

POLSON LIMITED

68TH ANNUAL REPORT

DIRECTORS

JAGDISH KAPADIA

CHAIRMAN

AMOL J KAPADIA

MANAGING DIRECTOR

SUSHILA KAPADIA

DIRECTOR

PRAVIN D SAMANT

DIRECTOR

K P DAYANAND

DIRECTOR

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SOLICITORS

D.H. NANAVATI

AUDITORS

**A.S. MADON & CO.
Chartered Accountants**

BANKERS

CITIBANK N.A.

REGISTERED OFFICE

**Ambaghat, Vishalgad,
Taluka- Shahuwadi,
Dist- Kolhapur
Maharashtra - 415101**

POLSON LIMITED
68TH ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the 68th Annual General Meeting of the members of Polson Limited will be held at the Registered office of the Company at Ambaghat, Vishalgad, Taluka – Shahuwadi, Dist – Kolhapur, Kolhapur – 415 101 on Wednesday, 30th day of September, 2009 at 11.00 a.m. to transact the following businesses :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009, 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. Jagdish 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.”

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 31st August 2009

POLSON LIMITED
68TH ANNUAL GENERAL MEETING

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty – eight hours before commencement of the Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2009 to, 30th September, 2009, both days inclusive.

By order of the Board of Directors

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Sd/-
Jagdish Kapadia
Chairman

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DIRECTORS REPORT

Dear Shareholders,

Your directors take pleasure in presenting the 68th Annual Report, together with the Audited Accounts of your Company for the year ended March 31, 2009.

FINANCIAL RESULTS

Rs. In Lacs

FINANCIAL RESULTS:	2008-2009	2007-2008
Gross Income	4334.66	5248.67
Less: Total Expenses	3906.25	4917.84
Profit/(Loss) Before Depreciation	428.41	330.83
Less: Depreciation	98.94	91.92
Profit/(Loss) Before Taxation	329.47	238.91
Less: Provision for Tax	120.74	87.98
Add : Deferred Tax Asset	5.40	3.89
Profit/(Loss) After Taxation	214.13	154.82
Add: Profit/(Loss) Brought Forward	931.94	812.38
Add: Excess / (Short) tax over provision	0	(12.03)
Balance Carried to Balance sheet	1114.04	931.95

OPERATIONS

Your Company is a leading supplier of natural tannin materials and Eco-friendly leather chemicals of Indian origin to the international leather industry. Today the Company has developed established and maintained an untarnished track record of consistently meeting international quality standards.

During the year the Company has achieved a turn over of Rs. 4286 lacs against Rs. 5169 lacs for the previous year and net profit for the year is Rs. 214 lacs against Rs.154 lacs for the previous year. During the year, Company's exports are Rs. 1538 lacs compared to the previous years exports of Rs. 2496 lacs.

This drop in domestic sales and exports is due to the effect of foreign exchange fluctuation, global melt down in economy. However due to controlled direct expenses including raw material consumption , the profit margin has been increased resulting into increase in profits in spite of lower sales as compared to previous year.

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TRANSFER TO RESERVE:

During the year under review, Company has transferred Rs. 32,11,832/- to the General Reserves.

DIVIDEND

Your director's wishes 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

Mr Jagdish Kapadia retires by rotation and being eligible, offer 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

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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 :

Ambaghat, Vishalgad,
Taluka – Shahuwadi ,
Dis. Kolhapur
Kolhapur – 416001

Place : Mumbai

Date : 31st August, 2009

By order of the Board of Directors

Sd/-

Jagdish Kapadia
Chairman

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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 to the extent or around 17% is reduced as the use of residue of raw materials as mentioned above.

(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- 2291.41 Lacs

II. Foreign Exchange outgo during the year – 22.70 Lacs

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 31st August 2009

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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) Purchased		
	Unit	601125	916225
	Total amount	2864737	4600560
	Rate / Unit	4.77	5.02
	(b) Own generation		
	(i) Through diesel generator		
	Unit	2527880	4234730 units
	Unit per-ltr. Of fuel oil/gas	5 units	5 units
	Cost/unit	Rs. 5.56	Rs. 4.25
	(ii) Through steam turbine/generator	NIL	NIL
	Unit		
	Unit per-ltr. Of fuel oil/gas		
	Cost/unit		
2.	Coal (specify quality and where used)		
	Quality (tones)		NIL
	Total Cost		
	Average rate		
3.	Furnace oil		
	Quantity (k. ltrs.)	505576 LTRS	846946 LTRS
	Total amount	1,4064,851	1,80,04,002
	Average rate	27.81 PER LTR	21.25 PER LTR
4.	Others/internal generation (Please give details)		
	Quality	NIL	NIL
	Total Cost		
	Rate / Unit		

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B. Consumption per unit of production

	Standards (if any)	Current year	Previous year
		1	2
Products (with details) unit		8778	11238
Electricity		2864737	46,00,560
Furnace oil		14064851	1,8004,002
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.

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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 | |
| (b) Recurring | |
| (c) Total | |
| (d) Total R & D expenditure as a percentage of total turnover | During the year Company has incurred Rs. 5,90,742.- 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.

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 31st August, 2009