEDULE 7: INVENTORIES

PARTICULARS	AS AT 31.3.2011 Rs.	AS AT 31.3.2010 Rs.
Cans & Trays - Dairy Division	13,000	13,000
General Stores, Spare Parts etc.	8,531,677	8,003,286
Raw Materials	51,955,897	48,330,477
Finished Products	24,901,447	24,468,012
Work in Process	4,039,634	3,729,028
Eucalyptus Plantations	113,033	113,033
Other Plantation in Progress	1,778,736	1,778,736
Live Stock	2,229,644	2,230,748
Total	93,563,068	88,666,320

As per our report of even date

J.J.KAPADIA

Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Mg. Director

SUSHILA J. KAPADIA

Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated 30th August 2011

Mumbai
Dated 30th August 2011

SCHEDULE 8: SUNDRY DEBTORS

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
	Rs.	Rs.
<u>Considered Good:</u>		
Under 6 Months	88,081,416	78,967,395
Over 6 Months	1,809,729	1,824,570
<u>Considered Doubtful or Bad</u>		
Over 6 Months	1,323,071	1,323,071
Less: Provision		
TOTAL	91,214,216	82,115,036

SCHEDULE 9: CASH AND BANK BALANCES

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
	Rs.	Rs.
Cash on Hand	406,416	753,256
<u>Balances with Scheduled Banks:</u>		
in Current Account	11,648,428	5,329,600
in Fixed Deposit Account	77,100	10,055,000
TOTAL	12,131,944	16,137,856

As per our report of even date

J.J.KAPADIA

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Mumbai
Dated 30th August 2011Mumbai
Dated 30th August 2011

SCHEDULE -- 10 :: LOANS & ADVANCES
(Unsecured and considered good, except where stated otherwise)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
	Rs.	Rs.
Loans & Advances to employees	948,073	681,383
Loans/Advance to others for business purpose	109,740,078	11,552,212
Advances to Subsidiary Company	73,589,500	
Advances Recoverable in Cash or in Kind	11,604,649	17,029,453
Advance for purchase of Property	33,827,912	--
Tax paid in advance & Deducted at Source	40,029,918	41,050,773
Cenvat	482,113	623,940
Interest Accrued and receivable	1,299,417	1,875,121
Sundry Deposits and Advances:		
with Government and Local Authorities	547,866	1,006,596
with others:		
Considered good	55,600,560	119,457,859
Considered doubtful	-	0
Deposit (Lease Vehicle Rs. - + Gas Rs. 1900)	5,900	5,900
TOTAL	327,675,986	193,283,237

SCHEDULE - 11 :: CURRENT LIABILITIES & PROVISIONS

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
	Rs.	Rs.
Sundry Creditors	86,109,226	69,051,076.00
Provision for Performance Bonus & Expenses	861,459	2,005,763.00
Provision for Income Tax	52,357,236	54,667,955.00
Deposits received from Associated Companies	-	14,160,000.00
Advances received for supply of finished goods	--	193.00
Deferred Tax Liability	386,332	-
Other Liabilities	--	-
TOTAL	139,714,253	139,884,987.00

As per our report of even date

J.J.KAPADIA Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA Mg. Director

SUSHILA J. KAPADIA Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated 30th August 2011

Mumbai
Dated 30th August 2011

Schedule 12
Operating Income for the year ended 31st MARCH 2011

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
	Rs.	Rs.
Sales (Domestic)	270,912,330	246,387,810
Sales (export)	462,242,464	340,586,348
Modvat Credit	18,919,390	8,969,628
Sale - Live stock	0	266,110
Total	752,074,184	596,209,896

Schedule 13
Direct Expenses for the year ended 31st MARCH 2011

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<u>Raw Material Consumed</u>				
Op Stock	48,330,477		35,973,301.00	
Add : Purchases	444,324,914		383,434,745.00	
	492,655,391		419,408,046.00	
Less : Closing Stock	(51,955,897)		(48,330,477.00)	
(Increase) / Decrease in finished Goods	(744,042)	439,955,452	(6,940,421.00)	364,137,148.00
<u>General Stores/Fuel Consumption</u>				
Op Stock	8,116,319		6,605,637.00	
Add : Purchases	60,520,642		50,874,441.00	
	68,636,961		57,480,078.00	
Less : Closing Stock	-8,644,710	59,992,251	(8,116,319.00)	49,363,759.00
Livestock Opening stock	2,230,748			
			2,614,098.00	
Less : Closing Stock	2,230,748	0	2,230,748.00	383,350.00
Factory Wages		14,584,777		11,428,809.00
Excise Duty exp		0		-
Carriage Inward		18,034,642		10,129,867.00
Freight & Forwarding		17,873,289		12,927,093.00
Factory Canteen Exp		161,197		184,177.00
Commission		1,642,980		493,313.00
Factory Electricity		4,207,265		3,696,873.00
Repairs & Maintenance		1,168,718		1,715,320.00
Factory Telephone Exp		58,841		69,338.00
Transit Insurance		181,963		41,363.00
Factory Travelling Exp		155,400		464,491.00
Total		558,016,775		455,034,901.00

58,069,072

As per our report of even date

J.J.KAPADIA

499,947,703 Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Mg. Director

SUSHILA J. KAPADIA

Director

JAY M. SHAH
PARTNER Membership No. 48417
Mumbai
Dated 30th August 2011

Mumbai
Dated 30th August 2011

SCHEDULE -- 14
INDIRECT EXPENSES

Particulars	Year ended	Year ended
	31st March, 2011	31st March, 2010
	Rs.	Rs.
Freight & Forwarding Exp	15,059,814	8,439,889.00
Research & Development	943,138	700,313.00
Insurance	4,489,800	4,390,766.00
Interest & Finance Charges	31,592,456	16,013,781.00
Postage & Telegram	524,689	429,068.00
Printing & Stationery	426,931	336,657.00
Rent, Rates & Taxes	2,884,926	2,035,542.00
Salary & Wages	6,948,817	6,062,400.00
Apprentice Stipend	146,573	151,604.00
Travelling Exp (includes Director's travelling) (Domestic Rs.814490/-; Foreign Rs 3275324/-)	6,002,034	6,252,081.00
Repairs & Maintenance	3,467,952	3,561,573.00
Computer Maintenance	103,732	145,985.00
Staff Welfare	1,630,961	1,150,196.00
Advertisement	837,241	85,900.00
Sales Commission	4,000	-
Discount	-	1,090,497.00
Conveyance	732,662	677,075.00
Legal Exp	1,060,124	785,867.00
Machinery Lease rent	60,000	60,000.00
Office Exp	419,896	426,969.00
Security Exp	94,862	83,571.00
Membership & Subscription	463,547	2,032,612.00
Vehicle Exp	1,774,079	1,545,093.00
Sundry Exp	745,600	540,617.00
Business Promotion	3,383,595	1,825,850.00
Professional Fees	4,360,883	3,628,506.00
Electricity Exp.	1,707,275	938,418.00
Telephone Exp.	1,294,067	1,188,143.00
Internet charges	63,460	87,725.00
Audit Fees	400,000	400,000.00
Diwali Gift	161,472	280,032.00
Donation	152,000	175,000.00
Exchange Difference	7,294,362	-
General Exp	3,491,550	1,743,292.00
Depreciation	14,456,910	10,026,942.00
Interest on Fringe benefit tax	0	-
Loss on Sale of Car	0	465,612.00
Service Tax	-	406,085.00
Garden, landscaping expenses	350,627	-
Live Stock Expenses	-	-
Bad Debt	0	1,778,041.00
Fringe Benefit Tax	0	126,947.00
Income-tax paid	82,156	-
Bank Cash Trans Tax	0	-
Total	117,612,191	80,068,649.00

As per our report of even date J.J.KAPADIA Chairman

FOR A.S.MADON & CO.

Chartered Accountants AMOL J. KAPADIA Mg. Director

JAY M. SHAH SUSHILA J. KAPADIA Director

PARTNER

Membership No. 48417

Mumbai

Dated 30th August 2011

Mumbai

Dated 30th August 2011

SCHEDULE -- 15
Non Operating Income for the year ended 31st MARCH 2011

Particulars	Year ended 31st	Year ended 31st
	March, 2011	March, 2010
	Rs.	Rs.
Cash Discount	301,089	122,512
Sundry Income	370	6,525
Sales Tax Refund recd	423,030	1,311,754
Interest received	5,364,381	4,739,420
Rent received	8,787,000	4,605,000
Exchange Difference	-	1,261,892
Dividend received	-	-
Profit on Sale of car (less: Loss on sale of car)	115,092	-
Profit on Sale of Live Stock	183,340	-
Total	15,174,302	12,047,103

As per our report of even date J.J.KAPADIA Chairman

FOR A.S.MADON & CO.

Chartered Accountants AMOL J. KAPADIA Mg. Director

SUSHILA J. KAPADIA Director

JAY M. SHAH

PARTNER

Membership No. 48417

Mumbai

Dated 30th August 2011

Mumbai

Dated 30th August 2011

POLSON LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	Rs.	Rs.	
Opening Balance of Cash and Banks (i.e. on 1.4.2010)		16,137,856	
A. ADJUSTMENTS ON ACCOUNT OF OPERATING ACTIVITIES			
Depreciation	14,456,910		
Depreciation on Revaluation Reserve	434,729		
Trade Debtors (considered good) -- decrease / (increase)	(9,099,180)		
Trade Debtors (considered doubtful)	0		
Sundry Creditors -- (decrease) / increase	4,550,372		
Closing stocks -- decrease / (increase)	(4,896,748)		
Short of Provision for Tax	0		
Deferred Tax Asset of previous years adjusted	(1,549,466)		
Net Profit after Tax	62,347,246	66,243,863	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Adjustments on account of (Purchase)/Sale of Investments	(48,791,600)		
Sale of Fixed Assets	584,908		
Purchase of Fixed Assets	(135,720,077)		
Deferred Tax Asset	1,186,628		
Decrease in Revaluation Reserve	(434,729)		
		(183,174,870)	
C. CASH FLOW FROM FINANCE ACTIVITIES			
Adjustments on account of			
Loan (secured) -- (decrease) / increase	217,783,220		
Loan (unsecured) -- (decrease) / increase	28,320,000		
Loan from Directors - decrease / increase	1,214,624		
Loans & Advances (receivables) -- (increase)	(134,392,749)		
Deposits & Advances (payables)	0	112,925,095	
Closing Balance of Cash & Bank on 31-3-2011		12,131,944	
MUMBAI,	SUSHILA J. KAPADIA	AMOL J. KAPADIA	J. J. KAPADIA
Dated 30th August, 2011	Director	Managing Director	Chairman
The Board of Directors, Polson Limited, Amba.			
We have examined the above Cash Flow Statement of Polson Limited for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the listing requirements of the listing agreement with the Stock Exchanges and is based on and derived from the audited accounts of the Company for the year ended March 31, 2011			
To the Members of the Company.		For A. S. MADON & CO Chartered Accountants	
MUMBAI,		JAY M. SHAH	

Dated 30th August 2011						PARTNER	
						Membership No. 48417	

NOTES FORMING PART OF THE ACCOUNTS

NOTES FORMING PART OF THE ACCOUNTS

A. Accounting Policies :

- i) The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on accrual basis. However, Gratuity and Bonus to staff are accounted on cash basis or provided at the time of retirement.

The accounts are prepared on historical cost basis, and as a going concern. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles.

- ii) Fixed Assets are stated at their revalued cost less Depreciation actually provided for.
- iii) Stock of finished goods is valued at lower of cost and net realizable value. Stock of Raw Materials and Stock-in-process are valued at lower of actual or market price. The cost is worked out on FIFO Basis.
- iv) Depreciation charged in the accounts is on the basis of written down value method.
- v) Contingent Liabilities are not provided for and are disclosed by way of notes.

B. Research & Development :

During the year, the Company has incurred Rs. 9,43,138/- (previous year Rs. 7,00,313/-) of expenditure on Research & Development.

C. Contingent Liabilities :

- 1) Bills discounted with Banks - Rs.86,09,043/- (Previous Year - Rs. 90,22,128/-)
- 2) The Company has filed two suits against Modipon Ltd., for unlawful termination of agreement for a sum aggregating to Rs.3,26,60,748/-. The said Company has made counter claim for Rs.4,76,30,582.68. The case is pending before the Court.

--contd 2

D. OTHER NOTES

- 1) As and when employees are paid Gratuity, it is debited to Gratuity Account in that year.
- 2) Against Loans, Deposits, Advances and Debtors amounting to Rs.13,23,071/- considered doubtful, no provision has been made. (Previous Year - Rs.13,23,071/-)
- 3) Fees paid to Auditors in respect of :-

Audit Fees	400,000
Other Matters(For Tax Audit etc)	0
Total	400,000
- 4) There is no practice for getting the confirmation of balances from the Debtors, Creditors and for Deposits, Loans and Advances.
- 5) The Company revalued some of its Assets on 1-4-1994.
- 6) Information required pursuant to paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 (Amended)

(A) Expenditure incurred on employees who are in receipt of remuneration in excess of Rs.2,00,000/- per month

2010-2011	2009-2010
1	1
Rs.	Rs.
30,00,000/-	30,00,000/-
Mr. Amol Kapadia.	Mr. Amol Kapadia.
Managing Director	Managing Director

(B) Licensed & Installed Capacity, Production, Opening & Closing Stock of goods produced and sales thereof.

	2010-11	2009-10
Licensed Capacity(per year on three shift basis)	N.A.	N.A.
Installed Capacity(per year on three shift basis as certified by director)	18000 mt	18000 mt
<u>Vegetable & Chemical Tannin Products</u>	2010-11	2009-10
Actual Production (mt)	14,806	12,829

Opening Stock(mt)	720	457
Value (Rupees)	24,468,012	17,938,736
Closing Stock (mt)	748	720
Value (Rupees)	26,375,265	24,468,012
Sales (mt)	14,778	12,566
Value (Rupees) NET	701,355,244	562,422,984

Note : i) All the quantity figures are correct to the nearest unit of account, which is in m.ton.

ii) During the year 2006-07, the company installed pulveriser and other machines thus increasing the installed capacity to 1500 mt per month.

---contd 3

(C) Raw Materials consumed during the year

	2010-2011		2009-2010	
	Tonnes	Rupees	Tonnes	Rupees
Vegetable Fruits &				
Barks & Chemicals	14,668	324322736	17,475	337,778,317

(D) Value of Import on CIF Basis

	2010-11	2009-10
	Rs.	Rs.
I)Raw Material	9,319,089 (USD 203756.50)	NIL
II)Components & Spares	-	-
III)Capital Goods	5,235,922 (USD 114475)	-
(E) Expenditure in Foreign Currency :	14,555,011 (USD 318231.5)	NIL
(Import of Raw Material)	9,319,089 (USD 203756.50)	NIL

(F) Value of Imported and Indigenous Raw Material, Spare Parts and Components consumed during the year, giving percentage of each to the total consumption:

	Imported		Indigenous	
	2010-11	2009-10	2010-11	2009-10
		(Rs. In Lacs)	(Rs. In Lacs)	
Raw Material (Incl. custom duty,etc)	93.19	NIL	3149.81	NIL
% age of Total Consumption	2.87%		97.13%	

(G) Earnings in Foreign Exchange

	2010-11	2009-10
i) Export of goods on FOB (in Rs.)	199,928,965 (USD 4387368)	123,708,672 (USD 2616973)
ii) Third party export earnings (in RS.) :	161,187,724 (USD 3495922)	116119663 (USD 2496492)

(H) Remittance of Dividend during the year to Non-Resident Shareholders :) No amount was remitted during the year in Foreign Currency on account of Dividend.

7) Salary paid to Managing Director = Rs.30,00,000/- during 2010-11
(Previous year Rs. 30,00,000/-)

8) 0 % 23,774 Bonds of Rs.1,000/- each are issued to M/s Oriental Pharmaceuticals Industries Limited.

9) The figures for the previous year, in the case of Profit & Loss Account, and as at the end of previous year, in the case of Balance Sheet, have been rearranged, wherever necessary, for comparative purposes.

As per our report of even date

In the opinion of the Board, the current assets, loans & advances are approximately of the values stated, if realised in the ordinary course of business.

FOR A.S.MADON &
CO.
Chartered
Accountants

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J.J.KAPADIA

Chairman

Sd/-
AMOL J. KAPADIA

Mg. Director

Sd/-
JAY M. SHAH
PARTNER
Membership No.
48417
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Sd/-
SUSHILA J. KAPADIA

Director

Mumbai
Dated: 30th August 2011