



POLSON LTD

**72nd
ANNUAL REPORT**

2012-2013

**72nd ANNUAL REPORT &
ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

DIRECTORS

JAGDISH J. KAPADIA

AMOL J. KAPADIA

SUSHILA J. KAPADIA

PRAVIN D. SAMANT

DHAU LAMBHORE

PRADIP PAI

SUDHIR NEVATIA

NAKUL PATEL

Chairman

Managing Director

Director

Director Technical

Director

Additional Director
wef 21 June 2013

Additional Director
wef 21 June 2013

Additional Director
wef 21 June 2013

SOLICITORS

D. H. NANAVATI

AUDITORS

A.S.MADON & CO
Chartered Accountants

BANKERS

CITIBANK N.A
STANDARD CHARTERED
HDFC BANK LTD.
BANK OF INDIA

REGISTERED OFFICE

AMBAGHAT, VISHALGAD,
TALUKA - SHAHUWADI ,
DIST - KOLHAPUR,
KOLHAPUR - 415 101.
MAHARASHTRA

NOTICE is hereby given that the 72nd Annual General Meeting of the members of Polson Limited will be held on 30th day of September, 2013 at Chitra Kuti at Ambaghat, Vishalgad, Taluka - Shahuwadi, Dist – Kolhapur, Kolhapur - 415 101 at 11.30 a.m. to transact the following businesses :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, 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 Mr. Amol Kapadia who retires by rotation and being eligible offers himself 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 modifications, the following resolution as an Ordinary Resolution.**

“RESOLVED THAT Mr. Pradip Pai who was co-opted by the Board as an Additional Director w.e.f. 21.06.2013 and who by virtue of section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company and whose period of office shall be liable to determination by retirement by rotation”.

5. **To Consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.**

“RESOLVED THAT Mr. Sudhir Nevatia who was co-opted by the Board as an Additional Director w.e.f. 21.06.2013 and who by virtue of section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company and whose period of office shall be liable to determination by retirement by rotation”.

6. **To Consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.**

“RESOLVED THAT Mr. Nakul Patel who was co-opted by the Board as an Additional Director w.e.f. 21.06.2013 and who by virtue of section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company and whose period of office shall be liable to determination by retirement by rotation”.

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place: Mumbai
Date: 14th August, 2013

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of him. A proxy need not be a member of the company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 4, 5, and 6 of the Notice is hereto annexed.
3. 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.
4. Register of Members and Transfer Register will remain closed from 27th September 2013 to 30th September 2013 (both days inclusive).
5. Members holding physical 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.
6. Members are requested to notify change in address, if any, immediately to Registrar and Transfer Agent of the Company quoting their folio numbers.
7. 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.

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place: Mumbai
Date: 14th August, 2013

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

Item No. 4, 5, 6:

Mr. Pradip Pai was appointed as an Additional Director of the Company with effect from 21st June, 2013. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only upto the conclusion of this Annual General Meeting but is eligible for appointment as a Director. The Company has received Notice in writing from a member under the provisions of Section 257 of the Act, proposing the candidature of Mr. Pradip Pai for the office of a Director of the Company.

Mr. Sudhir Nevatia was appointed as an Additional Director of the Company with effect from 21st June, 2013. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only upto the conclusion of this Annual General Meeting but is eligible for appointment as a Director. The Company has received Notice in writing from a member under the provisions of Section 257 of the Act, proposing the candidature of Mr. Sudhir Nevatia for the office of a Director of the Company.

Mr. Nakul Patel was appointed as an Additional Director of the Company with effect from 21st June, 2013. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only upto the conclusion of this Annual General Meeting but is eligible for appointment as a Director. The Company has received Notice in writing from a member under the provisions of Section 257 of the Act, proposing the candidature of Mr. Nakul Patel for the office of a Director of the Company.

None of the Directors of the Company except Mr. Pradip Pai, Mr. Sudhir Nevatia and Mr. Nakul Patel are concerned or interested in the passing of the Resolutions.

Place: Mumbai
Date: 14th August, 2013

By order of the Board of Directors
Sd/-
Jagdish Kapadia
Chairman

DIRECTORS REPORT

To,
The Members
Polson Limited

Your Directors take pleasure in presenting the 72nd Annual Report, together with the Audited Statement of the company's accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

A summary of the financial results for the year 2012-13 are given below:

	(Rs. in Lacs)	
FINANCIAL RESULTS	2012-13	2011-12
Gross Income (Including Non operating income)	9149.42	8141.84
Less Total Expenses excluding depreciation	8090.33	7282.09
Profit /(Loss) Before Depreciation	1059.09	859.75
Less Depreciation	258.03	206.09
Profit /(Loss) before Taxation	801.05	653.66
Less Provision for Tax	216.45	202.43
Less Deferred Tax Liability	12.64	9.43
Profit/Loss after Taxation	571.96	441.80
Add Profit /(Loss) Brought Forward	2417.46	2041.89
Less Transferred to General Reserve	85.79	66.27
Less Deferred Tax Asset of previous year adjusted	NIL	NIL
Balance Carried to Balance Sheet	2903.63	2417.42

OPERATIONS

During the year the Company achieved a sales turnover of Rs 9149.42 Lacs against Rs 8141.84 for the previous year registering a growth of 12% and net profit after taxation for the year is Rs 571.96 Lacs as compared to Rs 441.80 Lacs for the previous year.

TRANSFER TO RESERVE

During the year under review the Company transferred Rs 85.79 Lacs (Previous Year Rs. 66.27 Lacs) to the General Reserve.

DIVIDEND

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

MINIMUM PUBLIC SHAREHOLDING

The Minimum Public Shareholding of the company is not in line with the guidelines issued by SEBI and Stock Exchanges. The company is actively pursuing the same and is hopeful of bringing the promoters shareholding to 75% and the Public shareholding to 25% by the end of the next financial year.

DIRECTORS

With a view to broad base the Board your company has appointed three independent Directors in their Board Meeting held on 21st June 2013 as Additional Directors. The names are Mr Pradip N.Pai, Mr. Sudhir H. Nevatia and Mr Nakul B. Patel. Their term comes to an end at the ensuing Annual General Meeting and being eligible they offer themselves for reappointment and the Board recommends their reappointment. The company has received the required notices along with the security deposits from the members proposing their candidature as Directors of the Company. The details of the Directors as required to be given are part of the notice issued.

POLSON LIMITED

As per the provisions of the Companies Act and the Articles of Association of the company Mr. Amol J. Kapadia Director of your company retires by rotation and being eligible offers himself for reappointment.

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.

PARTICULARS OF EMPLOYEES:

Only your Managing Director is falling under 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.

SUBSIDIARY COMPANY

Dudhwala Builders Pvt Ltd. is the subsidiary of your company. The consolidated Balance Sheet is given along with the Annual Report. The company has not attached the individual accounts of Dudhwala Builders Pvt . Ltd. as exempted under General Circular No. : 2 /2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs. However the same are available for inspection at the registered office for members when desired.

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 auditor's report are self-explanatory and do not need further comments from directors in this report

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, Suppliers, Bankers and Employees of the Company. The Directors are also thankful to the shareholders for their unstinted support of the Company.

Regd Office:
Ambaghat, Vishalgad,
Taluka – Shahuwadi ,
Dis. Kolhapur
Kolhapur – 415101

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
JAGDISH KAPADIA
CHAIRMAN

Place: Mumbai
Date: 21st June 2013

ANNEXURE I**I. CONSERVATION OF ENERGY:**

Operations of the Company are not Energy intensive. However, the Company has endeavoured 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 reducing 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- Rs. 5,202.75 Lacs.

II. Foreign Exchange outgo during the year – = Rs. 350.88 Lacs.

Regd Office :
Ambaghat, Vishalgad,
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Kolhapur – 416001

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place: Mumbai
Date: 21st June 2013

Sushila J. Kapadia
Director

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
<i>(a) Purchased</i>		
Units	784608	670201
Total Amount Rs.	56,63,360	45,27,020
Rate Per Unit Rs.	7.22	5.67

<i>(a) Own generation</i>		
<i>(i) Through Diesel Generator</i>		
Unit /Rs	2,437,542	38,14,687
Unit per litre of Fuel oil/gas	5 units	5 units
Cost per unit Rs	5.57	8.73
<i>(ii) Through steam turbine/generator</i>		
Unit	NIL	NIL
Unit per litre of Fuel Oil/Gas	NIL	NIL
Cost Per Unit	NIL	NIL

1. COAL <i>(specify quantity and where used)</i>		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Cost/Unit	NIL	NIL

1. FURNACE OIL	Current Year	Previous Year
Quantity (K. ltrs)	514316 Ltrs	458022 Ltrs
Total Amount Rs.	1,94,89,923	1,55,25,490
Average Rate Per Litre Rs.	37.89	33.90

1. OTHERS /INTERNAL GENERATION (please give details)		
Quantity	NIL	NIL
Total Cost Rs	NIL	NIL
Rate/ Unit Rs.	NIL	NIL

B Consumption per unit of production

	Standards (if any)	Current Year	Previous Year
Production (MT)		17095	14804
Electricity (KWH/ MT)		331.29	305.80
Furnace /HSD Oil		1140.09	1048.74
Coal		NIL	NIL
Others		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 thereby 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 (b) Recurring (c) Total (d) Total R & D expenditure as a percentage of total turnover	During the year Company has incurred Rs.10,55,128/-/- of expenditure on Research & Development

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 : (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	N.A.

Regd Office :
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Dis. Kolhapur
Kolhapur – 416001

By order of the Board of Directors

Sd/-

Jagdish Kapadia
Chairman

Place: Mumbai
Dated: 21st June, 2013

Sushila J. Kapadia
Director



A. S. MADON & CO.

Chartered Accountants

79/80 Esplanade Mansion, 2nd Floor, 144 M. G. Road, Opp.

Kala Ghoda, Fort, Mumbai – 400 001.

Tel: +91 22 22844754 +91 22 22846643 • Fax: +91 22 22833795

Email: asmadon123@yahoo.co.in

Independent Auditor's Report

To the Members of
POLSON LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of POLSON LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

POLSON LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For A. S. MADON & CO.

**CHARTERED ACCOUNTANTS
(Registration No. 105725W)**

**JAY M. SHAH
PARTNER
Membership No. 048417**

Place: Mumbai

Date: 21st June 2013

Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **POLSON LIMITED** on the financial statements for the year ended 31st March, 2013.

- i. (a) **The Company has not maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.**
 - (b) The Company has a program for phased physical verification of all its fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- 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 procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. (a) The Company has taken/granted loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. The Company has given interest free loan to a subsidiary, Dudhwala Builders Pvt. Ltd. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs.18.37 crore and the year-end balance is Rs.18.38 crore.
 - (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 explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

POLSON LIMITED

- v. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lacs have been entered during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 .
- vii. In our opinion, the Company does not have an adequate internal audit system commensurate with the size and the nature of its business.
- viii. According to the information and explanations given to us, the notification 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, 2013 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 does not have accumulated losses as at 31st March, 2013 and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore provisions of Clause 4(xiii) of the said Order are not applicable to the Company.
- xiv. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion are prejudicial to the interests of the Company.

- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investments.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of significant fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For A. S. MADON & CO.

**CHARTERED ACCOUNTANTS
(Registration No. 105725W)**

**JAY M. SHAH
PARTNER
Membership No. 048417**

Place: Mumbai

Date: 21st June 2013

POLSON LIMITED**Standalone Balance Sheet as at 31st March, 2013**

Sr No	Particulars	Notes	As at 31 March 2013	As at 31 March 2012
			Rs	Rs
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	6,000,000	6,000,000
	(b) Reserves and Surplus	4	345,125,191	288,299,483
	(c) Money received against share warrants		0	0
			351,125,191	294,299,483
2	Share application money pending allotment		0	0
3	Non-current Liabilities			
	(a) Long-term borrowings	5	386,641,575	307,266,243
	(b) Deferred tax liabilities (net)	6	2,021,788	757,241
	(c) Other long-term liabilities		0	0
	(d) Long-term provisions		0	0
			388,663,363	308,023,484
4	Current Liabilities			
	(a) Short-term borrowings	7	191,105,105	178,062,207
	(b) Trade payables	8	97,674,997	56,368,288
	(c) Other current liabilities	9	75,768,447	60,420,000
	(d) Short-term provisions	10	424,436	942,624
			364,972,985	295,793,119
	TOTAL		1,104,761,539	898,116,086
B	ASSETS			
1	Non-current Assets			
	(a) Fixed assets			
	(i) Tangible assets	11	306,430,199	313,178,717
	(ii) Intangible assets		0	0
	(iii) Capital work-in-progress		0	0
	(iv) Intangible assets under development		0	0
	(v) Fixed assets held for sale		0	0
			306,430,199	313,178,717
	(b) Non-current investments	12	49,619,070	49,619,070
	(c) Deferred tax assets (net)	6	0	0
	(d) Long-term loans and advances	13	229,553,715	185,843,590
	(e) Other non-current assets		0	0
			279,172,785	548,641,377
2	Current Assets			
	(a) Current investments		0	0
	(b) Inventories	14	184,329,198	108,434,794
	(c) Trade receivables	15	94,800,097	112,144,076
	(d) Cash and cash equivalents	16	44,372,632	48,650,762
	(e) Short-term loans and advances	17	195,656,628	80,245,077
	(f) Other current assets		0	0
			519,158,555	349,474,709
	TOTAL		1,104,761,539	898,116,086
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For **A.S.MADON & Co**
Chartered Accountants
Registration no. 105725W

JAY M SHAH
Partner
Membership No. 48417

Place : Mumbai
Date : 21.6.2013

For and on Behalf of the Board of Directors

J.J. Kapadia
Chairman

Sushila J. Kapadia
Director

Place : Mumbai
Date : 21.6.2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	Year ended	Year ended
		31 March 2013	31 March 2012
		Rs	Rs
A CONTINUING OPERATIONS:			
I. Revenue from Operations		861,474,896	791,256,980
Less: Excise Duty		(34,694,109)	(30,347,518)
Net Revenue	18	826,780,788	760,909,462
II. Other Income	19	88,161,243	53,275,477
III. Total Revenue (I + II)		914,942,031	814,184,939
IV. Expenses			
Cost of Materials Consumed	20	613,168,102	527,031,030
Purchase of Stock-in-trade		0	0
Changes in inventories of finished goods, work-in progress and Stock-in-trade	21	(41,384,944)	(4,938,512)
Employee benefit expenses	22	36,865,884	26,306,279
Financial Costs	23	64,089,769	46,582,842
Depreciation and amortization expenses	11	25,803,494	20,609,688
Other expenses	24	136,294,117	133,226,952
Total Expenses		834,836,422	748,818,279
V. Profit before exceptional and extraordinary items and (III - IV)		80,105,609	65,366,660
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		80,105,609	65,366,660
VIII. Extraordinary Items		0	0
IX. Profit before tax (VII - VIII)		80,105,609	65,366,660
X. Tax expenses:			
(1) Current tax		21,645,149	20,243,368
(2) Deferred tax		1,264,547	943,510
XI. Profit/(Loss) from the period from continuing operations (III - IV)		57,195,913	44,179,782
B. DISCONTINUING OPERATIONS:			
XII. Profit/(Loss) from discontinuing operations		0	0
XII. Tax expenses of discontinuing operations		0	0
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
XIV. Profit/(Loss) for the period (XI + XIV)		57,195,913	44,179,782
C. TOTAL OPERATIONS:		57,195,913	44,179,782
XVI. Earning per equity share:			
(1) Basic	25	476.63	368.16
(2) Diluted		476.63	368.16

In terms of our report attached.

For **A.S.MADON & Co**
Chartered Accountants
Registration no. 105725W

JAY M SHAH
Partner
Membership No. 48417

Place : Mumbai
Date : 21.6.2013

For and on Behalf of the Board of Directors

J.J. Kapadia
Chairman

Sushila J. Kapadia
Director

Place : Mumbai
Date : 21.6.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
	Rs	Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. Net Profit before Tax	80,105,609	65,366,660
2. Depreciation / Amortization	25,803,494	20,609,689
3. Interest expenses	61,373,408	43,792,406
4. Interest Income	(11,084,286)	(7,781,936)
5. Loss on sale of assets	(13,912,785)	67,612
6. Exchange Loss	10,695,965	0
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	152,981,405	122,054,431
Adjustments for:		
6. Trade and Other Receivables	17,343,979	(20,929,860)
7. Inventories	(75,894,404)	(14,871,726)
8. Trade and Other Payables	41,306,709	(29,740,938)
9. Short Term Provisions for expenses	278,500	5,673,422
10. Deferred Tax Asset		39,412
11. Deferred Tax Liability		943,510
CASH (USED IN) FROM OPERATING ACTIVITIES	136,016,189	63,168,251
12. Direct taxes as per P & L account	(30,006,000)	(21,186,878)
NET CASH FROM OPERATING ACTIVITIES	106,010,189	41,981,373
B. CASH FLOW FROM INVESTING ACTIVITIES		
13. Purchase of Fixed Assets	(24,820,270)	(68,892,281)
14. Interest Received	11,084,286	7,781,936
15. Sale of Fixed Assets	18,403,933	403,281
16. Investments purchased	0	(785,400)
17. Long Term Loans and Advances given	43,710,125	(78,426,178)
18. Loans from Directors	15,348,447	8,825,000
19. Short Term Loans & Advances received	(117,639,412)	81,677,671
NET CASH USED IN INVESTING ACTIVITIES	(141,333,141)	49,415,971)
C. CASH FLOW FROM FINANCING ACTIVITIES		
20. Proceeds of Long Term Borrowings	79,375,332	14,249,229
21. Proceeds of Short Term Borrowings	13,042,898	71,382,593
22. Interest paid	(61,373,408)	(43,792,406)
23. Share Premium received	0	2,114,000
NET CASH USED IN FINANCING ACTIVITIES	31,044,822	43,953,416
NET (DECREASE) OR INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(4,278,130)	36,518,818
Cash & Cash Equivalents at the beginning of the year 1.4.2011	48,650,762	12,131,944
Cash & Cash Equivalents at the end of the year 31.3.2012	44,372,632	48,650,762
NOTES:		
1. Cash and Cash equivalents comprise of the following:		
a. Cash on hand	512,381	523,056
b. Balances with Banks		
i. In Current accounts (including LC Margin of Rs. 70,693/-)	31,794,751	33,050,606
iii. In deposit accounts	12,065,500	15,077,100
Total	44,372,632	48,650,762

As per our report of even date

 J.J. Kapadia
 Chairman

 For **A.S.MADON & Co**
 Chartered Accountants
 Registration no. 105725W

 JAY M SHAH
 Partner
 Membership No. 48417

 Sushila J. Kapadia
 Director

 Place : Mumbai
 Date : 21.6.2013

 Place : Mumbai
 Date : 21.6.2013

Notes forming part of the financial statements

Note	Particulars
1.	<p>Corporate information</p> <p>The principal activities of the Company comprise Manufacturing and selling of SYNTHETIC ORGANIC TANNING SUBSTANCE for Domestic and Export market. Plant is located in Amba, Taluka Shahuwadi, Dist. Kolhapur, Maharashtra.</p>
2.	<p>Statement of Significant accounting policies:</p>
2.1	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act,1956. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 1996, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statement are consistent with those followed in the previous years</p>
2.2	<p>Use of estimates</p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
2.3	<p>Inventories</p> <p>Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>
2.4	<p>Cash and cash equivalents (for purposes of Cash Flow Statement)</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
2.5	<p>Cash flow statement</p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
2.6	<p>Depreciation and amortisation</p> <p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.</p>

Leasehold land is amortised over the duration of the lease

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

2.7 **Revenue recognition**

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

2.8 **Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 **Tangible fixed assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

The Company revalued all its fixed assets that existed on 1 April, 1996. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed / utilised.

2.10 **Foreign currency transactions and translations**

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

2.12 Employee benefits

Employee benefits include provident fund, , gratuity , and performance bonus.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

The Company does not have Gratuity Fund System; however, Gratuity and Bonus to staff are accounted on cash basis or provided at the time of retirement.

2.13 Employee share based payments

NOT APPLICABLE

2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not

directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 **Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carryforward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.17 **Research and development expenses**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss.

Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.18 **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.19 **Hedge accounting**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

2.20 **Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.21 **Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

J.J.KAPADIA Chairman

SUSHILA J. KAPADIA Director

Mumbai

Dated : 21st June 2013

POLSON LIMITED**NOTE - 3 SHARE CAPITAL**

Particulars	No. of shares	AS AT 31.3.2013	No. of shares	AS AT 31.3.2012
Authorised				
50,000 6% Cumulative Redeemable Preference Shares of Rs.100 each	50,000	5,000,000	50,000	5,000,000
400,000 Equity Shares of Rs. 50 each	400,000	20,000,000	400,000	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	20,000	1,000,000	20,000	1,000,000
73,145 Equity Shares of Rs. 50 each issued for cash	73,145	3,657,250	73,145	3,657,250
5,000 Equity Shares of Rs. 50 each issued pursuant to a contract, without the payment being received in cash	5000	250,000	5000	250,000
21,855 Equity Shares of Rs. 50 each allotted as Bonus Shares issued by way of Capitalisation of Reserve	21,855	1,092,750	21,855	1,092,750
120000 TOTAL		6,000,000		6,000,000

Refer Notes (i) to (iv) below

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares Number	Rs. In Lakhs
Equity Shares outstanding at the beginning of the year	120,000	60
Shares issued during the year	0	0
Share bought back during the year	0	0
Equity Shares outstanding at the end of the year	120,000	60

- (ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 50/- each. Each holder of equity share is entitled to one vote per share.

During the year ended March, 31, 2013, the amount of per share dividend recognised as distribution to equity shareholders was Rs NIL (March 31, 2012 : Rs. NIL)

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

- (iii) Details of shares held by the holding Company, and their Subsidiaries:

Particulars	As At March 31, 2013 Number of Shares	As At March 31, 2012 Number of Shares
Equity Shares with voting rights		
AJL Commercial Pvt. Ltd	64,399	64,399

- (iv) Details of shares held each shareholder holding more than 5% shares:

Class of Shares/ Name of the Shareholder	As At March 31, 2013		As At March 31, 2012	
	No. of shares	% holding	No. of shares	% holding
Equity Shares				
Equity Share with voting rights				
AJL Commercial Pvt. Ltd	64,399	53.62%	64,399	53.62%
Mr. Amol J. Kapadia (Managing Director)	12,000	10.00%	12,000	10.00%
Mrs. Sushila J. Kapadia (Director)	12,835	10.69%	12,835	10.69%

NOTE - 4: SHARE CAPITAL

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
a. Share Premium account	2,114,000	2,114,000
b. General Reserve		
Opening Balance	28,827,959	22,200,992
ADD: Transferred from surplus in Statement of Profit & Loss	8,579,387	6,626,967
Closing Balance	37,407,346	28,827,959
c. Surplus in the Statement of Profit & Loss		
Opening Balance	241,746,292	204,189,536
ADD: Profit for the current year	57,195,913	44,179,782
LESS: Transferred to General Reserve	8,579,387	6,626,967
Closing Balance	290,362,818	241,742,351
d. Capital Reserve	7,446,248	7,446,248
e. Investment Allowance Reserve	108,724	108,724
f. Asset Revaluation Reserve (Opening Balance Less Depreciation)	7,686,055	8,060,201
TOTAL	345,125,191	288,299,483

NOTE - 5: LONG TERM BORROWINGS

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Indian rupee term loan:		
From bank - Secured [Refer Statement attached)		
Term Loan (Equitable mortgage of Land, Building, Machinery)	1,363,637	5,454,546
Vehicle Loan (Secured by 6 Vehicles)	5,447,578	3,248,555
Term Loan (Secured against Ownership Flat at Mumbai)	336,798,360	251,256,142
LIC Loan against the Keyman Insurance Policy	19,258,000	23,533,000
23774 0% Bonds of Rs. 1000 each (Convertible on 25-3-2030)	23,774,000	23,774,000
TOTAL	386,641,575	307,266,243

(ii) Long term borrowings from banks towards cash credit are secured by hypothecation of stocks and book debt and by first pari passu charge on the fixed asset of the company and equitable mortgage of land at Kolhapur and Andheri. The Company continues to avail non-fund based limits and the charge continues.

NOTE No 5a**Details of terms of repayment for long term borrowings and security provided in respect of the Secured Long Term Borrowings**

Particulars	Terms of repayment and security	AS AT 31.3.2013	AS AT 31.3.2012
Citibank Term Loan - Kagal	Terms of repayment - Repayment is made in 20 equal quarterly installments. Security - Charge on immovable property at MIDC Kagal, Kolhapur	1,363,636.40	5,454,546
Tata capital Fund -Toyota Prado	Terms of repayment - Repayment is made in 60 equal quarterly installments. Security - Toyota Prado car	2,336,835.80	3,248,555
Housing Loan			
HDFC Bank Ltd - A/c No 80195540	Terms of repayment - Repayment is made in 86 equal quarterly installments. Security - Shop no 2,3,4,5, Town Centre, Andheri Kurla Road, Andheri, Mumbai	0	14,201,785
HDFC Bank Ltd - A/c No 80018407	Terms of repayment - Repayment is made in 84 equal quarterly installments. Security - Unit No 507, 5th Floor, Town Centre, Andheri Kurla Road, Andheri, Mumbai	0	4,300,640
Kotak Mahindra Bank Ltd - A/c No HF 7120468	Terms of repayment - Repayment is made in 120 equal quarterly installments. Security - Flat No 101, 13th floor, Mount Unique, 62A, Peddar Road, Mumbai	10,526,835.93	11,146,488
Kotak Mahindra Bank Ltd - A/c No lap 1649210	Terms of repayment - Repayment is made in 120 equal mothly installments. Security - Flat No 101, 13th floor, Mount Unique, 62A, Peddar Road, Mumbai	26,879,909.70	28,184,418
Kotak Mahindra Bank Ltd - A/c No lap 2012200	Terms of repayment - Repayment is made in 120 equal quarterly installments. Security - Flat No 101, 13th floor, Mount Unique, 62A, Peddar Road, Mumbai	31,359,867.62	32,881,806
Kotak Mahindra Bank Ltd - A/c No lap 4191097	Terms of repayment - Repayment is made in 120 equal quarterly installments. Security - Shop No U 31, F 32, F 33, East Court, Sr No 207, Off Nagar Road, Viman Nagar, Pune	19,938,017.95	21,136,389

Particulars	Terms of repayment and security	AS AT 31.3.2013	AS AT 31.3.2012
Kotak Mahindra Bank Ltd -A/c No lap 2234506	<p>Terms of repayment - Repayment is made in 20 equal quarterly installments.</p> <p>Security:- 1) Unit No.502,503,504B Town Centre, Andheri. 2) Unit No. 01, Ground Floor, Town Centre Andheri 3) 10th & 11th Floor Belveder, Ghorpadi Village,Pune 4) Flat 101, Mount Unique Pedder Road, Mumbai 5) B-202 Kanti Apartments, Mount Mary Road Bandra Mumbai</p>	13,603,558.16	16,756,311
Kotak Mahindra Bank Ltd -A/c No lap 412803	<p>Terms of repayment - Repayment is made in 120 equal mothly installments.</p> <p>Security - Shop No U 31, F 32, F 33, East Court, Sr No 207, Off Nagar Road, Viman Nagar, Pune</p>	5,107,445.69	5,379,184
Kotak Mahindra Bank Ltd -A/c No lap 716272	<p>Terms of repayment - Repayment is made in 120 equal mothly installments.</p> <p>Security - Kanti Apartment, Flat No B 202, Bandra (W), Mumbai</p>	7,196,415.44	7,540,423
Kotak Mahindra Bank Ltd -A/c No lap 1563288	<p>Terms of repayment - Repayment is made in 120 equal mothly installments.</p> <p>Security - Bldg No 1, 10th & 11th Floor, 65 No, Clover Belveder, Ghorpadi Village, Haveli, Pune</p>	10,638,671.45	11,139,564
Kotak Mahindra Bank Ltd -A/c No lap 1564795	<p>Terms of repayment - Repayment is made in 120 equal mothly installments.</p> <p>Security - Unit No 1 & 101 Town Centre II, Andheri, Mumbai</p>	23,050,497.69	24,135,747
Kotak Mahindra Bank Ltd - top up	<p>Terms of repayment - Repayment is made in 120 equal mothly installments.</p> <p>Security - Flat no.101, 13 th Floor, Mount Unique, 62 APeddar road, Mumbai.</p>	14,163,697.27	14,736,064
Kotak Mahindra Bank Ltd -A/c No.lap 7501139	<p>Terms of repayment - Repayment is made in 120 equal mothly installments.</p> <p>Security Unit No 1, 101 % 507 Town Centre 1, Andheri (W), Mumbai</p>	96,951,379.51	0

POLSON LIMITED

Particulars	Terms of repayment and security	AS AT 31.3.2013	AS AT 31.3.2012
Religare Finvest Ltd	Terms of repayment - Repayment is made in 125 equal quarterly installments. Security - SR 18, Basement, Malbar Hill Division, Camabata Hill Division, Peddar Road, Mumabi	9,581,492	9,925,468
Religare Finvest Ltd - A/c Noxmorght 00020799	Terms of repayment - Repayment is made in 120 equal quarterly installments. Security - RS No 206/47, A/c Block No 2 of Pammal Village, Plot No 10 & 43, Loordhu Madha Street, Nagelkeni, Chennai	8,095,672	8,450,738
Standard Chartered Bank Ltd	Terms of repayment - Repayment is made in 144 equal quarterly installments. Security - 114, 15th Floor, Mount Unique, 62 A, Peddar Road, Mumbai	40,824,145.40	41,341,117
LIC Loan - Keyman Insurance policy	Terms of repayment - Repayment is made in 144 equal quarterly installments. Security - Keyman Insurance Policy No. 881544269 & 881199735	19,258,000	23,533,000

NOTE - 6: DEFERRED TAX LIABILITIES / (ASSETS)

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Deferred Tax Liability (net)	2,021,788	757,241

NOTE - 7 SHORT TERM BORROWINGS

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Cash Credit & Packing Credit with Bank	154,415,001	158,582,858
Export Bills Discounted/Purchased by Bank	36,690,104	19,479,349
(Both the above are secured by hypothecation of stock of Raw Material, Chemicals, Finished Goods, book-debts and equitable mortgage of land and building by deposit of title deeds		
TOTAL	191,105,105	178,062,207

NOTE 8: TRADE PAYABLES

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Total outstanding dues of Purchase of materials		
	97,674,997	56,368,288
TOTAL	97,674,997	56,368,288

NOTE 9: OTHER CURRENT LIABILITIES

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
(a) Current maturities of long term debt (Refer Note 5 for security detail)	0	0
(b) Interest accrued but not due on borrowing (Refer Note 27.3)	0	0
(c) Unpaid dividends	0	0
(d) Other Payables		
(vi) Trade/security deposit received	9,700,000	9,700,000
(vii) Advances from Directors & Associated Companies	66,068,447	50,720,000
TOTAL	75,768,447	60,420,000

NOTE 10: SHORT TERM PROVISIONS

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
(a) Provision for employee benefits:		
Provision for Performance Bonus	424,436	318,014
(b) Provision - others:		
(i) Provision for tax	-	624,610
TOTAL	424,436	942,624

NOTE 11: FIXED ASSETS

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
TANGIBLE ASSETS	306,430,199	313,178,717
AS PER SCHEDULE ATTACHED		

NOTE-11 -- FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st March 2013

Particulars	GROSS BLOCK				Depn %	DEPRECIATION					NET BLOCK		
	As at	Additions	Sale	As at		Written off upto	Written off for	Depreciation for	Total written off	Depn on Sales	Written off upto	As at	As at
	1st April, 2013	2012-13 (12 months)	2012-13	31st March 2013		31st March, 2012	the period	Additions - 2012-13 9 months	during 2012-13	written back	31st March 2013	31st March, 2013	31st March, 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1 Land	12,412,401.00		900,000.00	11,512,401.00	-	-	-	-	-	-	-	11,512,401.00	12,412,401.00
2 Buildings - For Factory	60,544,373.00	4,678,165.00		65,222,538.00	10.00	11,837,741.16	4,870,663.18	189,986.00	5,060,649.18	-	16,898,390.34	48,324,147.66	48,706,631.84
Buildings - For others	240,939,336.00	6,135,994.38	3,740,500.00	243,334,830.38	5.00	42,447,962.79	9,924,568.66	130,596.00	10,055,164.66	459,308.00	52,043,819.54	191,291,010.93	198,491,373.21
Buildings	19,917,770.00			19,917,770.00	5.00	995,888.50	709,570.56		709,570.56		1,705,459.06	18,212,310.94	18,921,881.50
3 Plant & Machinery - AMBA	48,453,174.16	331,198.45		48,784,372.61	27.82	40,923,105.12	2,094,865.21	13,086.00	2,107,951.21		43,031,056.33	5,753,316.28	7,530,069.04
Plant & Machinery - MIDC	13,851,164.00	2,020,350.00		15,871,514.00	27.82	3,314,552.06	2,931,285.44	326,458.00	3,257,743.44		6,572,295.51	9,299,218.49	10,536,611.94
4 Transformer	357,308.00			357,308.00	15.33	345,661.60	1,785.39		1,785.39		347,446.99	9,861.01	11,646.40
5 Oil Tank	409,715.00			409,715.00	15.33	391,238.08	2,832.51		2,832.51		394,070.59	15,644.41	18,476.92
6 Electric Installation	97,842.00			97,842.00	13.91	86,128.12	1,629.40		1,629.40		87,757.52	10,084.48	11,713.88
7 Furniture & Fixture	13,328,218.00	323,038.00		13,651,256.00	18.10	6,775,095.90	1,186,115.10		30,752.00		1,216,867.10	7,991,963.00	5,659,293.00
8 Office Appliances	117,749.00			117,749.00	13.91	113,867.48	539.92		539.92		114,407.40	3,341.60	3,881.52
Office Equipments	2,162,189.41	793,552.90		2,955,742.31	13.91	809,169.63	141,153.79	31,224.00	172,377.79		981,547.42	1,974,194.89	1,353,019.78
9 Laboratory	638,552.48	654,791.00		1,293,343.48	13.91	366,314.73	37,868.27	66,806.00	104,474.27		470,789.00	822,554.48	272,237.75
10 Motor Car - Vehicles	15,087,155.76	9,462,019.00	2,679,155.00	21,870,019.76	25.89	7,474,415.33	1,970,938.50	1,266,129.00	3,237,067.50	1,470,199.00	9,241,283.82	12,628,735.94	7,612,740.43
11 Motor Cycle	18,730.00			18,730.00	25.89	18,721.90	2.10		2.10		18,724.00	6.00	8.10
	82,454.00			82,454.00	25.89	80,370.82	404.50		404.50		80,775.32	1,678.68	2,083.18
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	303,306.62	532.78		532.78		303,839.39	2,942.61	3,475.38
14 Agri. Machinery	199,424.00			199,424.00	13.91	191,782.85	1,062.88		1,062.88		192,845.73	6,578.27	7,641.15
15 Pattern	5,015.00			5,015.00	13.91	4,916.61	13.69		13.69		4,930.29	84.71	98.39
16 Deep Tube Well	65,280.00			65,280.00	13.91	62,592.88	373.78		373.78		62,966.66	2,313.34	2,687.12
17 Airconditioner	1,354,874.00	183,500.00	19,000.00	1,519,374.00	13.91	1,092,810.79	36,452.99	10,094.00	46,546.99	18,000.00	1,121,357.78	398,016.22	262,063.21
18 Stching Machine	12,902.00			12,902.00	13.91	10,894.04	279.31		279.31		11,173.35	1,728.65	2,007.96
19 Motor Tractor	438,130.00			438,130.00	30.00	427,419.73	3,213.08		3,213.08		430,632.81	7,497.19	10,710.27
20 Computer & Printer	2,785,211.58	237,661.00		3,022,872.58	40.00	2,374,973.20	164,095.35	30,680.00	194,775.35		2,569,748.55	453,124.03	410,238.38
21 Weighing Scale	70,602.00			70,602.00	13.91	57,784.29	1,782.94		1,782.94		59,567.23	11,034.77	12,817.71
22 Goodwill	29,079.00			29,079.00	-	-	-		-		-	29,079.00	29,079.00
TOTAL	433,686,067.39	24,820,269.73	7,338,655.00	451,167,682.12		120,507,350.20	24,082,029.33	2,095,611.00	26,177,640.33	1,947,507.00	144,737,483.53	306,430,198.59	313,178,717.19
Previous year figures	336,174,691.39	98,509,840.00	998,464.00	433,686,067.39		100,089,857.78	16,976,059.16	4,036,616.00	21,012,675.16	595,182.74	125,507,350.20	313,178,717.19	236,084,833.61

As per our report of even date

FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER
Membership No 48417
Mumbai
Dated 21st June 2013.

Total Depreciation for 12 months 2012-13 (Apr to March 13) 26,177,640.33
LESS: Depreciation for Revalued Assets debited to Asset Revaluation Reserve (Sch-2) for 12 months 374,146.00
Balance debited to Profit & Loss a/c (Sch - 14) for 12months 25,803,494.32

J.J.KAPADIA

Chairman

SUSHILA J. KAPADIA

Director

Mumbai
Dated 21-06-2013

NOTE 12: NON-CURRENT INVESTMENTS

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Long-Term Investments		
Non Trade		
(a)Investment in equity instruments		
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 at at 31-3-2008 Rs.5,866/-, Previous Year Rs. 5,866/)	2,070	2,070
Equity Share of Dudhwala Builders P. Ltd	7,777,000	7,384,300
Debentures of Dudhwala Builders P. Ltd	41,800,000	42,192,700
TOTAL	49,619,070	49,619,070

NOTE - 13 LONG TERM LOANS & ADVANCES

(Unsecured and considered good, except where stated otherwise)

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Advances to Wholly owned Subsidiary Company	183,876,665	105,015,446
Tax paid in advance and deducted at source	9,249,082	0
Advance for purchase of Property	34,672,210,	79,194,266
Advance for Capital Expenditure	1,755,758	1,633,878
TOTAL	229,553,715	185,843,590

NOTE 14 : INVENTORIES

(At lower of cost and net realisable value)

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Cans & Trays - Dairy Division	13,000	13,000
General Stores, Spare Parts etc.	14,498,541	10,278,577
Raw Materials	91,260,716	59,511,177
Finished Products	66,962,470	30,053,774
Work in Process	8,302,364	3,825,819
Eucalyptus Plantations	113,033	113,033
Other Plantation in Progress	1,942,861	1,942,861
Live Stock	1,236,213	2,696,553
TOTAL	184,329,198	108,434,794

NOTE : 15 TRADE RECEIVABLES

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Considered Good:		
Under 6 Months	93,115,292	110,458,971
Over 6 Months	361,734	362,034
	93,477,026	110,821,005
Considered Doubtful or Bad		
Over 6 Months	1,323,071	1,323,071
Less: Provision		
TOTAL	94,800,097	112,144,076

NOTE 16 CASH AND CASH EQUIVALENTS

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Cash on Hand	512,381	523,056
Balances with Scheduled Banks:		
in Current Account	31,794,751	33,050,606
in Fixed Deposit Account	12,065,500	15,077,100
TOTAL	44,372,632	48,650,762

NOTE 17 SHORT TERM LOANS AND ADVANCES

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Loans & Advances to employees	944,933.00	1,045,336
Loans/Advance to others for business purpose	99,562,137.00	-
Advances Recoverable in Cash or in Kind	17,012,707.00	13,618,768
Cenvat	27,521,187.00	11,512,854
Interest Accrued and receivable	2,490,612.00	112,403
Sundry Deposits and Advances:		
with Government and Local Authorities	564,636.00	564,086
with others:		
Considered good	45,841,730.00	53,401,730
Considered doubtful		
Duty Drawback Receivable	1,715,951.00	0
Deposit (Lease Vehicle Rs. - + Gas Rs. 1900)	2,735.00	5.900
TOTAL	195,656,628.0	80,245,077

NOTE - 18 REVENUE FROM OPERATIONS

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Sales (Domestic)	291,095,178	257,130,831
Sales (export)	535,685,610	503,416,897
Sale - Dairy	-	361,734
TOTAL	826,780,788	760,909,462

NOTE - 19 OTHER INCOME

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Loans & Advances to employees	-	3,749
Modvat Credit	34,694,109	30,347,518
Sales Tax Refund recd	5,531,869	6,106,664
Interest received	11,084,286	7,781,936
Rent received	8,590,500	9,003,450
Insurance Claim received	-	6,621
Misc. income+ divi	2,021	-
Dyty Drawback Receivable	1,777,413	-
LIC Policy maturity	12,810,000	-
Profit on Sale of car	184,207	25,539
Profit on Sale of Building & Premises+10000	13,728,578	-
Profit /(loss) on Sale of Live Stock	(241,740)	-
TOTAL	88,161,243	53,275,477

NOTE - 20 COST OF MATERIAL CONSUMED AS ON 31st MARCH 2013

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
<u>Raw Material Consumed</u>		
Op Stock	59,671,370	52,116,092
Add : Purchases	574,132,848	466,299,302
	633,804,218	518,345,394
Less : Closing Stock	(91,420,910)	(59,671,370)
	542,383,308	458,674,024
<u>General Stores/Fuel Consumption</u>		
Op Stock	10,278,577	8,531,677
Add : Purchases	75,004,758	69,791,426
	85,283,335	78,323,103
Less : Closing Stock	(14,498,541)	(10,278,577)
	70,784,794	68,044,526
Livestock Opening stock		2230748
Less : Closing Stock		2230748
		0
Dairy Division - Purchases		312480
TOTAL MATERIAL CONSUMED	613,168,102	527,031,030

NOTE - 21 CHANGE IN FINISHED GOODS/ WIP INVENTORY AS ON 31st MARCH 2013

Particulars	AS AT 31.3.2013 Rs.	AS AT 31.3.2012 Rs.
Opening (1.4.2011) Stock of Finished Goods,	30,054,071	24,901,447
Work-in-Progress	3,825,819	4,039,634
TOTAL - A	33,879,890	28,941,081
Closing (31.3.2012) Stock of Finished Goods,	66,962,470	30,053,774
Work-in-Progress	8,302,364	3,825,819
TOTAL - B	75,264,834	33,879,593
INCREASE IN FINISHED GOODS/WIP (B-A)	41,384,944	4,938,512

NOTE - 22

Employee Benefit Expenses for the year ended 31st MARCH 2013

Particulars	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
Factory Wages	18,992,749	15,582,222
Salary & Wages - Office	13,494,339	8,735,590
Factory Canteen Exp	146,583	158,207
Apprentice Stipend	284,134	171,925
Staff Welfare	3,948,079	1,658,335
TOTAL	36,865,884	26,306,279

NOTE - 23**FINANCE COST for the year ended 31st MARCH 2013**

Particulars	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
(a) Interest expenses on :		
Current Borrowings Interest		
(i) CC	10,224,108	10,671,185
(ii) Export	1,644,596	804,783
(iii) others	49,773	23,709
Long term Borrowings Interest	49,454,931	32,292,730
(b) Other borrowing costs		
Bank charges	2716361	2,790,436
Total	64,089,769	46,582,842

NOTE - 24

Other Expenses for the year ended 31st MARCH 2013

	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
Carriage Inward	13,697,347	16,171,919
Freight & Forwarding	26,401,183	22,887,321
Commission	3,197,897	1,375,378
Factory Electricity	6,338,290	3,602,529
Repairs & Maintenance	921,819	1,992,918
Factory Telephone Exp	12,939	13,094
Transit Insurance	304,031	277,000
Factory Travelling Exp	125,617	401,309
Freight & Forwarding Exp	18,237,352	17,157,290
Research & Development	1,055,128	1,174,542
Insurance	4,611,503	4,404,322
Postage & Telegram	806,899	538,407
Printing & Stationery	545,537	536,324
Rent, Rates & Taxes	3,447,592	3,319,256
Travelling Exp (includes Director's travelling) (Domestic Rs.27,86,738/-; Foreign Rs 64,67,906/-)	12,781,448	15,910,167
Repairs & Maintenance	3,650,753	3,040,962
Computer Maintenance	31,725	95,789
Advertisement	203,639	128,465
Discount	-63,646	27,146
Conveyance	956,062	947,362
Legal Exp	1,714,161	2,111,303
Machinery Lease rent	60,000	60,000
Office Exp	1,229,304	1,747,971
Security Exp	852,251	387,822
Membership & Subscription	906,602	452,688
Vehicle Exp	2,080,125	2,577,870
Sundry Exp	346,323	303,044
Business Promotion	2,439,053	2,914,468
Professional Fees	3,364,852	4,647,654
Electricity & Water Exp.	1,251,413	1,642,691
Telephone Exp.	1,351,480	1,658,224
Internet charges	85,095	75,365
Audit Fees	750,000	750,000
Diwali Gifts & others	345,841	959,329
Donation	10,506,420	14,000
Exchange Difference	10,695,964	16,233,337
General Exp	626,807	1,087,329
Loss on Sale of Car	0	67,612
Service Tax	41,610	116,284
Garden, landscaping expenses	168	9,395
Live Stock Expenses	379,093	409,069
Income-tax paid (for AY 2010-11)	0	999,997
Sundry Expense	4440	0
TOTAL	136,294,117	133,226,952

NOTE - 25

Earnings per share for the year ended 31st MARCH 2013

Particulars	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
Basic & Diluted		
Net Profit for the year attributable to the equity shareholders	57,195,913.41	44,179,782.00
Weighted average number of equity shares (in Nos)	120,000	120,000
Per Value per share	50	50
Earnings per share - Basic	476.63	368.16
Earnings per share - Diluted	-	-

NOTE - 26.1

Additional information to the financial statement for the year ended 31st MARCH 2013

Contingent liabilities and commitments (to the extent not provided for.

* 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.

NOTE - 26.2

I) Details of derivatives instruments and unhedged foreign currency exposures for the year ended 31st MARCH 2013

Particulars	Year ended 31st March, 2013 JPY	Year ended 31st March, 2013 Rs.	Year ended 31st March, 2012 JPY	Year ended 31st March, 2012 Rs.
Sell (Hedge of receivables and expected future sales)				
JPY	146,587,048	103,735,358	76,313,158	51,633,879

(II) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise for the year ended 31st MARCH 2013

Particulars	Year ended 31st March, 2013 USD	Year ended 31st March, 2013 Rs.	Year ended 31st March, 2012 USD	Year ended 31st March, 2012 Rs.
Payable				
USD	674,574	36,690,105	380,754	19,479,349

NOTE - 26.3

(I) Value of imports calculated on CIF basis for the year ended 31st MARCH 2013

Particulars	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
I)Raw Material		23,331,234
	USD 422984,EURO 163143&POUND 3700)	(USD 445007 & EURO 36000)
II)Components & Spares	NIL	NIL
III)Capital Goods	NIL	NIL

NOTE - 26.4

Details of consumption of imported & indigenous items for the year ended 31st MARCH 2013

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Imported	Rs. (lacs)	Rs. (lacs)
Raw Material (Incl. custom duty,etc)	349.42	233.31
% of total consumption	6.31%	5.30%
Indigenous		
Raw Material (Incl. custom duty,etc)	5187.92	4405.55
% of total consumption	93.69%	94.70%

NOTE - 27.1

Employees benefit plans for the year ended 31st March 2013

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Defined contribution schemes		
Company' contribution to Provident Fund		95,906,00
Company's contribution to Superannuation Fund	Nil	Nil

NOTE - 27.2a

Related party transactions for the year ended 31st MARCH 2013

Description of relationship	Names of related parties
Holding Company	AJI Commercial Pvt Ltd
Fellow Subsidiaries (with whom company has made transactions during the year)	Bk Giulini Specialities Pvt Ltd Europa chemicals Pvt Ltd Dudhwala Builders P Ltd
Key management Personnel (KMP)	Mr Amol Kapadia - Managing Director
Fellow Associates	Aji Investment P Ltd,
	Ajk Investment P Ltd,
	Oriental Pharmaceuticals Ind Ltd
	New Comml Inv & Trading Ltd
	New Comml Mills Ltd
	Lotus Mills Ltd

NOTE - 27.2b

The significant related party transactions for the year ended 31st MARCH 2013

Nature of transactions	Fellow subsidiaries	KMP	Transaction during the year Rs.	Year ended 31st March 2013
Sale of goods	BK Guilini Specialities Pvt Ltd		245,456,622	
	Europa Chemicals Pvt Ltd		13,364,611	
Trade receivables	BK Guilini Specialities Pvt Ltd			-
	Europa Chemicals Pvt Ltd			385,036
Remuneration paid	Mr. Amol Kapadia	Mr. Amol	7,600,000	
Expenses re-imburement received	Mr. Amol Kapadia	Mr. Amol	1,400,000	
Expenses re-imburement paid	Mr. Amol Kapadia	Mr. Amol	1,400,000	280,966
Deposit & Advances	AJI INVESTMENT P LTD			9,500,000
	AJI INVESTMENT P LTD			3,500,000
	Europa Chemicals P Ltd			28,500,000
	Lotus Mills Ltd		(1,700,000)	2,400,000
Loans and Advances	Dudhwala Builders P Ltd		78,861,215	183,876,665
Unsecured Loans	AJI INVESTMENT P LTD		(175,000)	6,325,000
	New Comml Mills Ltd		5,263,000	9,363,000
	New Comml Invest & Trading Ltd		2,350,000	2,670,000
	Oriental Pharmaceuticals Co Ltd		37,000	13,837,000
	J.J.Kapadia			900,000
	Sushila J. Kapadia		8,560,000	11060000
	Europa Chemicals P Ltd		900,000	5,900,000
	Aji Investment P Ltd		4,292,716	12,407,284
	Amol Kapadia		3,606,163	3,606,163

In terms of our report attached.

For A.S.MADON &CO.Chartered Accountants
Registration no. 105725W**JAY M SHAH**
Partner**Membership No. 48417**Place : Mumbai
Date : 21-06-2013**For and on behalf of the Board of Directors****J.J. KAPADIA**
Chairman**SUSHILA J. KAPADIA**
DirectorPlace : Mumbai
Date : 21-06-2013

CONSOLIDATED Balance Sheet as at 31 March, 2013

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		Rs.	Rs.
A	EQUITY AND LIABILITIES		
	1 Shareholders' funds		
	(a) Share capital	6,000,000	6,000,000
	(b) Reserves and surplus	344,469,665	287,738,130
	(c) Money received against share warrants	0	0
		350,469,665	293,738,130
	2 Share application money pending allotment	0	0
	3 Non-current liabilities		
	(a) Long-term borrowings	386,641,575	307,266,243
	(b) Deferred tax liabilities (net)	2,021,788	757,241
	(c) Other long-term liabilities	0	0
	(d) Long-term provisions	0	0
		388,663,363	308,023,484
	4 Current liabilities		
	(a) Short-term borrowings	191,105,105	178,062,207
	(b) Trade payables	97,674,997	56,368,288
	(c) Other current liabilities	75,816,023	60,485,000
	(d) Short-term provisions	461,436	979,624
		365,057,561	295,895,119
		1,104,190,589	897,656,733
B	ASSETS		
	1 Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	306,430,199	313,178,717
	(ii) Intangible assets	0	0
	(iii) Capital work-in-progress	0	0
	(iv) Intangible assets under development	0	0
	(v) Fixed assets held for sale	0	0
		306,430,199	313,178,717
	(b) Non-current investments	42070	42,070
	(c) Deferred tax assets (net)	0	0
	(d) Long-term loans and advances	73,142,050	100,793,144
	(e) Goodwill	7,676,000	7,676,000
	(f) Other non-current assets	15,500,000	0
		96,360,120	108,511,214
	2 Current assets		
	(a) Current investments	0	0
	(b) Inventories	366,470,442	234,542,592
	(c) Trade receivables	94,800,097	112,144,076
	(d) Cash and cash equivalents	44,431,947	48,993,900
	(e) Short-term loans and advances	195,697,784	80,286,234
	(f) Other current assets	0	0
		701,400,270	475,966,802
		1,104,190,589	897,656,733
	TOTAL	1,104,190,589	897,656,733
	See accompanying notes forming part of the financial statements		

In terms of our report attached.

For **A.S.MADON & Co**
Chartered Accountants
Registration no. 105725W

JAY M SHAH
Partner
Membership No. 48417

Place : Mumbai
Date : 21.6.2013

For and on behalf of the Board of Directors

J.J.KAPADIA

Chairman

SUSHILA J.KAPADIA

Director

Place : Mumbai
Date : 21-06-2013

POLSON LTD.

Registered Office and Works Ambhagat, Vishalgad, Taluka _ shahuwadi, Dist Kolhapur, Kolhapur 415101

PROXY FORM

Regd. Folio No. _____ No. of Shares _____

I/We _____ of _____ being a member of M/s.

_____ (Name of Company), hereby appoint _____

_____ of _____ or failing him/her

_____ of _____ as my/our proxy to vote for me/us at

the Seventy Second Annual General Meeting of the Company to be held on Monday 30th September at 11.30 am at Chitra Kuti, Ambhagat, Vishalgad, Taluka Shahuwadi, Dist. Kolhapur, Kolhapur 415101 or at any adjournments thereof.

Signed this day of2013.

Rupee one
Revenue
Stamp

Signature

Notes: This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

POLSON LTD.

Registered Office and Works Ambhagat, Vishalgad, Taluka _ Shahuwadi, Dist Kolhapur, Kolhapur 415101

ATTENDANCE SLIP

Please fill the attendance slip and hand it over at the entrance of the meeting hall.

DP ID		Registered Folio No.	
CLIENT ID		No. of Shares	

Name and Address of Shareholder _____

I hereby record my presence at the 72nd Annual General Meeting of the company to be held on Monday 30th September at 11.30 am and at Chitra Kuti, Ambhagat, Vishalgad, Taluka Shahuwadi, Dist. Kolhapur, Kolhapur 415101.

Signature of Shareholder/Proxy

BOOK-POST

IF UNDELIVERED, PLEASE RETURN TO :

Purva Sharegistry (India) Pvt. Ltd.

Unit: Polson Ltd.

Unit no. 9, Shiv Shakti Ind. Estt., J. R. Boricha Marg,

Landmark : Behind Delisle Road HP Petrol Pump, Near Lodha Excelus,

Lower Parel (E), Mumbai 400 011



POLSON LTD

Manufacturers & exporters of eco friendly tannin extracts & leather chemicals since 1906

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Polson Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period - - - - - N.A
5.	To be signed by-	
	<ul style="list-style-type: none">• CEO/Managing Director	Amol Kapadia (<u><i>Kapadia</i></u>)
	<ul style="list-style-type: none">• CFO	N.A
	<ul style="list-style-type: none">• Auditor of the company	A.S. Madon & Co. (<u><i>Madon</i></u>)
	<ul style="list-style-type: none">• Audit Committee Chairman	Mr. Sudhir H. Nevatia (<u><i>Sudhir Nevatia</i></u>)

REGD. OFFICE: Ambaghat Vishalgad, Taluka Shahuwadi, District Kolhapur - 415 101.

MUMBAI CITY: 3rd floor, South-West Wing, Cambata Building, 42, Maharishi Karve Road, Churchgate, Mumbai - 400 020.
Tel.: 91-22-22822321, 22822322. Fax: 91-22-22822325. E-mail: admin@polsonltd.com

MAHIM : 64-66, Senapati Bapat Marg, Mahim, Mumbai - 400 016. Tel.: 91-22-24444733. Telefax: 91-22-24474381.

KOLHAPUR : Meeraj House, Opposite Railway Station, Kolhapur - 416 001. Tel.: 91-231-2656004. Fax: 91-231-2653378.