

NOTICE

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

Ordinary Business:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 02nd September 2011

NOTES

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

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

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 02nd September 2011

Dear Shareholders,

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

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

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

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

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

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

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

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

By order of the Board of Directors

Sd/-

Jagdish Kapadia

Chairman

Place : Mumbai

Date : 02nd September 2011

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

Item No. 4:

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

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

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

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

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

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

Item No. 5

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

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

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai

Date : 02nd September 2011

DIRECTORS REPORT

To,
The Members
Polson Limited

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

FINANCIAL RESULTS

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

OPERATIONS

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

TRANSFER TO RESERVE:

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

DIVIDEND

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

PUBLIC DEPOSITS

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

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

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

PARTICULARS OF EMPLOYEES:

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

AUDITORS:

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

AUDITORS OBSERVATION:

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

DIRECTORS

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

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