

NOTICE

NOTICE is hereby given that the 71st Annual General Meeting of the members of Polson Limited will be held on 29th day of September, 2012 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 business :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012, 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. Jagdish J 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 modification(s), the following resolutions as a Special Resolution:

“RESOLVED THAT pursuant to provisions of sections 198,269,309 Schedule XII 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 revision in the remuneration of

Mr. Amol Kapadia as a Managing Director of the company w.e.f. 1st August, 2012 on the following term of remuneration.

- | | | |
|-----------------------|---|--|
| 1. Basic Salary | : | Rs. 7,00,000/- |
| 2. Personal Allowance | : | Rs. 50,000/- |
| 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 personal allowance on an annual basis.

- | | | |
|---------------------------|---|--|
| 4. Leave Travel Allowance | ; | As per provisions of Income 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 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. 5,000/-
11. Car	:	Petrol expenses and Driver's salary subject to maximum of Rs. 15,000/- p.m.
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, 2013.

“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 attend, 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 acts, deeds and things as may be necessary.

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 14th August 2012

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 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. 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 am and 1.00 pm upto the date of this meeting and will also be available for inspections.

4. Register of Members and Transfer Register will remain close from 27th September, 2012 to 29th September 2012 (both days inclusive.)
5. 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.
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.

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By order of the Board of Directors

Sd/-
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Chairman

Place : Mumbai
Date : 14th August 2012

DIRECTORS REPORT

To,
The Members
Polson Limited

Your directors take pleasure in presenting the 71st Annual Report, together with the Audited Accounts of your Company for the year ended 31st March 2012.

FINANCIAL RESULTS

	Rs. In Lacs	
FINANCIAL RESULTS:	2011-12	2010-11
Gross Income (including Non-operating income)	8141.84	7672.48
Less: Total Expenses excluding depreciation	7282.09	6611.72
Profit/(Loss) Before Depreciation	859.75	1060.76
Less: Depreciation	206.09	144.57
Profit/(Loss) Before Taxation	653.66	916.19
Less: Provision for Tax	202.43	288.86
Less : Deferred Tax Liability	9.43	-3.86
Profit/(Loss) After Taxation	441.80	623.47
Add: Profit/(Loss) Brought Forward	2041.89	1527.79
Less: Transferred to General reserve	66.27	93.52
Less: Deferred Tax Asset of previous year adjusted	0	15.85
Balance Carried to Balance sheet	2417.42	2041.89

OPERATIONS

During the year, the Company has achieved a turnover of Rs.8141.84 lacs against Rs. 7672.48 lacs for the previous year registering a growth of 6.1% and net profit after taxation for the year is Rs. 441.80 lacs which is 29.1% lower on Rs. 623.47 lacs for the previous year .

TRANSFER TO RESERVE:

During the year under review, Company has transferred Rs. 66,26,967/- 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

Mr. Jagdish J Kapadia retires by rotation and being eligible, offer himself for reappointment.

During the year 2010-11, the Company has acquired all the Shares and Debentures of Ms. Dudhwala Builders P Ltd which has become a wholly owned Subsidiary Company of Polson Limited.

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

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

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Kolhapur – 415101

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 14th August 2012

ANNEXURE I

I. CONSERVATION OF ENERGY:

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

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

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

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

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

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

II. TECHNOLOGY ABSORPTION

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(g) Total foreign exchange used and earned:-

I. Earnings in Foreign Exchange during the year- US\$ 85,43,524

II. Foreign Exchange outgo during the year – = US\$ 4,45,007 & Euro 36,000/-

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By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 14th August 2012

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	670201	739120
	Total amount	4527020	4188720
	Rate / Unit	6.75	5.67
	(b) Own generation		
	(i) Through diesel generator		
	Unit / Rs	3814687	3968463
	Unit per-ltr. Of fuel oil/gas	5 units	5 units
	Cost/unit	8.73	8.28
	(ii) Through steam turbine/generator		
	Unit		
	Unit per-ltr. Of fuel oil/gas	NIL	NIL
	Cost/unit		
2.	Coal (specify quality and where used)		
	Quality (tones)	NIL	NIL
	Total Cost		
	Average rate		
3.	Furnace oil		
	Quantity (k. ltrs.)	458022 LTRS	549916 LTRS
	Total amount	1,55,25,490	133,43,302
	Average rate	33.90 PER LTR	24.26 PER LTR
4.	Others/internal generation (Please give details)		
	Quality	NIL	NIL
	Total Cost		
	Rate / Unit		

B. Consumption per unit of production			
	Standards	Current year	Previous year
	(if any)		
		1	2
Products (with details) unit MT			
		14804	14768
Electricity			
		4527020	4188720
		305.80	283.63
Furnace oil		15525490	13343302
		1048.74	603.52
Coal (specify quality)		Nil	NIL
Other (specify)		NIL	NIL

NOTES:

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

FORM B
(See rule 2)

Form for disclosure of particulars with respect to absorption

Research and development (R & D)

- | | |
|---|---|
| 1. Specific areas in which R & D carried out by the Company | Leather chemicals and its application and performance on leather in laboratory |
| 2. Benefits derived as a result of the above R & D | Reduction in Raw Material cost and there by increase in % of yield in comparison with Raw Material cost.
Also new Product Developments |
| 3. Future plan of action | New Product Developments and targeting new customer base in domestic & overseas market |
| 4. Expenditure on R & D: | |
| (a) Capital | During the year Company has incurred a |
| (b) Recurring | recurring expenditure of Rs. 11,74,542.- on |
| (c) Total | Research & Development |
| (d) Total R & D expenditure as a percentage of total turnover | |

Technology absorption, adoption and innovation

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

Regd Office :
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Place : Mumbai
Dated: 14th August, 2012.

By order of the Board of Directors

Sd/-

Jagdish Kapadia
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF POLSON LIMITED

1. We have audited the attached Balance Sheet of **POLSON LIMITED ("the Company")** as at **31st March, 2012**, the Statement of Profit and Loss Account and Cash Flow statement for the Financial Year Ended on that date, annexed thereto. These financial statements are responsibility of the Company's Management. Our responsibility is to express opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with our accounting standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An Audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies' (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of section 227(4A) of the Companies' Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of Accounts as required by Law have been kept by the Company so far as appear from our examination of the books;
 - c. the Balance Sheet, the Statement of Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the Books of Accounts;
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies' Act, 1956;
 - e. On the basis of written representation received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon/attached thereto and the schedule of the significant Accounting policies given in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in the case of Balance Sheet, of the State of Affairs of the Company as on 31st March, 2012;
 - b. in the case of the Statement of Profit and Loss Account of the profit for the year ended on that date; and
 - c. in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For A. S. MADON & CO.
CHARTERED ACCOUNTANTS
(Registration No. 105725W)

JAY M. SHAH
PARTNER
Membership No. 048417

Place: Mumbai
Date: 14th August, 2012