

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

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

**Sd/-
Jagdish Kapadia
Chairman**

POLSON LIMITED
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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.

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

POLSON LIMITED
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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

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

POLSON LIMITED
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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		
Unit	NIL	NIL
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 1	Previous year 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.

FORM B
(See rule 2)

Form for disclosure of particulars with respect to absorption

Research and development (R & D)

- | | |
|---|---|
| 1. Specific areas in which R & D carried out by the Company | Leather chemicals and its application and performance on leather in laboratory |
| 2. Benefits derived as a result of the above R & D | Reduction in Raw Material cost and there by increase in % of yield in comparison with Raw Material cost.
Also new Product Developments |
| 3. Future plan of action | New Product Developments and targeting new customer base in domestic & overseas market |
| 4. Expenditure on R & D: | |
| (a) Capital | During the year Company has incurred Rs. 5,90,742.- of expenditure on Research & Development |
| (b) Recurring | |
| (c) Total | |
| (d) Total R & D expenditure as a percentage of total turnover | |

Technology absorption, adoption and innovation

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

By order of the Board of Directors

Sd/-
Jagdish Kapadia
Chairman

Place : Mumbai
Date : 31st August, 2009

COMPLIANCE CERTIFICATE

To The Members
POLSON LIMITED
Mumbai

I have examined the registers, records, books and papers of POLSON LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31st, 2009.

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

1. The Company has kept and maintained all registers as stated in 'Annexure A' to this certificate, as per the provisions and the rules made there under.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director and Central Government, Company Law Board or other authorities beyond the prescribed time under the Act and the rules made there under by paying the prescribed additional fees.
3. The Company being Public Limited Company has a paid up capital of Rs. 60,00,000 (Rupees Sixty Lacs Only) divided into 120,000 Equity Shares of Rs. 50/- each and provisions of Section 3(1) (iii) are not applicable to it.
4. The Board of Directors duly met 9 times (Nine) on 30.04.2008, 12.05.2008, 30.06.2008, 16.07.2008, 31.07.2008, 28.08.2008, 31.10.2008, 19.12.2008 & 30.01.2009 in respect of which meetings proper notices were given, proceedings of the same were properly recorded and signed including circular resolution passed during the year under review in the minutes book for the purpose.
5. The Company closed its Register of Members from 26th September 2008 to 29th September 2008 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting of the Company for the financial year ended on 31st March 2008 was held on 29th September 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary general meeting was held during the year under review.
8. During the year under review, the Company has not advanced any loan to its Directors and/ or persons or firms or companies referred in Section 295 of the Act complying with the Provisions of The Act.
9. During the year under review, the Company has entered into several contracts with BK Giulini Specialities Private Limited in respect of section 297 of the Act and duly complied with the provisions of the Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act during the year under review.
11. As informed by the Management, the Company was not required to obtain any approvals from the Board of Directors, members and previous approval of Central Government pursuant to section 314 of the Act during the year under scrutiny.
12. During the year under review, no duplicate share certificates were issued.

13. The Company
 - i. Has delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii. Has not declared any dividend during the year under review
 - iii. Was not required to pay / post warrants for dividends to all the members, since no dividend was declared
 - iv. Transferred the amount in unpaid dividend account, application money due for refund, matured deposit, matured debentures and the interest accrued thereon have remained unclaimed or unpaid for a period of seven years and required to be transferred to Investor Education and Protection Fund.- Not Applicable
 - v. Has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional directors has been duly made.
15. The appointment of Managing Director & Executive Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. Approval from Central Government was not required to be obtained in respect of said appointments.
16. As informed by the Management, there was no appointment of sole selling agents during the year under review.
17. During the year under review, there was no occasion which required the Company to obtain approvals of the Central Government, Company Law Board, Regional Director or such other authorities as prescribed under the various provisions of the Act
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Companies Act 1956 and the rules made there under.
19. The Company has not issued any securities during the financial year.
20. The Company has not bought back any shares during the financial year ending March 31, 2009.
21. The Company do not have any preference shares/ debentures. Hence relevant provisions for redemption of preference shares / debentures are not applicable.
22. There was no transaction necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the year under review.
23. The Company has not accepted/ renewed Fixed Deposit within the meaning of section 58A and 58AA of the Act. Hence compliance with the provisions of section 58A and 58AA of the Act read with Companies (Acceptance of Deposits) Rules, 1975/ the applicable directions issued by the Reserve bank of India/ any other authority in respect of deposit accepted are not applicable.
24. The amount borrowed by the Company from directors, public, financial institutions, banks and others during the financial year ending 31st March 2009 is within the borrowing limits of the Company and that necessary resolutions are passed in this regards.
25. The Company has made loans and investments, and provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the Register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny and complied with the provisions of the Act.
27. The Company has not altered provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny and complied with the provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny and complied with the provisions of the Act.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. As informed by the management of the Company no prosecution has been initiated against the company. The Company has not received a show cause notice which subsequently resulted in prosecution and punishment.

32. Since the company has not received any amount as security from its employees during the year under certification there is no requirement to deposit any amounts as per the provisions of section 417(1) of the Act.
33. The Company has not constituted Provident Fund under Section 418 of the Companies Act, 1956 and therefore the said provisions are not applicable.

Place: Mumbai
Date: August 31, 2009

Sd/-
RATISH TAGDE
COMPANY SECRETARY
C. P. No.: 4794

Annexure A
(Refer Para 1 of report)

Registers as maintained by the Company

Register of Members under Section 150

Register of Contracts under Section 301

Register of Directors, Managing Director under Section 303

Register of Directors' Shareholdings under Section 307

Register of Share Transfer under Section 108

Register of Charges under Section 143

Annexure B
(Refer Para 2 of report)

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on March 31, 2009.

Serial No.	Form No.	Description	Filed on
1	Form 32	Filed for Appointment of –	
		i) Mr. Dhau Lambor as an Additional Director	20.08.2008
		ii) Change in Designation of Mr. Dhau Lambor	24.09.2008
		iii) Mr. Amol Kapadia as Managing Director	
		iv) Change in Designation of Mr. Pravin Samant	07.08.2008
		Filed for Resignation of –	
		i) Mr. Dayananda Kunjan	03.11.2008
			03.11.2008
2.	Form 23	Filed for registration of resolution for	
		i) Regularisation of Mr Dhau Lambor	25.09.2008
		ii) Regularisation of Mr. Pravin Samant	
		iii) Authority to Board of Directors to Borrow money from time to time upto a limit not exceeding Rs. 100 Crores.	14.11.2008
			04.11.2008
3.	Form 20B	Annual Return for the Year ended 31 st March 2008	01.12.2008
4.	Form 23AC & Form 23ACA	Balance Sheet and Profit & Loss Account for the year ended 31 st March 2008	08.11.2008
5.	Form 66	Compliance Certificate for the Financial year Ended 31 st March 2008	31.10.2008
6.	Form 8	Creation of Charge of—	
		i) Kotak Mahindra Bank Limited	02.09.2008

7.	Form 25C	Filed for Appointment of i) Mr. Dhau Lambhor ii) Mr. Amol Kapadia iii) Mr. Pravin Samant	29.09.2008 07.08.2008 03.11.2008
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Place: Mumbai
Date: August 31, 2009

Sd/-
RATISH TAGDE
COMPANY SECRETARY
C. P. No.: 4794

POLSON LIMITED

BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	SCH	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
SOURCES OF FUNDS			
a) <u>Shareholders Funds</u>			
Share Capital	1	6,000,000	6,000,000
Reserves & Surplus	2	133,873,682	112,959,448
b) <u>Loans Funds</u>			
Secured	3	125,315,612	126,801,837
Unsecured	4	27,949,000	23,774,000
TOTAL		293,138,294	269,535,285
APPLICATION OF FUNDS			
a) <u>Fixed Assets</u>			
Net Block (Cost less Depreciation)	5	107,757,232	110,819,524
b) Investments			
	6	42,070	42,070
c) Deferred Tax Asset			
	11-A	1,759,229	1,186,628
d) <u>Net Current Assets</u>			
<u>Current Assets, Loans & Advances</u>			
Inventories	7	65,603,218	69,778,529
Debtors	8	50,531,887	78,533,631
Cash and Bank Balances	9	21,756,843	11,324,123
Loans and Advances	10	107,565,231	104,623,936
	'A'	245,457,179	264,260,219
Less: Current Liabilities and Provisions	'B'	61,877,416	106,773,156
Net Current Assets (A - B)		183,579,763	157,487,063
TOTAL		293,138,294	269,535,285

As per our report of even date

J.J.KAPADIA Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA Mg. Director

SUSHILA J. KAPADIA Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated : 31st August 2009

Mumbai
Dated : 31st August 2009

POLSON LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2009

PARTICULARS	Sch	Year ended 31st March '09	Year ended 31st March '08
		Rs.	Rs.
Operating Income:	12	428,679,938	516,901,520
Less : Operating Expenses			
Direct Expenses:	13	317,008,405	438,948,922
Indirect Expenses:	14	83,511,504	62,027,284
Total Operating Expenses		400,519,909	500,976,206
Operating Profit		28,160,029	15,925,314
Add : Non Operating Income	15	4,786,556	7,965,648
PROFIT BEFORE TAX		32,946,585	23,890,962
Less: Income Tax		12,096,520	8,798,379
Deferred Tax Liability		0	0
Deferred Tax Asset		572,601	389,000
PROFIT AFTER TAX		21,422,666	15,481,583
Less: Transferred to General Reserve 15%		3,213,400	2,322,237
Add: Balance B/F from last year		93,194,399	81,238,453
Add: Excess+ / (Short -) of Tax over provision		0	(1,203,400)
BALANCE CARRIED TO BALANCE SHEET		111,403,665	93,194,399

As per our report of even date

FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER
Membership no. 48417
Mumbai
Dated : 31st August 2009

J.J.KAPADIA

AMOL J. KAPADIA

SUSHILA J. KAPADIA

Chairman

Managing Director

Director

Mumbai
Dated : 31st August 2009

SCHEDULE -- 1 SHARE CAPITAL

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
		Rs.
Authorised		
50,000 6% Cumulative Redeemable Preference Shares of Rs.100 each	5,000,000	5,000,000
200,000 Equity Shares of Rs. 50 each	10,000,000	10,000,000
TOTAL	15,000,000	15,000,000
Issued and Subscribed (Fully Paid)		
20,000 Equity Shares against Preference Shares of Rs. 50 each	1,000,000	1,000,000
73,145 Equity Shares of Rs. 50 each issued for cash	3,657,250	3,657,250
5,000 Equity Shares of Rs. 50 each issued pursuant to a contract, without the payment being received in cash	250,000	250,000
21,855 Equity Shares of Rs. 50 each allotted as Bonus Shares issued by way of Capitalisation of Reserve	1,092,750	1,092,750
120,000 TOTAL	6,000,000	6,000,000

SCHEDULE 2: RESERVES AND SURPLUS

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
		Rs.
Capital Reserve	7,446,248	7,446,248
Investment Allowance Reserve	108,724	108,724
General Reserve	5,547,390	2,333,990
Profit & Loss Account	111,403,665	93,194,399
Asset Revaluation Reserve (Opening Balance Less Depreciation)	9,367,655	9,876,087
TOTAL	133,873,682	112,959,448

As per our report of even date

FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated : 31st August 2009

J.J.Kapadia Chairman

Amol J Kapadia Mg. Director

Sushila J. Kapadia Director

Mumbai
Dated : 31st August 2009

SCHEDULE 3 : SECURED LOANS

PARTICULARS	(in Rupees)	
	AS AT 31-3-2009	AS AT 31-3-2008
Cash credit & Packing credit with bank	47,458,548	56,415,451
Export Bills Discounted/Purchased by Bank	-	4,288,478
(Both the above are secured by hypothecation of stock of raw material and finished goods, book debts, and equitable mortgage of land and building by deposit of title deeds)		
Term Loan (Equitable mortgage of Land, Building, Machinery)	23,209,347	8,801,991
Vehicle Loan (Secured by 6 Vehicles)	-	88,260
Term Loan (Secured against Ownership Flat at Mumbai)	42,569,217	48,419,157
LIC Loan against the Keyman Insurance Policy	12,078,500	8,788,500
TOTAL	125,315,612	126,801,837

SCHEDULE 4 : UNSECURED LOANS

PARTICULARS	(in Rupees)	
	AS AT 31-3-2009	AS AT 31-3-2008
From Directors	0	0
From Companies Under the Same Management	4,175,000	0
23774 0% Bonds of Rs. 1000 each (Convertible on 25-3-2030)	23,774,000	23,774,000
Loan from Others		
TOTAL	27,949,000	23,774,000

As per our report of even date

J.J.KAPADIA

Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Mg. Director

SUSHILA J KAPADIA

Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated : 31st August 2009

Mumbai,
Dated: 31st August 2009

POLSON LIMITED

SCHEDULE 5 -- FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

Particulars	GROSS BLOCK				DEPRECIATION							NET BLOCK	
	As at 1st April, 2008	Additions April 08 to Mar 09	Sale April 08 to Mar 09	As at 31st March, 2009	Depn %	Written off upto 31st March, 2008	Written off for the year 2008-09	Depn for Addn. 2008-09	Total Written off during the year	Depn on sales written back	Written off upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 Land	10,263,926.00	900,000.00	-	11,163,926.00	-	-	-	-	-	-	-	11,163,926.00	10,263,926.00
2 Buildings - For Factory	16,385,185.00	-	-	16,385,185.00	10.00	6,016,410.95	1,036,877.41	-	1,036,877.41	-	7,053,288.35	9,331,896.65	10,368,774.05
Buildings - For others	87,448,249.00	5,099,602.00	66,000.00	92,481,851.00	5.00	20,539,588.49	3,345,433.03	60,135.40	3,405,566.42	-	23,945,156.91	68,536,694.09	66,908,680.51
3 Plant & Machinery - AMBA	41,003,860.50	729,510.86	-	41,733,371.16	27.82	30,100,619.56	3,033,281.63	19,092.43	3,052,374.06	-	33,152,993.62	8,580,377.54	10,903,240.94
Plant & Machinery - MIDC	1,883,230.00	-	-	1,883,230.00	27.82	649,094.19	343,336.58	-	343,336.58	-	992,430.78	890,799.22	1,234,135.81
4 Transformer	357,308.00	-	-	357,308.00	15.33	334,647.28	3,473.89	-	3,473.89	-	338,121.17	19,186.83	22,660.72
5 Oil Tank	409,715.00	-	-	409,715.00	15.33	373,763.97	5,511.29	-	5,511.29	-	379,275.26	30,439.74	35,951.03
6 Electric Installation	97,842.00	-	-	97,842.00	13.91	76,516.96	2,966.31	-	2,966.31	-	79,483.27	18,358.73	21,325.04
7 Furniture & Fixture	454,929.00	-	-	454,929.00	18.10	396,459.78	10,582.93	-	10,582.93	-	407,042.71	47,886.29	58,469.22
	6,948,823.00	298,906.00	-	7,247,729.00	18.10	1,952,876.50	904,266.32	23,842.95	928,109.26	-	2,880,985.76	4,366,743.24	4,995,948.50
8 Office Appliances	117,749.00	-	-	117,749.00	13.91	110,682.72	982.92	-	982.92	-	111,665.64	6,083.36	7,066.28
Office Equipments	795,574.00	190,044.87	-	985,618.87	13.91	220,780.18	79,953.82	11,016.77	90,970.59	-	311,750.77	673,868.10	574,793.82
9 Laboratory	497,919.48	23,770.00	-	521,689.48	13.91	215,369.28	39,302.73	2,482.07	41,784.80	-	257,154.08	264,535.40	282,550.20
10 Motor Car	8,462,067.76	657,491.00	1,348,085.00	7,771,473.76	25.89	4,785,931.41	951,751.70	143,336.45	1,095,088.15	602,981.00	5,278,038.56	2,493,435.20	3,676,136.35
11 Motor Cycle	18,730.00	-	-	18,730.00	25.89	18,703.16	6.95	-	6.95	-	18,710.11	19.89	26.84
	82,454.00	-	-	82,454.00	25.89	75,548.10	1,787.94	-	1,787.94	-	77,336.04	5,117.96	6,905.90
12 Cycle	636.00	-	-	636.00	20.00	635.22	0.16	-	0.16	-	635.37	0.63	0.78
13 Pipe Line	306,782.00	-	-	306,782.00	15.33	300,019.86	1,036.64	-	1,036.64	-	301,056.49	5,725.51	6,762.14
14 Agri. Machinery	199,424.00	-	-	199,424.00	13.91	185,513.32	1,934.98	-	1,934.98	-	187,448.30	11,975.70	13,910.68
15 Pattern	5,015.00	-	-	5,015.00	13.91	4,835.87	24.92	-	24.92	-	4,860.79	154.21	179.13
16 Deep Tube Well	65,280.00	-	-	65,280.00	13.91	60,388.12	680.46	-	680.46	-	61,068.58	4,211.42	4,891.88
17 Airconditioner	1,068,590.00	125,134.00	-	1,193,724.00	13.91	281,840.83	109,436.81	12,413.38	121,850.19	-	403,691.03	790,032.97	786,749.17
18 Sticking Machine	12,902.00	-	-	12,902.00	13.91	9,246.52	508.48	-	508.48	-	9,755.00	3,147.00	3,655.48
19 Motor Tractor	438,130.00	-	-	438,130.00	30.00	393,522.48	13,382.26	-	13,382.26	-	406,904.73	31,225.27	44,607.52
20 Computer & Printer	1,909,503.00	127,715.00	-	2,037,218.00	40.00	1,363,718.43	218,313.83	22,962.51	241,276.33	-	1,604,994.77	432,223.23	545,784.57
21 Weighing Scale	70,602.00	-	-	70,602.00	13.91	47,267.43	3,245.84	-	3,245.84	-	50,513.27	20,088.73	23,334.57
22 Goodwill	29,079.00	-	-	29,079.00	-	-	-	-	-	-	-	29,079.00	29,079.00
TOTAL	179,333,504.74	8,152,173.53	1,414,085.00	188,071,593.27		68,513,980.59	10,108,079.80	295,281.95	10,403,361.75	602,981.00	78,314,361.34	107,757,231.93	110,819,524.15
Previous year figures	145,461,132.74	35,124,272.00	1,271,900.00	179,333,504.74		58,770,870.88	9,012,757.71	730,352.00	9,743,109.71	-	68,513,980.59	110,819,524.15	86,710,261.86

As per our report of even date

FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER Membership No. 48417

Mumbai
Dated 31st August 2009

Total Depreciation for the year (2008-09)
LESS: Depreciation for Revalued Assets debited
to Asset Revaluation Reserve (Sch-2)

Balance debited to Profit & Loss a/c (Sch - 14)
Rounded to Rs.

10,403,361.75

-508,431.85

9,894,929.90

9,894,930.00

J.J.KAPADIA)

AMOL J. KAPADIA)

SUSHILA J. KAPADIA)

Mumbai
Dated 31st August 2009

Chairman

Managing Director

Director

Schedule - 6 -- INVESTMENTS

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
		Rs.
4,000 Shares of Vallabh Glass Works at Book Value Rs. 10 each. (Market Value as at 31-03-2008 Rs.4,000/- (Previous year Rs. 4,000/-))	40,000	40,000
20 Shares of NELCO at Book Value of Rs.104 each (Market Value as at 31-03-2008 Rs.5,866/-, Previous Year Rs.5,866/-)	2,070	2,070
41,000 Equity shares of Sunflag Iron & Steel Ltd at a book value of Rs. 8,93,317/- - Market Value as at 31.3.2007 -- Rs.7,09,300/- (Previous year - 8,93,317)	0	0
Total	42,070	42,070

SCHEDULE 7: INVENTORIES

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
		Rs.
Cans & Trays - Dairy Division	13,000	13,000
General Stores, Spare Parts etc.	6,492,604	7,630,696
Raw Materials	35,973,301	41,215,574
Finished Products	17,938,737	14,416,678
Work in Process	3,317,882	5,103,387
Eucalyptus Plantations	113,033	113,033
Other Plantation in Progress	1,286,161	1,286,161
Live Stock	468,500	0
Total	65,603,218	69,778,529

As per our report of even date

J.J.KAPADIA

Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Mg. Director

SUSHILA J. KAPADIA

Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated 31st August 2009

Mumbai
Dated 31st August 2009

SCHEDULE 8: SUNDRY DEBTORS

PARTICULARS	AS AT	AS AT
	31.3.2009	31.3.2008
		Rs.
<u>Considered Good:</u>		
Under 6 Months	40,508,532	76,429,356
Over 6 Months	8,700,284	781,204
<u>Considered Doubtful or Bad</u>		
Over 6 Months	1,323,071	1,323,071
Less: Provision		
TOTAL	50,531,887	78,533,631

SCHEDULE 9: CASH AND BANK BALANCES

PARTICULARS	AS AT	AS AT
	31.3.2009	31.3.2008
		Rs.
Cash on Hand	595,001	149,700
<u>Balances with Scheduled Banks:</u>		
in Current Account	656,842	3,119,423
in Fixed Deposit Account	20,505,000	8,055,000
TOTAL	21,756,843	11,324,123

As per our report of even date

J.J.KAPADIA Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA Mg. Director

SUSHILA J. KAPADIA Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated 31st August 2009

Mumbai
Dated 31st August 2009

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

PARTICULARS	AS AT	AS AT
	31.3.2009	31.3.2008
Loans to Officers of the Company	-	Rs. -
Loans & Advances to employees	662,093	743,835
Loans/Advance to others for business purpose	5,926,478	5,560,000
Advances Recoverable in Cash or in Kind	9,325,627	16,595,221
Tax paid in advance & Deducted at Source	26,391,576	16,577,782
Cenvat	1,008,796	5,840,613
Interest Accrued and receivable	1,183,744	572,759
Sundry Deposits and Advances:		
with Government and Local Authorities	529,476	527,826
with others:		
Considered good	62531541	58,200,000
Considered doubtful	-	
Deposit (Lease Vehicle Rs. - + Gas Rs. 1900)	5,900	5,900
Prepaid Expenses	0	0
TOTAL	107,565,231	104,623,936

SCHEDULE - 11 :: CURRENT LIABILITIES & PROVISIONS

PARTICULARS	AS AT	AS AT
	31.3.2009	31.3.2008
Sundry Creditors	30,061,379	Rs. 76,513,276
Provision for Performance Bonus & Expenses	1,095,580	253,243
Provision for Income Tax	28,047,407	18,387,730
Deposits received from associated Companies	2,660,000	2,060,000
Advances received for supply of finished goods	13,050	4,783,907
Deferred Tax Liability A.Y. 2004-05	-	-
Other Liabilities	-	4,775,000
TOTAL	61,877,416	106,773,156

As per our report of even date

J.J.KAPADIA Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA Mg. Director

SUSHILA J. KAPADIA Director

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated 31st August 2009

Mumbai
Dated 31st August 2009

POLSON LIMITED	
SCHEDULE 11-A	
<u>DETAILED WORKING FOR NET DEFERRED TAX AS ON 31.3.2009</u>	
ASST YEAR -- 2008-09	
	Rs.
Depreciation as per Income Tax Return	8,210,314
Depreciation as per Profit & Loss Account	9,894,930
Depn excess claimed in Profit & Loss Account	1,684,616
Income Tax on above @ 30%	505,385
Surcharge on Income Tax 10%	50,538
Ed. Cess 2% + sec ed cess 1%	16,678
Deferred Tax Asset for F.Y 2008-09	572,601
(Total income tax + SC excess provided in P & L Account 08-09)	
Add: Deferred Tax Asset till 2007-08 provided already	1,186,628
TOTAL Deferred Tax Asset as on 31.3.2009	1,759,229

**Schedule 12
Operating Income**

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
	Rs.	Rs.
Sales (Domestic)	193,515,240	196,063,927
Sales (export)	229,141,360	305,473,483
Modvat Credit	6,023,338	15,364,110
Total	428,679,938	516,901,520

**Schedule 13
Direct Expenses**

Particulars	Year ended 31st March, 2009		Year ended 31st March, 2008	
	Rs.		Rs.	Rs.
<u>Raw Material Consumed</u>				
Op Stock	41,215,574		32,603,013	
Add : Purchases	253,293,287		340,093,554	
	294,508,861		372,696,567	
Less : Closing Stock	(35,973,301)		(41,215,574)	
(Increase) / Decrease in finished Goods	(1,736,554)	256,799,006	14,211,690	345,692,683
<u>General Stores/Fuel Consumption</u>				
Op Stock	7,743,729		7,862,173	
Add : Purchases	34,903,050		43,963,141	
	42,646,779		51,825,314	
Less : Closing Stock	(6,605,637)	36,041,142	(7,743,729)	44,081,585
Factory Wages		7,709,050		10,895,877
Excise Duty exp		0		0
Carriage Inward		169,318		12,690,663
Freight & Forwarding		9,255,119		19,747,129
Factory Canteen Exp		71,242		84,020
Commission		545,040		197,068
Factory Electricity		2,864,737		4,653,617
Repairs & Maintenance		3,391,257		756,308
Factory Telephone Exp		37		622
Transit Insurance		42,135		42,135
Factory Travelling Exp		120,322		107,215
Total		317,008,405		438,948,922

As per our report of even date

J.J.KAPADIA

Chairman

FOR A.S.MADON & CO.
Chartered Accountants

AMOL J. KAPADIA

Mg. Director

SUSHILA J. KAPADIA

Director

JAY M. SHAH
PARTNER Membership No. 48417
Mumbai
Dated 31st August 2009

Mumbai
Dated 31st August 2009

SCHDULE -- 14
INDIRECT EXPENSES

Particulars	Year ended	Year ended
	31st March, 2009	31st March, 2008
		Rs.
Freight & Forwarding Exp	17,580,256	8,191,835
Research & Development	590,742	670,604
Insurance	4,377,382	5,734,288
Interest & Finance Charges	15,454,782	12,106,904
Postage & Telegram	294,252	364,137
Printing & Stationery	340,478	443,250
Rent, Rates & Taxes	824,147	806,277
Salary & Wages	6,425,197	5,811,920
Apprentice Stipend	145,497	178,115
Travelling Exp (includes Director's travelling) (Domestic Rs.9,30,803/-; Foreign Rs 30,23,884/-)	4,168,785	4,694,820
Repairs & Maintenance	3,849,162	1,662,394
Computer Maintenance	68,598	174,412
Staff Welfare	507,286	494,103
Advertisement	136,606	42,330
Sales Commission	213,582	307,775
Discount	-	335,095
Conveyance	597,717	626,371
Legal Exp	105,200	82,871
Machinery Lease rent	60,000	60,000
Office Exp	248,598	143,870
Security Exp	70,277	86,744
Membership & Subscription	1,201,992	234,959
Vehicle Exp	1,611,432	1,681,660
Sundry Exp	332,599	203,790
Business Promotion	1,039,055	1,269,315
Professional Fees	1,902,427	2,168,640
Electricity Exp.	768,157	655,933
Telephone Exp.	1,008,497	1,272,256
Internet charges	17,090	62,514
Audit Fees	310,000	231,420
Diwali Gift	311,627	116,250
Donation	1,346,500	201,000
Exchange Difference	5,646,649	0
General Exp -	468,586	985,144
Depreciation	9,894,930	9,191,819
Interest on Fringe benefit tax	21,030	
Loss on Sale of Car	75,104	
Service Tax	554,947	
Live Stock Expenses	101,128	0
Loss on sale of investment	-	174,182
Fringe Benefit Tax	810,452	521,052
Bank Cash Trans Tax	30,758	39,235
Total	83,511,504	62,027,284

As per our report of even date
FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated 31st August 2009

J.J.KAPADIA Chairman
AMOL J. KAPADIA Mg. Director

SUSHILA J. KAPADIA Director

Mumbai
Dated 31st August 2009

Schedule 15
Non Operating Income

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
		Rs.
Cash Discount	6,203	0
Sundry Income	43,535	160,592
Sales Tax Refund recd	441,232	1,722,596
Interest received	2,470,698	1,904,958
Rent received	1,824,888	632,026
Exchange Difference	-	1,261,026
Dividend received	-	7,750
Profit on Sale of Land (Long Term)		2,276,700
Total	4,786,556	7,965,648

As per our report of even date

FOR A.S.MADON & CO.
Chartered Accountants

JAY M. SHAH
PARTNER
Membership No. 48417
Mumbai
Dated 31st August 2009

J.J.KAPADIA Chairman
AMOL J. KAPADIA Mg. Director
SUSHILA J. KAPADIA Director

Mumbai
Dated 31st August 2009

POLSON LIMITED
BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details :

Registration No. **2879** State Code **1 1** (Refer Code List)

Balance sheet Date

31	03	2009
-----------	-----------	-------------

II Capital Raised during the year (Amount in Rs.Thousand)

Public issue NIL	Rights issue NIL
Bonus issue NIL	Private Placement NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities 293,138 Sources of Funds Paid-up Capital 6,000 Reserve & Surplus 133,873 Secured Loans 125,316 Unsecured Loans 27,949	Total Assets 293,138 Application of Funds Net Fixed Assets 107,757 Investments 42 Net Current Assets 183,579 Misc. (Deferred Tax Asset) 1,759 Accumulated Losses NIL
--	--

IV Performance of company (Amount in Rs. Thousand)

Turnover 428680	Total Expenditure 400520
Misc.(Other) Income 4787	
Profit / Loss Before Tax 32,947	Profit / Loss After Tax 21,423

(Please tick Appropriate box + for Profit - for Loss)

Earning per share in Rs. 178.53	Dividend @% NIL
---	--------------------

V Generic Names of Three Principal Products/Services of company (per monetary items)

Item Code no. **3201 Sub-Entry 96.02**
 (ITC Code)

Product Description **TANNIN EXTRACT**
ORGANIC & INORGANIC CHEMICALS

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

Mumbai
 Dated : 31st August 2009

POLSON LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	Rs.	Rs.
Opening Balance of Cash and Banks (i.e. on 1.4.2008)		11,324,123
A. ADJUSTMENTS ON ACCOUNT OF OPERATING ACTIVITIES		
Depreciation	9,291,949	
Depreciation on Revaluation Reserve	508,432	
Trade Debtors (considered good) -- decrease / (increase)	28,001,744	
Trade Debtors (considered doubtful)	0	
Sundry Creditors -- (decrease) / increase	(44,895,740)	
Closing stocks -- decrease / (increase)	4,175,311	
Short of Provision for Tax	0	
Net Profit after Tax	21,422,666	18,504,362
B. CASH FLOW FROM INVESTING ACTIVITIES		
Adjustments on account of		
(Purchase)/Sale of Investments	0	
Sale of Fixed Assets	1,414,085	
Purchase of Fixed Assets	(8,152,174)	
Deferred Tax Asset	(572,601)	
Decrease in Revaluation Reserve	(508,432)	
Dep. On revaluation reserve		(7,819,121)
C. CASH FLOW FROM FINANCE ACTIVITIES		
Adjustments on account of		
Loan (secured) -- (decrease) / increase	(1,486,225)	
Loan (unsecured) -- (decrease) / increase	4,175,000	
Loan from Directors - de (decrease) / increase	0	
Loans & Advances (receivables) -- (increase)	(2,941,296)	
Deposits & Advances (payables)	0	(252,521)
Closing Balance of Cash & Bank on 31-3-2009		21,756,843
MUMBAI,	SUSHILA J. KAPADIA	AMOL J. KAPADIA
Dated 31st August 2009	Director	Managing Director
		J. J. KAPADIA
		Chairman
The Board of Directors, Polson Limited, Amba.		
We have examined the above Cash Flow Statement of Polson Limited for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the listing requirements of the listing agreement with the Stock Exchanges and is based on and derived from the audited accounts of the Company for the year ended March 31, 2009.		
To the Members of the Company.		For A. S. MADON & CO Chartered Accountants
MUMBAI,		JAY M. SHAH
Dated 31st August 2009		PARTNER
		Membership No. 48417

NOTES FORMING PART OF THE ACCOUNTS

A. Accounting Policies :

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

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

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

B. Research & Development :

During the year, the Company has incurred Rs. 5,90,742/- (previous year Rs. 6,70,604/-) of expenditure on Research & Development.

C. Contingent Liabilities :

- 1) Bills discounted with Banks - Rs.NIL (Previous Year - Rs. 42,88,478/-)
- 2) The Company has filed two suits against Modipon Ltd., for unlawful termination of agreement for a sum aggregating to Rs.3,26,60,748/-. The said Company has made counter claim for Rs.4,76,30,582.68. The case is pending before the Court.

--contd 2

D. OTHER NOTES

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

Audit Fees	250,000
Other Matters(For Tax Audit etc)	60,000
Total	310,000
- 4) There is no practice for getting the confirmation of balances from the Debtors, Creditors and for Deposits, Loans and Advances.
- 5) The Company revalued some of its Assets on 1-4-1994.
- 6) Information required pursuant to paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 (Amended)

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

2008-2009	2007-2008
1	1
Rs. 30,00,000/-	Rs. 30,00,000/-
Mr. Amol Kapadia. Managing Director	Mr. Amol Kapadia. Managing Director

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

	2008-09	2007-08
Licensed Capacity(per year on three shift basis)	N.A.	N.A.
Installed Capacity(per year on three shift basis as certified by director)	18000 mt	18000 mt
<u>Vegetable & Chemical Tannin Products</u>		
Actual Production (mt)	8,778	11,238
Opening Stock(mt)	398	952
Value (Rupees)	14,416,678	332,78,432
Closing Stock (mt)	457	398
Value (Rupees)	17,938,736	144,16,678
Sales (mt)	8,719	11,792
Value (Rupees) NET	395,650,751	46,88,20,709

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

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

(C) Raw Materials consumed during the year

	2008-2009		2007-2008	
	Tonnes	Rupees	Tonnes	Rupees
Vegetable Fruits & Barks & Chemicals	9,965	213,481,223	12,338	30,73,50,944

(D) Value of Import on CIF Basis

	2008-09		2007-08	
	Rs.	(EURO 9360/- USD 263152)	Rs.	(EURO 37,440/- USD 32,041/-)
I)Raw Material	22,696,373	(EURO 9360/- USD 263152)	36,55,737	(EURO 37,440/- USD 32,041/-)
II)Components & Spares	-		-	
III)Capital Goods	-		-	
(E) Expenditure in Foreign Currency :	(EURO 9360/- USD 263152 (Rs. 22,696,373/-)		(EURO 37,440/- USD 32,041/-) (Rs. 36,55,737/-)	
(Import of Raw Material)	(EURO 9360/- USD 263152/-)	22,696,373	36,55,737	

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

	Imported		Indigenous	
	2008-09 (Rs. In Lacs)	2007-08	2008-09 (Rs. In Lacs)	2007-08
Raw Material (Incl. customs duty, etc)	164.05	48.79	1970.76	3024.72
% age of Total Consumption	7.68%	1.59%	92.32%	98.41%

(G) Earnings in Foreign Exchange :

	2008-09	2007-08
i) Export of goods on FOB (in Rs.)	83,482,847 (USD 1891194)	12,59,52,410 (USD 31,41,820)
ii) Third party export earnings (in RS.):	70388937 (USD 1538293)	12,37,12,983 (USD 31,09,681)

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

7) Salary paid to Managing Director = Rs.30,00,000/- during 2008-09 (Previous year Rs. 30,00,000/-)

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

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

As per our report of even date

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

FOR A.S.MADON & CO.
Chartered Accountants

J.J.KAPADIA

Chairman

AMOL J. KAPADIA

Mg. Director

JAY M. SHAH
PARTNER

SUSHILA J. KAPADIA

Director

Membership No. 48417

Mumbai

Dated: 31st August 2009

Mumbai

Dated: 31st August 2009

AUDITOR'S REPORT

To

The Shareholders of Polson Limited

1. We have audited the attached Balance Sheet of **POLSON LIMITED as at 31st March, 2009** and also the Profit & Loss Account and Cash Flow statement for the Financial Year Ended on that date, annexed thereto. These financial statements are responsibility of the Company's Management. Our responsibility is to express opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with our accounting standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An Audit include examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation.
3. As required by the Companies' (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies' Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of Accounts as required by Law have been kept by the Company so far as appear from our examination of the books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the Books of Accounts;
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies' Act, 1956;
 - v. On the basis of written representation received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon/attached thereto and the schedule of the significant Accounting policies given in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of Balance Sheet, of the State of Affairs of the Company as on 31st March, 2009;
 - (b) in the case of Profit and Loss Account of the profit for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Mumbai,
31.08.2009

for A.S.MADON & Co,
(Chartered Accountants)

J.M.Shah
Partner
Membership No. 48417

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITOR'S REPORT TO THE MEMBERS OF POLSON LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH ,2009.

- (i) (a) The company, for Fixed Assets, has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, the company has not made any substantial disposals during the year.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- © The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to the book record were not material.
- (iii) (a) The Company has granted loan or taken loans to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/granted to 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 or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of the business for the purchase of inventory, fixed asset and sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) There were transactions that need to be entered into the Register in pursuance of section 301 of the Companies Act, 1956 and have been appropriately recorded.
- (vi) The company has not accepted deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) The Company has an internal audit system which, in our opinion is commensurate with its size and nature of the business.
- (viii) According to the information and explanation given to us, the notification issued by Central Government under section (209) (i)(d) of the Companies Act 1956 is not applicable to the company.
- (ix) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues with appropriate authorities.

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- (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 31 March, 2009 for the period of more than six months from the date they became payable.
- © According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty & Excise Duty which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any bank or debenture holders as at the Balance Sheet date. The Company has not taken loan or credit facility from any financial institution (except commercial Bank).
- (xii) The company has not granted any loans or advances on the basis of the security by way of ~~pledge of shares, debentures and other securities.~~
- (xiii) In our opinion, the company is not a chit fund, Nidhi or mutual benefit fund /societies. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanation given to us, no guarantee has been given by the Company for loans taken by others from banks and financial institutions.
- (xvi) In our opinion, the term 'loan' has been applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the company, funds raised on short term basis have, prima facie, not been used during the year for Long term investment and vice versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies found in the register maintained under section 301 of the companies Act, 1956 during the year.
- (xix) According to the information and explanation given to us and the records examined by us, no debentures have been issued by the Company.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) On the basis of our examination and according to the information and explanation given to us, no fraud on or by the company, has been noticed or reported during the year.

For A.S.Madon & co
Chartered Accountants

Mumbai,
31.08.2009

Jay.M.Shah
Partner
Membership No. 48417