



**POLSON LTD**

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

October 06, 2017

To,

The Corporate Communication Dept,  
Bombay Stock Exchange Limited,  
Fort, Mumbai

Dear Sir/Madam,

**Sub: Uploading of Annual Report for the year 2016-2017 Scrip Code: 507645**

With reference to the above mentioned subject we are attaching herewith the Annual Report of the Company for the financial year 2016-2017.

Kindly take the above on your record and acknowledge the receipts of the same.

Thanking you,

Yours faithfully,  
For Polson Ltd.

Sampada Sawant  
Company Secretary



**REGD. OFFICE:** Ambaghat Vishalgad, Taluka Shahuwadi, District Kolhapur - 415 101. **CIN No. L15203PN1938PLC002879**

**MUMBAI CITY:** 615/616 (6th floor) Churchgate Chambers, 5, New Marine Lines, Churchgate, Mumbai 400 020.

Tel.: 91-22-2262 6437 /2262 6439. Fax: 91-22-22822325. E-mail: admin@polsonltd.com

**KOLHAPUR** : Unit No.3, B-4, Kagal Hatkanangale, 5 Star MIDC, Kagal, Kolhapur - 416 216. Tel.: 91-231-2305199.

**76<sup>th</sup> ANNUAL REPORT &  
ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017****DIRECTORS**

Sudhir Nevatia	Chairman, Independent Director
Sushila Kapadia	Non-Executive Director
Amol Kapadia	Managing Director
Pravin D. Samant	Executive Director
Dhau Lambore	Executive Director
Pradip Pai	Independent Director
Abhay Bhalerao	Independent Director

**SOLICITORS**

D.H. Nanavati

**STATUTORY AUDITORS**

**G. N. N. & Associates, Chartered Accountant**

**INTERNAL AUDITORS**

Madhavan Menon

**BANKERS**

**CITI BANK N.A.**

**STANDARD CHARTERED**

**HDFC BANK LTD.**

**BANK OF INDIA**

**REGISTERED OFFICE**

Ambaghat, Vishalgad,  
Taluka- Shahuwadi,  
Dist- Kolhapur, Kolhapur-415 101  
Maharashtra

**CORPORATE OFFICE**

615/616 Churchgate Chambers,  
5 New Marine Lines Road,  
Churchgate Mumbai-400 020

**Email id:** [compliance@polsonltd.com](mailto:compliance@polsonltd.com)

**Website:** [www.polsonltd.com](http://www.polsonltd.com)

**CIN:** L15203PN1938PLC002879

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## NOTICE

NOTICE is hereby given that the 76<sup>th</sup> Annual General Meeting of Polson Ltd will be held on Friday, September 29, 2017 at 11.30 a.m. at the Registered Office of the Company situated at Chitra Kuti at Ambaghat, Vishalgad, Taluka-Shahuwadi, Dist. Kolhapur, Kolhapur-415 101 at to transact the following businesses:

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### Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2017, along with the Profit and loss Account for the year ended on that date and the Report of the Board of Directors' and Auditor's thereon.
2. To appoint a director in place of Mr. Pravin Samant (DIN: 02307106) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s R G B, Chartered Accountants (FRN.144967W), as Statutory Auditors of the Company in place of M/s. G.N.N. & Associates., the retiring Statutory Auditors, to hold office from the conclusion of 76<sup>th</sup> Annual General Meeting, until the conclusion of 81<sup>st</sup> Annual General Meeting subject to ratification by the members at every Annual General Meeting on such remuneration as may be decided by the Board of Directors or any Committee thereof for the financial year ending March 31, 2018.

**To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under the consent of the Company be and hereby accorded to appointment of Statutory Auditor of the Company M/s. R G B & Associates, Chartered Accountants, (ICAI Firm Registration No. 144967W) who shall hold office as Statutory Auditors of the Company for a period of five years from the conclusion of 76<sup>th</sup> Annual General Meeting, until the conclusion of 81<sup>st</sup> Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** Board be and is hereby authorised to fix the remuneration of Statutory Auditors of the Company as recommended by the Audit Committee in consultation with the Statutory Auditors, in addition to reimbursement of out of pocket expenses."

### Special Business:

4. To re-appoint Mr. Amol Kapadia as a Managing Director of the Company for a period of five years w.e.f. April 1, 2017 and fix remuneration:

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

**"RESOLVED THAT** pursuant to provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby given for the re-appointment

of Mr. Amol Kapadia as a Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> April, 2017 on the remuneration and terms and conditions as laid down in the explanatory statement.

**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 up to 20% per annum, effective from April 1 each year, and first such increase shall be granted w.e.f. April 1, 2018.

**RESOLVED FURTHER THAT** the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year during his tenure as Managing Director, the Company has no profit or inadequate profit, Mr. Amol Kapadia shall be entitled to aforesaid remuneration subject to provisions of the limits specified in Part II of the Schedule V of the Companies Act, 2013 or if part II of the Schedule V of the Companies Act are not met then the Company hereby approved the remuneration as decided above be paid with the prior approval of the Central Government.

**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,

BY ORDER OF THE BOARD OF DIRECTORS  
Of POLSON LTD

**SUSHILA KAPADIA**  
Director

Place: Mumbai  
Date: 01.09.2017

## : NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015) is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights, provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc must be supported by an appropriate Resolution/authority, as applicable.

The instrument appointing a proxy and the power of attorney, if any, under which it is signed, should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.

Members / Proxies / Authorized Representatives are requested to bring their attendance slip, duly filled in, for attending the Meeting.

In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote at the meeting.

Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

3. Documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of this meeting and will also be available for inspection.
4. Register of Members and Transfer Register will remain close from 22<sup>nd</sup> September 2017 to 29<sup>th</sup> September 2017 (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.
8. Members/ Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
9. To support the "Green Initiative", Members who have not registered their email addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.
10. The route map showing directions to reach the venue of the Seventy Sixth AGM is annexed.

## INSTRUCTIONS FOR EVOTING

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is offering e-voting facility to its members in respect of the business to be transacted at the Seventy Sixth Annual General Meeting to be held on Friday, the 29<sup>th</sup> day of September, 2017 at 11.30 a.m. at Chitra Kuti at Ambaghat, Vishalgad, Taluka – Shahuwadi, Dist – Kolhapur, Kolhapur – 415 101.
- ii. The facility for poll shall be made available at AGM & the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through poll paper.
- iii. The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The E-voting period commences on 26<sup>th</sup> September, 2017 from 10.00 a.m. to 28<sup>th</sup> September, 2017 up to 5.00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. **Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22<sup>nd</sup> September, 2017.**
- vi. The Process and manner of e-voting is as under.

### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Tuesday, 26<sup>th</sup> September, 2017 at 10.00 am and ends on Thursday, 28<sup>th</sup> September, 2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "shareholders".
- (iv) Now enter your user ID.
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, than your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digits alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN filed.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- (xi) Click on the EVSN for the relevant (Polson Limited) on which you choose to vote.
- (xii) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions details.

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm you vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” you vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non- Individual Shareholders & Custodians:
- Non- Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they should create compliance user using the admin login and password. The Companies user would be able to link the depository account(s) / folio numbers on which they wish to vote on.
  - The List of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian. If any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (xx) Any person who acquires shares of the Company after dispatch of the Notice and holding shares on cut-off date i.e. 22<sup>nd</sup> September, 2017 may obtain the login id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (xxi) Mr. Mihen Halani, Practicing Company Secretary has been appointed as the Scrutinizer for providing the facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- (xxii) Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 (SS-2):

Name of the Director	*Mr. Pravin Samant	**Mr. Amol Kapadia
Age	63 yrs	52 yrs
Director Identification Number (DIN)	02307106	01462032
Date of Appointment on the Board	01/04/2004	29/12/1987



# POLSON LIMITED

<b>Qualifications</b>	Mr. Pravin Samant aged 60 years is a graduate in Science.	Mr. Amol Jagdish Kapadia, aged 52 years is the promoters of the Company. He has completed his Masters in Business Administration from IMD, Lausanne, Switzerland and is a Graduate in Commerce from Sydenham College of Commerce & Economics.
<b>Expertise in specific functional area</b>	Mr. Pravin Samant has overall work experience of nearly 39 years as a Technical Director.	Mr. Amol Kapadia has expertise in business management.
<b>Number of shares held in the Company</b>	Nil	12000 shares
<b>Terms and Conditions</b>	-	As per the resolution stated in the item no. 5
<b>Justification for appointment of Independent Director</b>	Not Applicable	His knowledge of various experiences relating to the industry and Company's affairs and long business experience enable the company to run its business in a smooth and efficient manner
<b>List of the directorships held in other listed entities</b>	please refer to the Corporate Governance Report	please refer to the Corporate Governance Report
<b>Chairman / Member in the Committees of the Boards of companies in which he is Director</b>	please refer to the Corporate Governance Report	please refer to the Corporate Governance Report
<b>Relationships between Directors inter-se</b>	-	Son Mrs. Sushila Kapadia

For other details of the aforesaid directors, please refer to the Corporate Governance Report.

\*\* The Board of Directors proposes the re-appointment of Mr. Pravin Samant as an Executive Director and recommends the resolution as set out in Item No. 2 of the Notice for the approval of the members at the ensuing Annual General Meeting.

\*\*Except Mrs. Sushila Kapadia and their relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the re-appointment of Mr. Amol Kapadia as a Managing Director of the Company as set out in Item No. 4 of the Notice, except to the extent of their shareholding, if any, in the Company.

BY ORDER OF THE BOARD OF DIRECTORS  
OF POLSON LTD

**SUSHILA KAPADIA**  
**Director**

Place: Mumbai  
Date: 01.09.2017

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item no. 4- Re-appointment of Mr. Amol Kapadia as a Managing Director of the Company for a period of five years w.e.f. April 1, 2017 and fix remuneration

Mr. Amol Kapadia, aged 52 years, is a promoter of the Company and he is having experience in business management of more than 20 years in the industry.

The Board of Directors at their meeting held on 14th February, 2017 re-appointed Mr. Amol Kapadia subject to necessary approvals as the "Managing Director" of the Company for a period of 5 years with effect from April 1, 2017 and to fix his remuneration for a period of 3 years.

His knowledge of various experiences relating to the industry and Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Amol Kapadia should be available for a further period of 5 years w.e.f. April 1, 2017.

In terms of the applicable provisions of the Companies Act, 2013 the Nomination and Remuneration Committee of the Board in their meeting held on February 14, 2017 have considered and approved the re-appointment of Mr. Amol Kapadia as Managing Director of the Company for a further period of 5 years. The Board of directors on recommendation of Nomination and Remuneration Committee at their meeting held on 14th February, 2017 re-appointed Mr. Amol Kapadia subject to necessary approvals as the "Managing Director" of the Company for a period of 5 years with effect from April 1, 2017 and to fix his remuneration.

The terms and conditions, including remuneration of Mr. Amol Kapadia are as detailed below:

1. Basic Salary : Rs. 8,50,000/- 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.

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/- p.m.
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 196, 197 of the Companies Act, 2013.
13. Other Terms and Conditions : The Board of the Company may alter the terms and conditions of the said appointment from time to time, at its discretion, so as not to exceed the limits specified in Schedule V of the Act (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto.

None of the directors except Mrs. Sushila Kapadia and Mr. Amol Kapadia is concerned or interested in this resolution. The Board recommends the Special Resolution set out at Item No. 4 of the AGM Notice.

BY ORDER OF THE BOARD OF DIRECTORS  
OF POLSON LTD

**SUSHILA KAPADIA**  
**Director**

Place: Mumbai  
Date: 01.09.2017

**BOARD'S REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their 76<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

**1. FINANCIAL RESULTS:**

(Amount in lakhs)

Particulars (Standalone)	Standalone	
	2016-17	2015-16
Total Income	11,485	11,118
Total Expenditure	(9,900)	(10,083)
<b>Profit before Tax</b>	<b>1,585</b>	<b>2,520</b>
Provision for Tax	(498)	(575)
Less/Add Deferred Tax Liability	(75)	(330)
<b>Profit after Tax</b>	<b>1,012</b>	<b>1,615</b>
Add: Balance of Profit brought forward	5,199.71	3,826.70
<b>Profit available for appropriation :</b>	<b>6,211.7</b>	<b>5,441.7</b>
Less: Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to Reserves	(151.73)	(242.29)
Less: Short Provision for previous year adjusted	-	-
Add: Adjusted Items	96.62	-
<b>Surplus carried to the Balance Sheet</b>	<b>6,156.18</b>	<b>5,199.8</b>
Earning per Equity Share (Face Value: Rs. 50/-)		
<b>Basic</b>	<b>842.98</b>	<b>1,346.10</b>
<b>Diluted</b>	<b>842.98</b>	<b>1,346.10</b>

**2. DIVIDEND:**

The Company would like to reserve its profits for its growth; and hence your Directors do not recommend dividend for the Financial Year.

**3. RESERVES:**

The appropriations for the year are:

Particulars	Standalone(in lakh)
Net Profit for the year	Rs. 1,012/-
Balance of Reserve at the beginning of the year	Rs.5,200/-
Transfer to General Reserve	Rs.152/-
Balance of Reserve at the end of the year	Rs. 6,156/-

**4. INFORMATION ON THE STATE OF COMPANY'S AFFAIR**

The Company achieved a turnover of Rs. 1,08,27,58,016/- during the current year, as against Rs. 1,04,14,78,229/- during the previous year. The profit during the year has been Rs. 10,11,57,908/-- as against Rs. 16,15,31,482/- during the previous year 2015-16.

The Company is engaged only in one segment which is of manufacturing synthetic organic tanning substance.

The highlights of the Company's performance are as under:

- Revenue from operations increased by 4% in comparison with the previous year to Rs. 10,827.58/- Lakhs from the previous year figure of Rs.10,414.78/- Lakhs
- Similarly Exports Revenue for this year is at Rs. 8,035.51/-Lakhs against the previous year of Rs. 7,463.26/- lakhs
- PBDIT increased to Rs. 2,417.93/-Lakhs from the previous year Rs. 2,213.65/- Lakhs
- Profit before tax [prior to exceptional items] increased by 39% to Rs. 1,440.63/- Lakhs
- Cash Profit reduced by 32% to Rs. 1,908.74/- Lakhs
- Gross Margin 39.82% for the year ended March 31, 2017.

## **5. MATERIAL CHANGES AND COMMITMENTS BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## **6. DIRECTORS' RESPONSIBILITY STATEMENT:**

As per the clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors' state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had 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 the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **7. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

During the year under review, the Company does not have any subsidiary:

A. Direct Subsidiary-Not Applicable

B. The Company does not have any jointly held subsidiary; step down subsidiaries and Joint Venture.

C. Associate Companies:

The Company does not have associates companies in which it holds more than 20% shareholding.

## **8. DEPOSITS**

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposit under Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

## **9. RISK MANAGEMENT POLICY**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Company between manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Polson Management System (PMS) that governs how the Company conducts the business of the Company and manages associated risks.

## **10. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

According to Section 134 (5) (e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by a company for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies, standard operating procedures and audit and compliance by an in house internal audit division, supplemented by internal audit checks from Mr. Madhavan Menon the Internal Auditor.

The Internal Auditor independently evaluated the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting to the Audit Committee of the Board. A MD and CFO Certificate, forming part of the Corporate Governance Report, further confirms the existence and effectiveness of internal controls and reiterates their responsibility to report deficiencies to the Audit & Committee and rectify the same.

During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## **11. DIRECTORS:**

### **A) Since last Report, following Changes in Directors and Key Managerial Personnel took place:**

- ✚ During the financial year under review, Mr. Haren Sampat (DIN 02556422) stepped down from the Directorship due to pre-occupancy with effect from July 08, 2016.
- ✚ During financial year Mr. Abhay Bhalerao was appointed as an Independent Director w.e.f July 15, 2016.
- ✚ During financial year Ms. Amita Karia resigned from the post of Company Secretary w.e.f June 30, 2016 and Mr. Milin Ramani appointed as a Company Secretary w.e.f July 01, 2016 and he also resigned from the post of Company Secretary w.e.f June 30, 2017.
- ✚ Post financial year Mrs. Sampada Sawant appointed as Company Secretary w.e.f. July 01, 2017.

Pursuant to provisions of section 152 of the Companies Act, 2013 and subject to Articles of Association, Mr. Pravin Samant, Director of the Company is liable to retire by rotation at an ensuing Annual General Meeting and, being eligible has offered himself for re-appointment.

The Board has recommended for the same. Details about the directors being appointment / re-appointment are given in the Notice of the 76<sup>th</sup> Annual General Meeting being sent to the members along with the Annual Report.

### **B) Declaration by an Independent Director(s) and re- appointment, if any**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

### **C) Annual Evaluation of the Board**

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.



## **D) Number of Meetings of the Board of Directors:**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are prescheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The details of Board and Committee meetings held during the financial year 2016-17 are provided in Corporate Governance Report which forms a part of Annual Report.

## **E) Familiarisation Programme for Independent Directors**

All new independent directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the Corporate Governance report and is also available on our website (<https://www.polsonltd.com/investor.htm>). Further at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

## **12. COMMITTEES OF THE BOARD**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees.

There are currently four Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

## **13. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has adopted vigil mechanism policy under the provision of Sec 177 of the Companies Act, 2013. The vigil mechanism provides adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and provides direct access to the Chairperson of the Audit Committee.

## **14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required by Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Management discussion and Analysis Report is enclosed as a part of this report (Annexure - I).

## **15. CORPORATE GOVERNANCE CERTIFICATE**

Your Company has complied with Regulation 34 of SEBI (Listing Obligations and Disclosure Regulations) Requirements, 2015 of the stock exchanges. A report on Corporate Governance as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Regulations) Requirements, 2015 along with Independent Auditor's Certificate on compliance with the Corporate Governance, forms part of this Annual Report.

### **Our corporate governance philosophy**

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Polson, the goal of corporate governance is to ensure fairness for every stakeholder. We believe sound corporate governance is critical to enhance and retain investor trust. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosure seeks to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

### **Our Corporate governance report for fiscal 2017 forms part of this Annual Report.**

### **Board diversity**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website (<https://www.polsonltd.com/investor.htm>)

### **Polson's Code of conduct for the prevention of insider trading**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

### **Policies**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (<https://www.polsonltd.com/investor.htm>). The

policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

## **16. MANAGERIAL REMUNERATION:**

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are detailed in Annexure A to this report.

## **17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

The information as required under Section 134(3)(m) of the Companies Act, 2013 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are detailed in Annexure B to this report

## **18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The provisions of Section 186 of the Companies Act, 2013 requiring disclosure in the financial statements giving particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to your company since no transactions of such nature has been undertaken or entered into by your company.

The amount of loan already given is within the limits prescribed u/s 186 of the Companies Act, 2013.

## **19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto has been disclosed in Form No. AOC -2 as detailed in Annexure C to this report

## **20. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as Annexure D to this Report.

## **21. STATUTORY AUDITORS**

M/s. G. N. N. & Associates, Chartered Accountants, the existing Statutory Auditor of the Company have shown their unwillingness to continue as Statutory Auditor.

The Board of Directors (on recommendation of Audit Committee) decided to appoint M/s. R G B & Associates as a New Statutory Auditor for a period of 5 years in place of M/s. G. N. N. & Associates, Chartered Accountants, subject to approval of shareholders at an ensuing Annual General Meeting of the Company.

M/s. R G B & Associates have express their willingness to get appointed as the Statutory Auditor of the Company and has furnished a certificate of their eligibility and consent under section 141 of the Companies Act, 2013 and the rules framed there under.

The Board recommends the members for appointment of M/s. R G B & Associates at an ensuing Annual General Meeting of the Company.

There are certain observation made in the Auditor's Report therefore call for further Comments under section 134 of the Companies Act,2013. The same are given as under;

**Director's comment on Auditor's Observation**

<b>Auditor's observation</b>	<b>Director's comment</b>
The company has not maintained proper records of Fixed Assets.	The Company is in process of maintaining records of fixed assets and the same will be updated shortly.
As the Company has not maintained the Fixed Asset Register, we are unable to get the list of all immovable properties held by the Company and its Title Deeds.	All the title deeds of immovable properties are held in the name of the Company. The Company is in process of maintaining records of fixed assets.
According to the information and explanation given to us, there are dues of income tax & tax deducted at source which have not been deposited with the appropriate authorities on account of dispute. The company has not paid outstanding Income Tax of Rs. 6,806 for the AY 2013-14 and Rs. 8,09,142/- towards tax deducted at source for various years.	Appropriate steps have been taken by the company for rectifications applications with the appropriate authority which are pending decision.

**22. SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company, has appointed M/s. Mihen Halani & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2017.

The Secretarial Audit Report is annexed herewith as **Annexure-E**. The qualifications provided in the report are as follows along with explanation of Board.

**COMMENTS ON QUALIFICATIONS IN SECRETARIAL AUDIT REPORT**

<b>Comments in Secretarial Audit Report</b>	<b>Directors Comment</b>
Non-Compliance under Clause 40A of Listing Agreement	During the year the Company has come with the rights issue by offering 14951 Equity Shares to public shareholders but the same was under subscribed.  Post financial year, the promoters of the company; Mr. Amol Kapadia and Smt. Sushila Kapadia has offered 11,200 shares at a price of Rs. 15,500/- per share to the public through Offer

	<p>for Sale (OFS) Mechanism provided by Bombay Stock Exchange on July 19, 2017 and July 20, 2017. Out of which only 609 Equity shares have been subscribed by the public shareholders.</p> <p>Further on August 23, 2017 and August 24, 2017, the promoters; Mr. Amol Kapadia and Smt. Sushila Kapadia has offered remaining shares i.e. 10,591 shares at a price of Rs. 14000/- per share through OFS mechanism provided by Bombay Stock Exchange. Out of which only 683 shares have been subscribed by the public shareholders.</p> <p>The Company is in the process of compliance with the Minimum Public Shareholding through OFS mechanism.</p>
Register of Charges with the details of current charges	The Company is in the process of complying and closure of register of charges with Registrar Office of Companies. The Company has made applications to the respective banks for their No due Certificate towards satisfaction of charges and awaiting their response on the same.
Non Maintenance of Website as per SEBI (LODR) Regulations, 2015	The Company shall endeavor its best to make the compliance good

**23. INTERNAL AUDITOR**

The Board of Directors of the Company in their meeting held on August 31, 2015 has appointed Mr. Madhavan Menon as an Internal Auditor of the Company.

**24. EXTRACT OF THE ANNUAL RETURN**

The extract of the annual return has been annexed as Annexure 'F' to this report.

**25. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of Seven years. Therefore there were no funds which were required to be transferred to investor Education and Protection Fund (IEPF).

**RIGHT ISSUE OF SHARES:**

During the year, the Company has come up with the rights issue by offering 14,951 equity shares at Rs. 5600/- per share to the existing shareholders of the company. But the same was under subscribed and because of that the Company has withdrawn the Letter of Offer submitted with Securities and Exchange Board of India (SEBI). The Company has refunded the share application money within 15 days from the closure of the issue.

## **26. MISCELLANEOUS**

- Your company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- Your Company did not allot any equity share as sweat equity shares. Therefore, no disclosures as required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014;
- There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- During the year under report, no significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future.

## **27. ACKNOWLEDGEMENTS**

The Board of Directors wish to acknowledge the continued support and co-operation extended by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Ministry of Corporate Affairs, other government authorities, Bankers, material suppliers, customers and other stakeholders for their support and guidance.

Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company at all the levels.

**For and on behalf of the Board of Directors**

Sudhir Nevatia  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 01.09.2017

## **ANNEXURE 'A': MANAGERIAL REMUNERATION:**

A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- a. the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year- 18:82
- b. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-Nil
- c. the percentage increase in the median remuneration of employees in the financial year-2%
- d. the number of permanent employees on the rolls of company;-48 employees
- e. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year differs from employee to employee.
- f. comparison of the each remuneration of the Key Managerial Personnel against the performance of the company-N.A.
- g. the key parameters for any variable component of remuneration availed by the directors-The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for directors, Key Managerial Personnel.
- h. affirmation that the remuneration is as per the remuneration policy of the company-It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management adopted by the Company.

B) Details of the every employee of the Company as required pursuant to 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: There are no employees who draw remuneration more than Rupees Sixty Lakh per annum of Rs. 5 lacs per month.

C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report. (u/s 197)-The Company has not paid any commission to its director and managing director.

D) The following disclosures are given in the Board of Director's report under the heading "Corporate Governance" attached to the financial statement:—

- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) details of fixed component and performance linked incentives along with the performance criteria;
- (iii) service contracts, notice period, severance fees;
- (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

**For and on behalf of the Board of Directors**

Sudhir Nevatia  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 01.09.2017



## Annexure 'B': Conservation of energy, technology absorption, foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

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

- (i) **The steps taken or impact on conservation of energy:** - Energy conservation dictates how efficiently a company can conduct its operations. Polson has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient practices that have reduced the growth environmental pollution and strengthened the Company's commitment towards becoming an environment friendly organization.

The Company continued using Natural Raw Materials like Hirda, Taming Testa etc in the manufacturing process. The residue of these raw materials is further used as FUEL for Boiler, thus reducing the consumption of Furnace Oil.

A dedicated "Energy Cell" is focusing on energy management and closely monitor energy consumption pattern across all manufacturing plants.

- (ii) **The steps taken by the company for utilising alternate sources of energy:** - The Company does not have alternate sources of energy.

- (iii) **The capital investment on energy conservation equipment's:**-Nil

(B) Technology absorption:

- i. **The efforts made towards technology absorption**-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.
- ii. **The benefits derived like product improvement, cost reduction, product development or import substitution**- Achieved to capture new clients and develop several new products and derived new advanced process.
- iii. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - N.A.**
  - a. the details of technology imported;
  - b. the year of import;
  - c. whether the technology been fully absorbed;
  - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- iv. **The expenditure incurred on Research and Development.** - During the year the Company has incurred Rs. 5,47,578/- on Research and Development.

(C) Foreign exchange earnings and Outgo:

Foreign exchange earnings and outgo (including dividend) during the year under review were Rs. 8035.51/- (previous year: Rs. 7194.85/-) and Rs. 304.56/- (previous year Rs. 449.86/-) respectively.

**For and on behalf of the Board of Directors**

Sudhir Nevatia  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 01.09.2017

## ANNEXURE 'C': AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis-N.A.

- (a) Name(s) of the related party and nature of relationship-
- (b) Nature of transactions-
- (c) Duration of the contracts / arrangements/transactions-N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any-N.A.
- (e) Justification for entering into such contracts or arrangements or transactions-N.A.
- (f) date(s) of approval by the Board-
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188- N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis- N.A.

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions –
- (c) Duration of the contracts / arrangements/transactions-
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

**For and on behalf of the Board of Directors**

Sudhir Nevatia  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 01.09.2017

## Annexure: D- CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company is not only committee for doing Corporate Social Responsibility but it aimed at creating Corporate Social Value. The CSR vision is enshrined in the 3E's i.e.

- i. Education
- ii. Empowerment of women ; and
- iii. Environment and Health

2. The Composition of the CSR Committee.

The Committee of Corporate Social Responsibility comprises of three Directors:

1. Mrs. Sushila J. Kapadia
2. Mr. Amol J. Kapadia
3. Mr. Pradip Pai (Independent Director)

3. Average net profit of the company for last three financial years: Rs. 14,73,70,814/-/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 29,47,416/-.

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 30,00,000/-

(b) Amount unspent- The Company has paid additional amount of Rs. 52,584/- towards CSR. The Company has spent more amount than that of prescribed CSR Expenditure.

(c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Location where the project undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme  Direct expenditure on project/ programme,	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency*
1	Distribution of blankets to poor people	Project "Hope" for upliftment of poor people in the district of Chiplun and Ratnagiri	Chiplun and Ratnagiri District	Rs. 29,47,416/-	Rs. 30,00,000 /-	Rs. 30,00,000/-	Rs. 30,00,000

6. The CSR Committee hereby confirms that that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

**Sushila J. Kapadia**  
**Chairman of the Corporate Social Responsibility Committee**  
DIN: 02105539

**Amol J. Kapadia**  
**Managing Director**  
DIN: 01462032

**ANNEXURE 'F': Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2017

{Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014}

I.	REGISTRATION AND OTHER DETAILS	
i)	CIN	L15203PN1938PLC002879
ii)	Registration Date	21.12.1938
iii)	Name of the Company	Polson Ltd.
iv)	Category/Sub –Category of the Company	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	Ambaghat Talluka Shahuwadi Kolhapur Maharashtra-415101 Tel. 022-22626439, Fax: 022-22626437
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Landmark: Behind Delisle Road HP Petrol Pump, Near Lodha Excelus, Lower Parel (E) Mumbai-400 011

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sr. No.	Name and Description of main product/services	NIC Code of the product/service*	% to total turnover of the company#
1	Synthetic Organic Tanning Substance	Division 15 NIC Code- 99611716	100%

Manufacturing and selling of Synthetic Organic Tanning Substance

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of Company	Address of Company	CIN	Holding/Subsidiary/Associate	% of Shares held*	Applicable section
1.	AJI Commercial Private Limited	3 <sup>rd</sup> Floor, Cambata Building, 42 M Karve Road, South West Wing Mumbai-400 020	U51900MH1992PTC066518	Holding	53.62	2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0		0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	73189	0	73189	60.99%	73189	0	73189	60.99%	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other									
F(i) Director	28002	0	28002	23.34%	28002	0	28002	23.34%	0
<b>Total shareholding of Promoter (A)</b>	101191	0	101191	84.33%	101191	0	101191	84.33%	0
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	35	225	260	0.22%	35	225	260	0.22%	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Foreign Venture Capital Investors	75	0	75	0.0625	75	0	75	0.0625	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	110	225	335	0.27	110	225	335	0.2825	0

# POLSON LIMITED

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	796	83	879	0.73	809	83	892	0.74	0.01
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3316	13612	16928	14.11	3675	13300	16975	14.15	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Non Resident Indians (Repat& Non Repat)	11	142	153	0.12	30	142	172	0.1275	0.0075
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	134	0	134	0.111	105	0	105	0.09	-0.02
Trusts	0	58	58	0.05	0	58	58	0.05	0
Hindu Un-divided Family	322	0	322	0.26	272	0	272	0.23	0.03
<b>Sub-total (B)(2):-</b>	4579	13895	18474	15.39	4891	13583	18474	15.46	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4689	14120	18809	15.67	5001	13808	18809	15.67	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>105880</b>	<b>14120</b>	<b>120000</b>	<b>100</b>	<b>106192</b>	<b>13808</b>	<b>120000</b>	<b>100</b>	<b>0</b>



## ii. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	AJI COMMERCIAL PRIVATE LIMITED	64339	53.62	0	64339	53.62	0	0
2	SUSHILA J. KAPADIA	12835	10.70	0	12835	10.70	0	0
3	AMOL J. KAPADIA	12000	10	0	12000	10	0	0
4	ORIENTAL PHARMACEUTICALS INDUSTRIES LIMITED	8849	7.37	0	8849	7.37	0	0
5	JAGDISH J. KAPADIA	3167	2.64	0	3167	2.64	0	0
6	NEW COMMERCIAL MILLS CO. LTD	1	0	0	1	0	0	0
	<b>TOTAL</b>	<b>101191</b>	<b>84.33</b>	<b>0</b>	<b>101191</b>	<b>84.33</b>	<b>0</b>	<b>0</b>

iii. Change in Promoter's Shareholding-During the year there is no change in the promoter's shareholding.

IV. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M/s. Pramilla Estates Private Limited				
	Opening Balance	629	0.52	629	0.52
	Changes during the year	-	-	629	0.52
	Closing Balance	629	0.52	629	0.52
2	Meherbai Nadaishaw Mulla				

# POLSON LIMITED

	Opening Balance	200	0.16	200	0.16
	Changes during the year	-	-	200	0.16
	Closing Balance	200	0.16	200	0.16
3	Prakashchandra S. Seksaria				
	Opening Balance	200	0.16	200	0.16
	Changes during the year	-	-	200	0.16
	Closing Balance	200	0.16	200	0.16
4	Surendra Bhagwandas				
	Opening Balance	170	0.14	170	0.14
	Changes during the year	-	-	170	0.14
	Closing Balance	170	0.14	170	0.14
5	Manubhai Maneklal				
	Opening Balance	165	0.14	165	0.14
	Changes during the year	-	-	165	0.14
	Closing Balance	165	0.14	165	0.14
6	Trity Rustome Tehrani				
	Opening Balance	150	0.12	150	0.12
	Changes during the year	-	-	150	0.12
	Closing Balance	150	0.12	150	0.12
7	Mahendra Girdharilal				
	Opening Balance	148	0.13	-	-
	Changes during the year				
	Sale	-72	0.06	-76	0.06
	Sale	-76	0.06	-	-
	Closing Balance	-	-	-	-
8	Ameo Prova Bhowal				
	Opening Balance	134	0.11	134	0.11
	Changes during the year				
	Closing Balance	134	0.11	134	0.11
9	Sushiladevi Nagori				

# POLSON LIMITED

	Opening Balance	120	0.1		
	Changes during the year				
	Sale	-50	0.04	70	
	Sale	-50	0.04	20	
	Sale	-20	0.02	-	-
	Buy	25	0.02	25	0.02
	Sale	-25	0.02	-	-
	Buy	25	0.02	25	0.02
	Sale	-25	0.02		
	Closing balance	-	-	-	-
10	Chandra Maya Loughran				
	Opening Balance	120	0.10	120	0.10
	Changes during the year	-	-	120	0.10
	Closing Balance	120	0.10	120	0.10

## v) Shareholding of Directors and Key Managerial Personnel

SN	For Each of the Top 10 Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Directors</b>				
1	Amol Kapadia				
	Opening Balance	12000	10%	12000	10%
	Changes during the year	Nil	Nil	12000	10%
	Closing Balance	12000	Nil	12000	10%
2	Sushila Kapadia				
	Opening Balance	12835	10.6%	12835	10.6%
	Changes during the year	Nil	Nil	12835	10.6%
	Closing Balance	12835	10.6%	12835	10.6%

## V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				

i) Principal Amount	672337842	-	-	672337842
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition		-	-	-
* Reduction	46017586	-	-	46017586
<b>Net Change</b>	-46017586	-	-	-46017586
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	626320256	-	-	626320256
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	626320256	-	-	626320256

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD	Total Amount
		Amol Kapadia	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	750000 p.m.	750000 p.m.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil -	Nil
5	Others, please specify	Nil	Nil
	Total (A)	750000 p.m	750000 p.m.
	Ceiling as per the Act	5% of Net Profit of the Company	5% of Net Profit of the Company

B. Remuneration to other directors- Company does not paid any remuneration including sitting fees to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1	Independent Directors	-	-	-	-	-

	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	--	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	--	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-		-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	15000 p.m.	-	15000 p.m.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	Nil	-	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	Nil	-	Nil
2	Stock Option	-	Nil	-	Nil
3	Sweat Equity	-	Nil	-	Nil
4	Commission	-	Nil	-	Nil
	- as % of profit	-	Nil	-	Nil
	Others ( Consultancy Fees)	-	Nil	78665 p.m.	Nil
5	Others, please specify	-	Nil	-	Nil
	Total		15000 p.m.	78665 p.m.	15000 p.m.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Polson Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Polson Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(not applicable to the Company during the financial year)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company during the financial year)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the Company during the financial year)**
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(not applicable to the Company during the financial year)**
- (6) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - (7) Employees State Insurance Act, 1948
  - (8) Equal Remuneration Act, 1976
  - (9) Maternity Benefits Act, 1961
  - (10) Payment of Bonus Act, 1965
  - (11) Payment of Gratuity Act, 1972
  - (12) Shop & Establishment Act, 1948
  - (13) The Factories Act, 1948

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *subject to the following observations:*

1. *As required under Clause 40A of Listing Agreement the Company has not maintained minimum public shareholding, i.e. 25% of the listed shares.*
2. *The company has maintained charge register and all current details of charges are updated. But details regarding old charges being not available, the same has not been updated.*



3. *The Company has not maintained its website properly as required under Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015;*

We further report that;

- a) the Board of Directors of the Company is *not duly* constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least even days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members 'views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the following event has taken place in the company;

- During the year, the Company has come up with the rights issue, but the same was under subscribed and hence the Company has withdrawn the Letter of Offer submitted with Securities and Exchange Board of India (SEBI). The Company has refunded the share application money within 15 days from the closure of the issue.

We further report that during the audit period, the company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

**For Mihen Halani & Associates  
Practicing Company Secretaries**

**Date: 01.08.2017**

**Place: Mumbai**

**Mihen Halani  
Proprietor  
C.P. No.: 12015  
ACS No: 32176**

**APPENDIX A**

To,  
The Members,  
Polson Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mihen Halani & Associates**  
***Practicing Company Secretaries***

**Date: 01.08.2017**  
**Place: Mumbai**

**Mihen Halani**  
***Proprietor***  
**C.P. No.: 12015**  
**ACS No: 32176**

**MANAGEMENT DISCUSSION AND ANALYSIS****Industry Scenario: Global & Indian Chemical Industry**

The global demand for specialty chemicals is expected to grow at a CAGR of 5.42% from 2015 to 2020. The Asia-Pacific region remains the largest market for specialty chemicals, in terms of value followed by North America. The Asia-Pacific market is projected to register good growth on account of the growing end-user industries such as construction, automotive, plastic, and electronics.

The specialty chemicals market has emerged as one of the most crucial chemicals segment across the globe. The specialty chemicals market is dominated by large players who have diversified portfolios and employ sophisticated and modern management approach such as Dow Chemicals, BASF, DuPont, Akzo Nobel, and DSM. These market participants have been aggressive in their acquisitions and have been focusing on multi-chemical abilities, thus employing a commodity-based approach to the market.

The chemical industry has traditionally grown in developed countries of the West and Japan. However, changing market dynamics over the last ten years have resulted in global chemical production, moving to Asia, particularly in China and India. Specialty chemicals, which are consumed by the diverse end product markets, are the key contributors to this changing landscape. It is because the rise in the use of specialty chemicals has led to a higher level of commoditization, thereby compelling manufacturers to focus more on cost reduction.

The Indian chemical sector accounts for 13-14% of total exports and 8-9% of total imports of India. In terms of volume of production, it is the twelfth-largest in the world and the third-largest in Asia. Currently, the per capita consumption of products of the Indian chemical industry is one-tenth of the world average, which reflects the huge potential for further growth. The Indian advantage lies in the manufacturing of basic chemicals that are also known as commodity chemicals that account for about 57% of the total domestic chemical sector.

**Specialty Chemical Segment**

Specialty chemicals are synthetic products used as intermediates to manufacture various products ranging from pharmaceuticals to flavors and essences, and from agro chemicals to detergents. Unlike other chemical products, the specialty chemical segment has greater flexibility, small production volume and vast product categories.

Specialty chemicals are high-value added chemicals used to manufacture a wide range of products, including pharmaceuticals, fine chemicals, additives, advanced polymers, adhesives, sealants, paints, pigments and coatings.

The demand from end-user industries has improved the growth prospects of several specialty chemicals segments in Asia. Currently, the Indian specialty chemicals industry is still at a nascent stage and is expected to grow rapidly over next couple of years as it moves

toward higher-quality products and applications, in both industrial and consumer segments.

The demand for environment friendly solutions and stringent emission control legislations has opened up new frontiers especially for the specialty chemical industry. The greater emphasis on energy efficiency and curbing greenhouse emissions has also contributed to demand for specialty chemical products, such as photovoltaic solar cells, electrode materials, insulating materials and chemicals.

### **Indian chemical industry - Growth Scenario**

The global economic environment has remained sluggish as growth in the major advanced economies decelerated due to a significant negative short-run effect of fiscal consolidation on domestic output, thereby resulting in subdued trade and languid labour markets, restraining the overall demand. Persistent recessionary conditions in the United States and Europe, and the fragility in some global key end markets have led to sinking demand for chemical products. Chemical companies located in the Asia-Pacific geographies faced the brunt of the economic conundrum mainly due to weaker demands in the West.

Amidst low levels of growth in the developed economies, global demand for chemicals is likely to remain downcast. However, with manufacturers shifting their focus on emerging economies, Indian chemical industry is poised to increase its share of global chemical industry pie.

Primarily being regarded as producer of basic chemicals, Indian chemical industry has forged ahead to earn a global repute as a manufacturer of specialty and high value-added chemicals on the back of strong R&D.

With significant labor cost advantages, rising domestic demand in end-user segments, expanding exports fueled by improved export competitiveness, new market opportunities, infrastructure investments along with regulatory reforms and the federal government's fiscal incentives- the growth of the Indian chemical industry is expected to continue.

According to estimates, the India's chemical industry is slated to grow at 11 percent year-on-year, to USD 134 billion by 2015 and USD 244 billion by 2017. India is also expected to evolve as a global chemical manufacturing hub.

### **Government Policies and FDI Investments:**

Government recognizes Chemical industry as a key growth element of Indian economy. In Chemical Sector, 100% FDI is permissible. Manufacture of most of chemical products is delicensed. The entrepreneurs need to submit only IEM with the DIPP provided no locational angle is involved. Only the following items are covered in the compulsory licensing list because of their hazardous nature.

- Hydrocyanic acid & its derivatives
- Phosgene & its derivatives
- Isocyanates & di-isocyanates of hydrocarbons

A number of initiatives have been proposed in the 12th 5-year plan (2012-2017) to boost the growth of Indian Chemical industry

## **Opportunities**

The Company uses Natural Raw Materials like Hirda, Tamarind Testa etc in the manufacturing process. The residue of these raw materials is further used as FUEL for Boiler, thus reducing the consumption of Furnace Oil. Also today the company is Asia's largest manufacturer and exporter of natural based vegetable tannin extracts and Eco-friendly leather chemicals.

## **Threats**

**The market for our product is positive.** Over the years the company became 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.

## **Risks and Concerns**

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.

## **Human Resource:**

Performance measurement is a fundamental principle of the management. The measurement of performance is important because it identifies current performance gaps between current and desired performance and provides indication of progress towards closing the gaps. The Human Resource Department has carefully selected key performance indicators and has taken necessary steps to improve performance of our workforce.

## **Internal Control System**

The Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes, which consists of implementing and adopting appropriate management systems, are followed. These are aimed at giving the Audit Committee, reasonable assurance on the reliability of financial reporting, statutory and regulatory compliances, effectiveness and efficiency of the Company's operations. The internal control systems are reviewed periodically and revised to keep in tune with the challenging business environment. Internal audit focuses on control systems, optimum utilization of resources, prevention of frauds, adequacy of information system, security and control and compliance with risk management systems.

**Cautionary Statement**

*Statements in the Management Discussion and Analysis describing the Company' objectives, projections, estimates, expectations may be "forward- looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include climatic conditions, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.*

**For and On behalf of the Board of Directors**

**Polson Limited**

Place: Mumbai

Sd/-

Date: 01.09.2017

Sudhir Nevatia

**Chairman**

**REPORT ON CORPORATE GOVERNANCE**

The Directors' Report on the compliance of the Corporate Governance Code is given below:

**CORPORATE GOVERNANCE:**

- **Company's Philosophy on Corporate Governance:**

The Company subscribes fully to the principles and spirit of sound Corporate Governance and embodies the principles of fairness, transparency, accountability and responsibility into the value systems driving the Company. The Company is committed to attain high standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvements of internal controls and sound investor relations. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder's value over a sustained period of time. The Company has implemented the mandatory requirement of Corporate Governance as set out under Part C of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

**BOARD OF DIRECTORS:**

- **Composition of Board:**

The Company has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with extant Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the company has changed its composition in compliance with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Non-Executive Directors include independent professionals with experience in business, finance, taxation, technology and media.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As year ended on 31st March, 2017, the total Board strength comprises of the following:

<b>Category</b>	<b>No. of Directors</b>
Executive Directors (Including Managing Director)	3
Non Executive Independent Directors	3
Non Non-Executive Non Independent Directors	1
<b>Total Strength</b>	<b>7</b>

Directors are appointed or re-appointed with the approval of the shareholders. The Managing Director(s) and all the Non executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders.

As required under Section 149(3) of the Companies Act, 2013, Mrs. Sushila J. Kapadia, a woman Director is on the Board.

- Company Secretary of the Company is the Secretary of all Board and Board Committee meetings.

- **Profile of Directors**

The brief profile of each Director is given below:

- i. **Mr. Amol Kapadia (Executive, Managing Director)**  
Mr. Amol Jagdish Kapadia, aged 52 years is the Managing Director of the Company. He has completed his Masters in Business Administration from IMD, Lausanne, Switzerland and is a Graduate in Commerce from Sydenham College of Commerce & Economics. He has been associated as a 15 Director of the Company since 1987.
- ii. **Mrs. Sushila Kapadia (Non-Executive, Non-Independent)**  
Mrs. Sushila Jagdish Kapadia, aged 82 years is a graduate in Arts from Elphinstone College, Mumbai. She has earlier worked at the Government of India Tourist offices located in Mumbai, India and New York, USA. She is has been National Champion in Badminton three times and a Triple Crown holder in the nationals. She also represented India in the first International Ladies Badminton Championship – the Betty Uber Cup.
- iii. **Mr. Pradip Pai (Non-Executive, Independent Director)**  
Mr. Pradip Pai has done its Bachelor of Commerce from Sydenham College of Commerce, Mumbai. He was also management trainee from Mahindra & Mahindra Ltd. He is the promoter of Epic Financial Consultancy Services Pvt. Ltd, a Registrar & Transfer Agency. He is a promoter director of Mangal Keshav Securities Ltd, a premier Broker in the Equities & Derivatives Market in India. He is the owner of Health and Fitness Space. He involved in setting up a chain of Fitness & Yoga related studio's.
- iv. **Mr. Sudhir Nevatia(Non-Executive, Independent Director)**  
Mr. Sudhir Nevatia is Bachelor of Commerce and Associate Member of Institute of Chartered Accountants of India. He has 12 years experience in the business of importing foods. Currently he is engaged in import and marketing of processed food products. Mr. SudhirNevatia was appointed as Independent Director with effect from June 21, 2013.
- v. **Mr. Pravin Samant ( Executive Professional Director)**  
Mr. Pravin Samant aged 60 years is a graduate in Science. He has overall work experience of nearly 39 years. He is Executive, Non-Independent Director. Mr. Pravin Samant was appointed as Director with effect from April 1, 2004. He has appointed as a Whole Time Director of the Company with effect from August 01, 2008. Mr. Pravin Samant designation has been changed to Director with effect from August 01, 2013.
- vi. **Mr. Dhau Lambore( Executive Professional Director)**  
Mr. Dhau Lambore aged 63 years is undergraduate. He has overall work experience of nearly 38 years. He is Executive, Non-Independent Director. Mr. Dhau Lambore was appointed as a Whole Time Director of the Company with effect from May 12, 2008. Mr. Pravin Samant designation has been changed to Director with effect from May 12, 2013.
- vii. **Mr. Haren Sampat (Non-Executive Independent Director)**  
Mr. Haren Sampat aged 57 years is a graduate in Commerce from Bombay University. He has reach work experience of 35 years in business management. He is Non-Executive, Independent Director. He is well versed in the business management. Mr. Haren Sampat has resigned from the directorship of the Company with effect from July 8, 2016.



**viii. Mr. Abhay Bhalerao (Non-Executive Independent Director)**

Abhay Bhalerao aged 49 years is a Bachelor of Mechanical Engineering. He is promoter of Amrut Software Private Limited. He has experience of over 15 years and is being instrumental for opening up the Indian market to International software majors such as Allaire, Starbase, Empirix, Borland. He was earlier with Fouress engineering in Agar interface products and then with Infomatics SET Marketing for selling of Allairs Cold Fusion, Robohelp, Turbo Analyst, True Soft, Starteam, Empirix – eTest / eLoad etc. He specializes in Starteam, Empirix SA well as Rational’s SQA. Currently he is on board of ‘The barking deer’ Brewpub in Mumbai and A Co-Promoter of ‘That’s Personal’ a Personal Wellness Website. Mr. Abhay Bhalerao was appointed post financial year w.e.f. July 15, 2016.

- **Directors Resigned / Retired during the year**

Mr. Haren Sampat has submitted his resignation from the Board of Directors of the Company with effect from July 8, 2016.

- **Board Training and Induction**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and other relevant regulations and his affirmation taken with respect to the same.

- **Meetings, agenda and proceedings etc. of the Board Meeting:**

Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. During the year ended on 31st March, 2017, the Board of Directors had 13 meetings. These were held on 30.05.2016, 01.06.2016, 01.07.2016, 15.07.2016, 01.08.2016, 20.08.2016, 31.08.2016, 01.10.2016, 14.11.2016, 30.11.2016, 12.12.2016, 18.01.2017 and 14.02.2017. The last Annual General Meeting (AGM) was held on 30.09.2016 which was adjourned due to lack of quorum and re-scheduled on 07.10.2017. The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2017, and at the last AGM is as under:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. Amol J. Kapadia	Managing Director/Executive Director	13 of 13	Yes
2.	Mrs. Sushila J. Kapadia	Chairman/Director	13 of 13	Yes
3.	Mr. Pravin D. Samant	Director	13 of 13	No
4.	Mr. Dhau Lambore	Director	13 of 13	No

5.	Mr. Sudhir Nevatia	Independent Director	13 of 13	Yes
6.	Mr. Pradip Pai	Independent Director	13 of 13	No
7.	Mr. Haren Sampat*	Independent Director	03 of 13	No
8.	Mr. Abhay Bhalerao#	Independent Director	09 of 13	No

\*Mr. Haren Sampat has resigned from the Directorship w.e.f. July 8, 2016

#Mr. Abhay Bhalerao was appointed w.e.f. July 15, 2016

**Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on February 14, 2017 to review the performance of Non-independent Directors and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

**Agenda:**

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.

**Support and Role of Company Secretary:**

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

• **Other Directorships etc.:**

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31<sup>st</sup> March, 2017, are given below:-

Sr. No.	Name of the Director	Other Directorship #	Committee Positions ##	
			Chairman	Member
1.	Mr. Amol J. Kapadia	4	1	3
2.	Mrs. Sushila J. Kapadia	4	Nil	1
3.	Mr. Pravin Samant	Nil	Nil	Nil
4.	Mr. Dhau Lambore	3	Nil	Nil
5.	Mr. Sudhir Nevatia	1	1	1
6.	Mr. Pradip Pai	1	1	3
7.	Mr. Haren Sampat#	1	Nil	Nil
8.	Mr. Abhay Bhalerao\$	Nil	Nil	Nil

# Includes Directorships of Public Limited Companies other than Polson Limited.

## Includes only Audit Committee and Stakeholders' Relationship Committee of Public limited companies (whether Listed or not) other than Polson Ltd.

# Mr. Haren Samat has resigned from the Directorship w.e.f. July 8, 2016.

\$Mr. Abhay Bhalerao has been appointed as an Independent Director w.e.f. July 15, 2016.

#### **Evaluation of the Board's Performance:**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

#### **Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety,

transparency and compliance of laws & regulations etc. The Code of Conduct is posted on the website of the Company.

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

**Prevention of Insider Trading Code:**

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The Company has appointed Mr. Milin Ramani, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

**COMMITTEES OF THE BOARD:**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings.

The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

**a) Audit Committees – (Constituted on 21.06.2013)**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Audit Committee comprises three Non-Executive Directors and one Executive Director who are well versed with financial matters and corporate laws. The Audit Committee met four times in 2016-2017 financial year on 30.05.2016, 20.08.2016, 14.11.2016 and 14.02.2017. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 07.10.2016.

The composition of the Committee during year ended March 31, 2017 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during year ended March 31, 2017	
			Held	Attended
Mr. Sudhir Nevatia	Independent, Non-Executive	Chairman	4	4

Mr. Pradip Pai	Independent, Non-Executive	Member	4	4
Mr. Amol Kapadia	Executive	Member	4	4
Mr. Haren Sampat	Independent, Non-Executive	Member*	4	1
Mr. Abhay Bhalerao	Independent, Non-Executive	Member\$	4	3

\*Mr. Haren Sampat has resigned from the Directorship w.e.f. July 8, 2016

\$Mr. Abhay Bhalerao appointed w.e.f. July 15, 2016.

### ***Role of the Audit Committee***

The terms of reference for the Audit Committee are broadly as under:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommending the appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in Director's Responsibility Statement included in Board's report.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries based on exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency;
- 7) Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;

- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO;
- 20) To review report submitted by Monitoring Agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable;
- 21) Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

**b) Stakeholders' Relationship Committee (SRC) - (Constituted in 2013-2014)**

In terms of Section 178(5) of the Companies Act, 2013, the Company has rechristened the Shareholders/Investors grievance Redressal Committee as "Stakeholders' Relationship Committee".

Pursuant to section 178 (5) of Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 stakeholder's relationship committee must fulfill below mentioned points:

- chairman of this committee shall be a non-executive director.

The Committee periodically reviews the status of Shareholders' Grievances and Redressal of the same. The Committee met 4 times in 2016-2017 - on 30.05.2016, 20.08.2016, 14.11.2016, and 14.02.2017. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 07.10.2016.

The composition of the Committee during year ended March 31, 2017 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during year ended March 31, 2017	
			Held	Attended
Mr. Pradip Pai	Independent, Non-Executive	Chairman	4	4
Mr. Amol Kapadia	Non-Independent & Executive	Member	4	4
Mr. Haren Sampat	Independent Non-Executive	Member*	4	1
Mr. Abhay Bhalero	Independent, Non-Executive	Member§	4	3

\*Mr. Haren Sampat resigned from the directorship of the Company w.e.f. July 8, 2016.

§ Mr. Abhay Bhalerao appointed w.e.f. July 15, 2016.

In accordance with Regulation 40(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has authorised Mr. Milin Ramani, Company Secretary and Compliance Officer, to severally approve share transfers/transmissions, in addition to the powers with the members of the SRC. Share Transfer formalities are regularly attended to at least once a fortnight.

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

Nature of Complaints	Opening	Received During the Year	Resolved	Pending Resolution
Non Receipt of Bonus Shares	Nil	Nil	Nil	Nil
Non Receipt of Transferred Shares	Nil	Nil	Nil	Nil
Non Receipt of Dividend	Nil	Nil	Nil	Nil
Non Receipt of Revalidated Dividend Warrants	Nil	Nil	Nil	Nil
Letters from SEBI / Stock Exchanges, Ministry of Corporate Affairs etc.	Nil	Nil	Nil	Nil
Demat Queries	Nil	Nil	Nil	Nil
Non-receipt of CAF's in Rights Issue	Nil	2	2	Nil

None of the complaints is pending for a period exceeding 30 days. All the requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

Over and above the aforesaid complaints, the Company and its Registrar & Share Transfer Agent have received letters / queries / requests on various matters such as change of address, change of bank particulars, ECS mandate, nomination request etc. and we are pleased to report that except for requests received during the year end which are under process, all other queries / requests have been replied on time.

## c) Nomination and Remuneration Committee - (Constituted in 2013-2014)

Pursuant to Section 178(1) of the Companies Act, 2013, the Company has constituted the Committee titled "Nomination and Remuneration Committee."

Pursuant to section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, nomination and remuneration committee must fulfill below mentioned points:

- the committee shall comprise of **at least three directors** ;
- **all directors of the committee shall be non-executive directors**;
- at least **fifty percent** of the directors shall be **independent directors**.

During the year two meetings was held on July 01, 2016 and July 15, 2016. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 07.10.2016 The composition of the Committee during year ended March 31, 2017 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year ended March 31, 2017	
			Held	Attended
Mr. Pradip Pai	Independent, Non-Executive	Chairman	1	1
Mr. Sudhir Nevatia	Non-Executive Independent	Member	1	1
Mr. Haren Sampat	Independent, Non-Executive	Member*	1	1
Mr. Abhay Bhalerao	Independent, Non-Executive	Member\$	1	N.A.

\*Mr. Haren Sampat resigned from the directorship of the Company w.e.f. July 8, 2016.

\$Mr. Abhay Bhalerao appointed w.e.f. July 15, 2016.

The broad terms of reference of the Nomination and Remuneration Committee are:

- 1) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board, policies relating to the remuneration of the Directors, key managerial personnel and other employees;
- 2) To formulate the criteria for evaluation of all the Directors on the Board;
- 3) To devise a policy on Board diversity; and
- 4) To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

In terms of the provisions of Section 178(3) of the Act and Part D of Schedule II of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.



In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes, which is reproduced in Annexure-I and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure-II to the Director's Report.

**Remuneration Policy:**

1) Remuneration to Non-Executive Directors

The Company has not paid any remuneration to Non-Executive Directors.

2) Managing Director and other employees of the Company

Remuneration of Rs. 90,00,000/- p.a. paid to Managing Director of the Company.

Sitting fees and commission paid to Non-Executive Directors

The Company has not paid sitting fees and commission to its Non-Executive Directors.

Remuneration paid to Managing Director for the year ended March 31, 2017

Name	NAME
Salary	90,00,000/- p.a.

**d) Corporate Social Responsibility (CSR) Committee - (Constituted in 2015-16)**

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" on 14.02.2015 comprising three Directors including Mr. Pradip Pai Independent, Non-Executive Director – Mrs. Sushila Kapadia (Chairman) and Mr. Amol J. Kapadia.

Committee of the Board shall consist three or more Directors, out of at least one director shall be an Independent Director.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR Policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013.

The Committee members met once during the financial year 2016-17 on February 14, 2017. The composition of the Committee during the year is as follows:

Name	Category	Position	Number of meetings during the year ended March 31, 2017	
			Held	Attended
Mrs. Sushila Kapadia	Non-Independent, Non-Executive	Chairman	1	1
Mr. Amol J. Kapadia	Non-Independent, Executive	Member	1	1
Mr. Pradip Pai	Independent Non-Executive	Member	1	1

The CSR Policy devised in accordance with Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives taken by the Company on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure to the Directors Report.

The activities undertaken by the Company pursuant to the CSR Policy have been outlined in the Corporate Sustainability Initiatives Report published elsewhere in this Annual Report.

**e) Risk Management Committee**

The Risk Management Committee does not applicable to our Company.

**f) Independent Directors' Meeting**

During the year under review, the Independent Directors met on 14.02.2017, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Name and Address- **Mrs. Sampada Sawant**  
**Company Secretary**  
**Polson Ltd.**  
**615/616 Churchgate Chambers**  
**5 New Marine Lines Road,**  
**Churchgate Mumbai-400 020**  
**Email-sampada@polsonltd.com**

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

## GENERAL BODY MEETINGS:

### (i) Annual General Meeting (AGM):

The location, time and venue of the last three Annual General Meetings were as under:

Meeting	Date and Time	Venue	Special resolutions passed
73 <sup>d</sup> Annual General Meetings	Tuesday 30 <sup>th</sup> September, 2014	Chitra Kuti at Ambaghat Vishalgad, Taluka-Shahuwadi dist. Kolhapur-415 101 at 11.30 a.m.	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Sudhir Nevatia as an Independent Director for Five years</li> <li>2. Appointment of Mr. Nakul Patel as an Independent Director for Five years.</li> <li>3. Appointment of Mr. Pradip Pai as an Independent Director for Five years.</li> <li>4. Re-Appointment of Mr. Amol Kapadia, Managing Director of the Company for 3 years w.e.f April 01, 2014.</li> </ol>
74 <sup>th</sup> Annual Meeting	Wednesday 30 <sup>th</sup> September 2015	at Chitra Kuti at Ambaghat Vishalgad, Taluka-Shahuwadi dist. Kolhapur - 415 101 at 11.30 a.m.	<ol style="list-style-type: none"> <li>1. Adoption of new set of Articles of Association of the Company.</li> <li>2. Appointment of Mr. Haren Sampat as an Independent Director for the Five years.</li> </ol>
75 <sup>th</sup> Annual Meeting	*Friday 7 <sup>th</sup> October, 2016	at ChitraKuti at Ambaghat Vishalgad, Taluka-Shahuwadi dist. Kolhapur-415 101 at 11.30 a.m.	<ol style="list-style-type: none"> <li>1. Appointment of M/s G. N. N. &amp; Associates, Chartered Accountant as Statutory Auditors of the Company for a term of 5 years until conclusion of the Annual General Meeting to be held for the FY 2021.</li> <li>2. Appointment of Mr. Abhay Bhalerao as an Independent Director for the Five years.</li> </ol>

\* 75<sup>th</sup> Annual General Meeting was adjourned due to lack of quorum and rescheduled on Friday October 7, 2016.

### (ii) Extra Ordinary General Meeting (EGM):

No Extra Ordinary General Meeting held during the year.

In compliance with the law, all the members were given an option to vote through electronic means on all the resolutions of the Notice using the CDSL platform. The Company had also provided for ballot form (in lieu of e-voting) to shareholders who do not have access to e-voting. The approval

of the equity shareholders at the above meeting was sought by conducting Polls as per the provisions of the Companies Act, 2013. The Board of Directors has appointed Mr. Mihen Halani, Practicing Company Secretary in whole time practice as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The following resolution was passed with the requisite majority as stipulated under the Companies Act, 2013:-

- a) Adoption of audited balance sheet as at 31.03.2016 along with the Profit & Loss Account for the year ended March 31, 2016.
- b) Appointment of Mrs. Sushila Kapadia as a Director liable to retire by rotation.
- c) Appointment of M/s G N N & Associates Chartered Accountant as auditors for a period of 5 years.
- d) Appointment of Mr. Abhay Bhalerao as an Independent Director for Five years.

(iii) **Postal Ballot:**

During the year the Company has not conducted postal ballot.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

**SUBSIDIARY COMPANY:**

The Company does not have any direct subsidiary.

**RELATED PARTY TRANSACTIONS:**

For related party transactions, refer Note No. 27.2a and 27.2b to Accounts annexed to the Financial Statements. The Company has adopted policy on dealing with Related Party Transactions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions.

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DISCLOSURES:**

- i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.-

There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. during the financial year, that may have potential conflict with the interests of the Company at large.

- ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.-

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

- iii. Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee.

The Board of Directors of the Company has adopted a Whistle Blower Policy for establishing a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy has been posted on the Company's internet site. The Company affirms that no employee has been denied access to Audit Committee.

- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company is in compliance with the mandatory requirements mentioned under Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent applicable.

- v. Disclosures from key managerial personnel and senior management

The Board has received disclosures from key managerial personnel and senior management relating to material financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

- vi. Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

- vii. Independent Director

The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**CEO/CFO CERTIFICATION:**

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

**i) Shareholder Rights**

The Company posts the quarterly, half yearly and annual financial results on its website [www.polsonltd.com](http://www.polsonltd.com)

**ii) Audit qualifications**

During the financial year under review, there are some audit qualifications in the Company's financial statements on which directors have given their comments. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

**iii) The Board of Directors**

The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They Endeavour to keep themselves updated with changes in the economy, legislation and technologies.

**iv) Mechanism for evaluation of Non-Executive Board Members (NEDs)**

The Board of Directors of the Company, at present, comprises three NEDs. The Directors appointed from diverse fields which are relevant to the Company's business and they have long standing experience and experts in their respective fields. They have gained considerable experience in managing large corporate and have been in public life for decades. The enormously rich and diverse background of the directors is of considerable value to the Company.

The NED's add substantial value through discussions and deliberations at the Board and Committee Meetings. Besides contributing at the Board and Committee meetings, the NED's also have detailed deliberations with the Management Team and add value through such deliberations.

**v) Reporting of Internal Auditor**

The internal auditor of the Company report directly to the audit committee.

## MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in Free Press Journal and Nav Shakti.

These results are simultaneously posted on the website of the Company at [www.polsonltd.com](http://www.polsonltd.com) and also uploaded on the website of the Bombay Stock Exchange of India Ltd.

## SEBI Complaints Redress System (SCORES)

A centralized web-based complaints Redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

## Website

Comprehensive information about the, its business and operations, and Investor information can be viewed at the Company's website. The Investor Relations section serves to inform the investors by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern, etc.

## GENERAL INFORMATION TO SHAREHOLDERS

### 1. Annual General Meeting (AGM)

Date	<b>29<sup>th</sup> September 2017</b>
Day	<b>Friday</b>
Time	<b>11.30 a.m.</b>
Venue	<b>ChitraKuti at AmbaghatVishalgadTaluka-Shahuwadi Dist. Kolhapur-415 101</b>

### 2. Financial Year:

Financial Year - 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.

### 3. Financial Calendar:

The Company follows the period of 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018, as the Financial Year.

First quarterly results	On or before August 14, 2017
Second quarterly / Half yearly results	On or before November 14, 2017
Third quarterly results	On or before February 14, 2018
Annual results for the year ending on March 31, 2018	On or before May 30, 2018
Newspaper where the results are published	Free Press and Nav Shakti
Website where the financial results, shareholding pattern, annual report etc. are uploaded	<a href="http://www.polsonltd.com">www.polsonltd.com</a> , <a href="http://www.bseindia.com">www.bseindia.com</a>

### 4. Date of Book Closure:

Friday, 22<sup>nd</sup> September 2017 to Friday, 29<sup>th</sup> September, 2017  
(both days inclusive)

### 5. Listing on Stock Exchange:

The Equity Shares of the Company are listed on:

#### **Bombay Stock Exchange Limited (BSE)**

Phiroze Jeejeebhoy Towers  
Dalal Street Mumbai – 400 001

The Company has paid listing fees to the exchange and has complied with the listing requirements. The Company has also paid annual custodian fee for the year under review to NSDL & CDSL.

6. Stock Code:

<b>Stock Exchange</b>	<b>Code</b>
BSE	507645
Demat ISIN Numbers in NSDL and CDSL	INE339F01021
CIN	L15203PN1938PLC002879

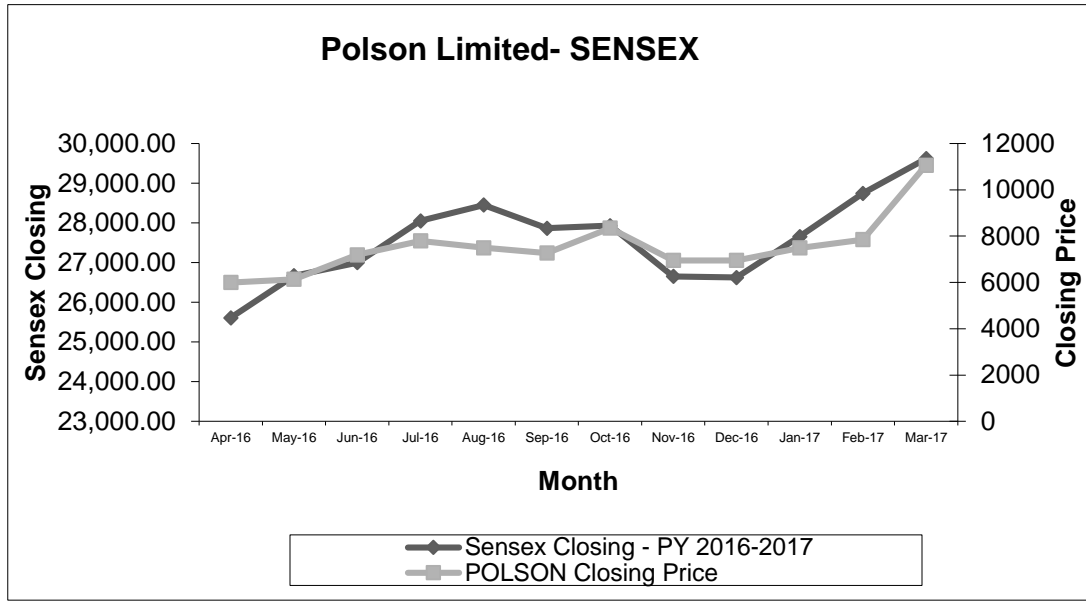
7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2017 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

<b>Month</b>	<b>Bombay Stock Exchange (Face Value of Rs. 50/- Per Share)</b>	
	<b>High</b>	<b>Low</b>
April 2016	7400	6001
May 2016	6295	5558
June 2016	8966	6311
July 2016	8000	7001
August 2016	7900	6900
September 2016	7570	6800
October 2016	8600	7126
November 2016	8400	6701
December 2016	7299	6800
January 2017	7689	6856
February 2017	7998	7130
March 2017	11068	7400



8. Performance in comparison to Bombay Stock Exchange Limited SENSEX



10. Registrar and Share Transfer Agents:

**M/s. Purva Sharegistry (India) Private Limited**

Unit No. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg,  
Landmark: Behind Delisle Road HP Petrol Pump NearLodha Excelus,  
Lower Parel (East) Mumbai-400 011  
Email ID: [purvashr@gmail.com](mailto:purvashr@gmail.com)

11. Investor's Complaints to be addressed to:

Registrar and Share Transfer Agents at the above mentioned addresses.

12. Share Transfer System:

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

14. Distribution of Shareholding as on March 31, 2017 is as under:

Category	Shareholders		Face Value of Rs. 50/- Per Share	
	Numbers	% of shareholders	Amount (Rs.)	% of Amount
1 – 5000	2126	99.35	846700	14.11
5001 – 10000	8	0.37	62350	1.04
10001 – 20000	0	0	0	0
20001-30000	0	0	0	0

30001-40000	1	0.05	31450	0.52
40001-50000	0	0	0	0
50001-100000	0	0	0	0
100000 and above	5	0.23	5059500	84.32
<b>TOTAL</b>	<b>2140</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

14. Dematerialization of Shares and Liquidity:

About 88.49% of total equity share capital is held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2017.

The break-up of Equity shares held in physical and Demat form as on March 31, 2017 is given below:

<b>Particulars</b>	<b>Shares</b>	<b>%</b>
Physical Shares	13808	11.51%
<b>Demat Shares</b>		
NSDL	1,04,840	87.37%
CDSL	1352	1.12%
<b>Total</b>	<b>120000</b>	<b>100</b>

For any assistance in converting physical shares in electronic form, investors may approach Registrar and Share Transfer Agents at the above mentioned addresses.

15. Compliance Officer:

Mrs. Sampada Sawant  
 Company Secretary  
 615/616 Churchgate Chambers,  
 5 New Marine Lines Road,  
 Churchgate Mumbai-400 020  
 Tel. No: 022-22626439  
 Fax : 022-22626437  
 Email ID: compliance@polsonltd.com

16. Bank Details for electronic shareholding:

Members are requested to notify their Depository Participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts, including MICR codes of their banks, to their DPs.

**17. Shareholding Pattern as on March 31, 2017:**

The shareholding of different categories of the shareholders as on March 31, 2017 is given below:-

<b>Sr. No.</b>	<b>Category of Shareholders</b>	<b>Total Holdings</b>	<b>% of Shareholdings</b>
1.	Promoter & Promoter Group	101191	84.33%
2.	Mutual Funds and UTI	Nil	Nil
3.	Banks, Financial Institutions, Insurance Companies and Venture Capital Fund	260	0.22%
4.	Foreign Venture Capital Investor	75	0.06
5.	Private Corporate Bodies	892	0.74
6.	Indian Public	16975	14.15
7.	NRIs/OCBs	172	0.14
8.	Clearing Member	105	0.09
9.	Others	330	0.28
	<b>TOTAL</b>	<b>120000</b>	<b>100</b>

**18. Registered Office:**

Ambaghat Vishalgad,  
Taluka-Shahuwadi,  
Dist. Kolhapur,  
Kolhapur-415 101  
Maharashtra

**19. Permanent Account Number (PAN):**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**20. Pending Investors' Grievances:**

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

**21. Reconciliation of Share Capital Audit:**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

22. Half Yearly Certificates (Regulation 40 (9) & 40 (10) of SEBI (Listing Obligation and Disclosure Requirement) Regulations:

The Company has obtained and filed with the stock exchanges, the half yearly certificates received from Mr. Mihen Halani, Practicing Company Secretary for due compliance with shares transfer formalities as required under (Regulation 40 (9) & 40 (10) of SEBI (Listing Obligation and Disclosure Requirement) Regulations.

23. Outstanding GDRs or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity: N.A

24. Addresses for Correspondence

**Investor's Correspondence:**

For transfer of shares in physical form, dematerialization and rematerialisation:

**M/s. Purva Shareregistry (India) Private Limited**

Unit No. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg,  
Landmark: Behind Delisle Road HP Petrol Pump Near Lodha Excelus,  
Lower Parel (East) Mumbai-400 011  
Email ID: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

**Any query on Annual Report:**

Polson Limited  
Corporate Office:  
615/616 Churchgate Chambers  
5, New Marine Lines Road  
Churchgate, Mumbai-400 020  
Email ID: [sampada@polsonltd.com](mailto:sampada@polsonltd.com)

**Declaration Regarding Code of Conduct**

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the senior management personnel of the Company have confirmed compliance with the Code of conduct for the financial year ended March 31, 2017.

Amol Kapadia

Managing Director

Mumbai, 01<sup>st</sup> September, 2017

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MD/CFO Certification

The Board of Directors  
Polson Ltd.

We have reviewed the financial statements and the cash flow statement of M/s. Polson Ltd. for the year ended 31<sup>st</sup> March, 2017 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Sanjay Bhalerao  
Chief Financial Officer

Mumbai, 01.09.2017

Certificate

The Board of Directors  
POLSON LTD

We have examined the compliance of conditions of Corporate Governance by POLSON LIMITED for the year ended on 31st March, 2017, as per the relevant provisions of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 (Listing Regulations) for the period 1st April, 2016 to 31st March, 2017.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has not complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and is in the process of compliance with the conditions of Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mihen Halani & Associates**  
Practicing Company Secretary

Mihen Halani  
Proprietor  
CP No. 12015

Date: 01.09.2017  
Place: Mumbai



# **G N N & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

203, MINT CHAMBERS, MINT ROAD, OPP GPO, FORT, MUMBAI – 400 001

EMAIL: ca.girish.nagpal@gmail.com. Tel – 022-22650430.

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### **INDEPENDENT AUDITOR'S REPORT OF POLSON LIMITED**

**To The Members of,**

**POLSON LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of POLSON LIMITED, (“the company”), which comprises the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a Statement on the matters in paragraphs 3 and 4 of the Order.
  
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  
  - c) The Balance Sheet, and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
  
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  
  - e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in the notes to accounts accompanying the Financial Statements. Refer separate annexure of this report
  
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For G N N & Associates.**

*Chartered Accountants*

Firm's Registration No: 133442W

CA Girish Nagpal

Proprietor

Membership No: 144749

Mumbai

30<sup>th</sup> May, 2017.

**Companies (Auditor's Report) Order, 2016****Annexure "A" to the Independent Auditors Report**

The Annexure referred to in our report of Independent Auditors of Polson Limited ('The Company') for the year ended 31<sup>st</sup> March 2017. We report that:

(i)	<p>(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</p> <p>(b) Whether the title deeds of immoveable properties are held in the name of the company. If not, provide details thereof.</p> <p>(c) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;</p>	<p>The company has not maintained proper records of Fixed Assets.</p> <p>As the Company has not maintained the Fixed Asset Register, we are unable to get the list of all immovable properties held by the Company and its Title Deeds. According to the information and explanation given to us by the management, all the title deeds of immovable properties are held in the name of the Company.</p> <p>Yes. As stated by the Management, the Fixed Assets have been physically verified at regular intervals.</p> <p>No Material Discrepancies were noticed on such physical verification.</p>
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(ii)	<p>(a) Whether physical verification or inventory has been conducted at reasonable intervals by the management;</p> <p>(b) Whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;</p>	<p>Yes</p> <p>Few discrepancies were noticed on physical verification of inventory as compared to book records and the same has been properly dealt with in books of accounts.</p>
(iii)	<p>Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,</p> <p>(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.</p> <p>(b) Whether the receipt of the principal amount and interest are regular. If not provide details thereof; and</p> <p>(c) If overdue amount is more than rupees five lakhs, whether reasonable steps have been taken by the company for recovery of the principal and interest.</p>	<p>According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, this point is not applicable to the Company.</p> <p>With exception to above there are few transactions with the parties as covered u/s 189 of the act to meet the temporary business exigencies, but the amount has been squared up.</p>
(iv)	<p>In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof.</p>	<p>Not Applicable as the company has not advanced loan to director u/s 185 or to any other person u/s 186.</p>
(v)	<p>In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any</p>	<p>N.A.</p>

	<p>other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? if not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?</p>	
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(vi)	<p>Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided).</p>	<p>No</p>
(vii)	<p>Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained</p>	<p>N.A.</p>
(viii)	<p>(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Sales-tax, Service tax, Duty of Customs, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally deposited during the year by the Company with the appropriate authorities.</p> <p>According to the information and explanations given to us, no undisputed</p>

	they became payable, shall be indicated by the auditor	amounts payable in respect of Provident fund, Income-tax, Sales tax, Service tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
	(b) Whether dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	<p>According to the information and explanation given to us, there are dues of income tax &amp; tax deducted at source which have not been deposited with the appropriate authorities on account of dispute. The company has not paid outstanding Income Tax of ₹. 6,806 for the AY 2013-14 and ₹. 8,09,142 /- towards tax deducted at source for various years. As explained appropriate steps have been taken by the company for rectifications applications with the appropriate authority which are pending decision.</p> <p>According to the information and explanation given to us, there are no other dues outstanding due to any dispute with the Sales tax, Custom duty, Service tax and Excise Duty.</p>
(ix)	Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;	During the year the company had issued shares on right basis which was not fully subscribed, so accordingly necessary process and steps were taken by the company to refund the amount to the subscribers.
(x)	Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Yes

(xi)	Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; if yes, the nature and the amount involved be indicated.	No
(xii)	Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.	Not Applicable as reporting company is not a Nidhi Company.
(xiii)	Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.	No
(xiv)	Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.	Yes
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	No



(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	No the company is not required to take the said registration, thus this clause is Not Applicable.
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**For G N N & Associates.**

*Chartered Accountants*

Firm's Registration No: 133442W

CA Girish Nagpal

*Proprietor*

Membership No: 144749

Mumbai  
30<sup>th</sup> May, 2017.

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Polson Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

**We have audited the internal financial controls over financial reporting of Polson Limited (“the Company”) as on March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.**

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.” These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Opinion***

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". The same is also supplemented by an in house internal audit division along with internal audit checks from Independent Internal Auditor of the Company.

**For G N N & Associates.**

*Chartered Accountants*

Firm's Registration No: 133442W

CA Girish Nagpal

*Proprietor*

Membership No: 144749

Mumbai

30<sup>th</sup> May, 2017.

**Balance Sheet as at 31st March, 2017**

Particulars		Note No.	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
<b>A</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b><u>Shareholders' funds</u></b>			
	(a) Share capital	<b>3</b>	6,000,000	6,000,000
	(b) Reserves and surplus	<b>4</b>	727,307,626	614,459,446
	(c) Money received against share warrants		-	-
			<b>733,307,626</b>	<b>620,459,446</b>
<b>2</b>	<b><u>Share application money pending allotment</u></b>		-	-
<b>3</b>	<b><u>Non-current liabilities</u></b>			
	(a) Long-term borrowings	<b>5</b>	466,376,426	475,238,027
	(b) Deferred tax liabilities (net)	<b>6</b>	44,688,733	37,223,331
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions	<b>7</b>	2,766,188	2,273,001
			<b>513,831,347</b>	<b>514,734,359</b>
<b>4</b>	<b><u>Current liabilities</u></b>			
	(a) Short-term borrowings	<b>8</b>	159,943,830	197,099,815
	(b) Trade payables	<b>9</b>	126,188,224	126,684,558
	(c) Other current liabilities	<b>10</b>	79,689,014	19,374,600
	(d) Short-term provisions	<b>11</b>	39,096,109	63,490,294
			<b>404,917,177</b>	<b>406,649,267</b>
	<b>TOTAL</b>		<b>1,652,056,150</b>	<b>1,541,843,072</b>
<b>B</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b><u>Non-current assets</u></b>			
	(a) Fixed assets			
	(i) Tangible assets	<b>12</b>	848,817,367	857,093,565
			<b>848,817,367</b>	<b>857,093,565</b>
	(b) Non-current investments	<b>13</b>	42,070	42,070
	(c) Deferred tax assets (net)	<b>6</b>	-	-
	(d) Long-term loans and advances	<b>14</b>	99,291,837	208,225,557
	(e) Other non-current assets		-	-
			<b>99,333,907</b>	<b>208,267,627</b>
<b>2</b>	<b><u>Current assets</u></b>			
	(a) Current investments		-	-
	(b) Inventories	<b>15</b>	75,106,304	30,952,961
	(c) Trade receivables	<b>16</b>	283,770,417	255,503,283
	(d) Cash and cash equivalents	<b>17</b>	55,268,596	23,226,307
	(e) Short-term loans and advances	<b>18</b>	289,759,559	166,799,329
	(f) Other current assets		-	-
			<b>703,904,876</b>	<b>476,481,880</b>
	<b>TOTAL</b>		<b>1,652,056,150</b>	<b>1,541,843,072</b>
	<b>See accompanying notes forming part of the financial statements</b>			
In terms of our report attached.				
<b>For G.N.N &amp; Associates</b>		<b>For and on behalf of the Board of Directors</b>		
Chartered Accountants				
Registration No. 133442W				
CA Girish Nagpal		Sushila J Kapadia	Milin Ramani	Amol Kapadia
<b>Proprietor</b>		<b>Chairman</b>	<b>Company Secretary</b>	<b>Managing Director</b>
<b>Membership No. 144749</b>				
Place: Mumbai				
Date: 30.05.2017				

**Profit & Loss A/c for the year Ended 31st March, 2017**

PARTICULARS	Note No	Year ended 31st March '17	Year ended 31st March '16
<b><u>A. CONTINUING OPERATIONS:</u></b>			
I. Revenue from Operations	19	1,082,758,016	1,041,478,229
II. Other Income	20	51,353,321	70,371,233
<b>III. Total Revenue ( I + II )</b>		<b>1,134,111,337</b>	<b>1,111,849,462</b>
<b><u>IV. Expenses</u></b>			
1) Cost of Materials Consumed	21	602,925,811	557,264,415
2) Changes in inventories of finished goods, work-in progress and Stock-in-trade	22	(1,135,128)	60,947,289
3) Employee benefit expenses	23	49,570,827	48,574,704
4) Financial Costs	24	65,313,618	87,210,413
5) Depreciation and amortization expenses	12	32,415,652	30,563,878
6) Other expenses	25	240,796,755	223,697,607
<b>Total Expenses</b>		<b>989,887,535</b>	<b>1,008,258,306</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	144,223,802	103,591,156
VI. Exceptional Items [Long Term Capital Gain]		-	51,182,810
VII. Exceptional Items [Profit on sale of Building]		14,394,900	97,257,072
VIII. Profit before extraordinary items and tax (V+VI+VII)		158,618,702	252,031,038
IX. Extraordinary Items		-	-
X. Profit before tax (VIII - IX)		158,618,702	252,031,038
<b><u>XI. Tax expenses:</u></b>			
(1) Current tax		47,840,147	57,500,000
(2) Deferred tax		7,465,402	33,000,000
XII. Profit/(Loss) from the period from continuing operations	(X - XI)	103,313,153	161,531,038
<b><u>B. DISCONTINUING OPERATIONS:</u></b>			
XIII. Profit/(Loss) from discontinuing operations		-	-
XIV. Tax expenses of discontinuing operations		-	-
XV. Profit/(Loss) from Discontinuing operations		-	-
XVI. Profit/(Loss) for the period		103,313,153	161,531,038
<b><u>C. TOTAL OPERATIONS:</u></b>			
XVII. Earning per equity share:			
(1) Basic	26	861	1,346
(2) Diluted		861	1,346
<b>For and on behalf of the Board of Directors</b>			
As per our report of even date			
<b>For G.N.N &amp; Associates</b> Chartered Accountants Registration No. 133442W		Sushila J Kapadia	Amol Kapadia <b>Managing Director</b>
CA Girish Nagpal		<b>Chairman</b>	
<b>Proprietor</b> Membership No. 144749 Place: Mumbai Date: 30.05.2017		Milin Ramani <b>Company Secretary</b>	

**CASH FLOW STATEMENT**

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
1. Net Profit before Tax	158,618,702	252,031,038
2. Depreciation / Amortization	32,415,652	30,563,878
3. Interest expenses	60,767,197	83,377,533
4. Interest Income	(1,820,436)	(19,357,347)
5. Loss/(Profit) on sale of assets	(14,281)	75,358
6. Exchange Loss	11,816,052	16,498,272
7. CSR Expenses	3,000,000	1,612,500
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>264,782,886</b>	<b>364,801,232</b>
Adjustments for:		
8. Trade and Other Receivables	(28,267,134)	(87,182,086)
9. Inventories	(44,153,343)	96,708,543
10. Trade and Other Payables	(496,334)	(22,203,590)
11. Short Term Provisions for expenses	(24,394,185)	57,864,603
<b>CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>167,471,890</b>	<b>409,988,702</b>
12. Direct taxes as per P & L account	(47,840,147)	(57,500,000)
13. CSR as per P & L account	(3,000,000)	(1,612,500)
<b>NET CASH FROM OPERATING ACTIVITIES - 'A'</b>	<b>116,631,743</b>	<b>350,876,202</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
13. Purchase of Fixed Assets	(24,578,789)	(75,567,486)
14. Interest Received	1,820,436	19,357,347
15. Sale of Fixed Assets	9,988,647	21,037,928
16. Non current investments	-	49,577,000
17. Long Term Loans and Advances given	108,933,720	104,197,282
18. Loans from Directors & Security deposits	60,314,414	(253,069,330)
19. Short Term Loans & Advances	(122,960,230)	131,577,159
<b>NET CASH USED IN INVESTING ACTIVITIES - 'B'</b>	<b>33,518,198</b>	<b>(2,890,100)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
20. Proceeds of Long Term Borrowings	(8,861,605)	(133,475,957)
21. Proceeds of Short Term Borrowings	(36,662,798)	(102,153,939)
22. Interest paid	(60,767,197)	(83,377,533)
23. Exchange rate loss	(11,816,052)	(16,498,272)
<b>NET CASH USED IN FINANCING ACTIVITIES - 'C'</b>	<b>(118,107,652)</b>	<b>(335,505,701)</b>
<b>NET (DECREASE) OR INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>32,042,289</b>	<b>12,480,401</b>
Cash & Cash Equivalents at the beginning of the year	<b>23,226,307</b>	<b>10,745,906</b>
Cash & Cash Equivalents at the end of the year	<b>55,268,596</b>	<b>23,226,307</b>
<b>NOTES:</b>		
<b>1. Cash and Cash equivalents comprise of the following:</b>		
<b>a. Cash on hand</b>	137,670	711,537
<b>b. Balances with Banks</b>		
i. In Current accounts (including LC Margin of Rs. ....)	4,070,426	3,054,270
ii. In deposit accounts	51,060,500	19,460,500
<b>TOTAL</b>	<b>55,268,596</b>	<b>23,226,307</b>

## NOTE 3:- SHARE CAPITAL

PARTICULARS	No. of shares	AS AT 31.3.2017	No. of shares	AS AT 31.3.2016
<b><u>Authorised</u></b> 50,000 6% Cumulative Redeemable Preference Shares of Rs. 100 each	50,000	5,000,000	50,000	5,000,000
400,000 Equity Shares of Rs. 50 each	400,000	20,000,000	400,000	20,000,000
<b>TOTAL</b>		25,000,000		25,000,000
<b><u>Issued, Subscribed and fully Paid</u></b> 20,000 Equity Shares against Preference Shares of Rs. 50 each	20,000	1,000,000	20,000	1,000,000
73,145 Equity Shares of Rs. 50 each issued for cash	73,145	3,657,250	73,145	3,657,250
5,000 Equity Shares of Rs. 50 each issued pursuant to a contract, without the payment being received in cash	5,000	250,000	5,000	250,000
21,855 Equity Shares of Rs. 50 each allotted as Bonus Shares issued by way of Capitalisation of Reserve	21,855	1,092,750	21,855	1,092,750
<b>120,000 TOTAL</b>	<b>120,000</b>	<b>6,000,000</b>		<b>6,000,000</b>

Refer Notes (i) to (iv) below

Notes:

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

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



(ii) Terms/rights attached to equity shares:

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

During the year ended March, 31, 2017, the amount of per share dividend recognized as distribution to equity shareholders was Rs NIL (March 31, 2016 : Rs. NIL)

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

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

Particulars	As At March 31, 2017 Number of Shares	As At March 31, 2016 Number of Shares
Equity Shares with voting rights		
AJI Commercial Pvt. Ltd	64,339	64,339

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

Class of Shares/ Name of the Shareholder	As At March 31, 2017 No. of shares	As At March 31, 2016	
		No. of shares	% holding
Equity Shares			
Equity Share with voting rights			
AJI Commercial Pvt. Ltd	64,339	64,339	53.62%
Mr. Amol J. Kapadia (Managing Director)	12,000	12,000	10.00%
Mrs. Sushila J. Kapadia (Director)	12,835	12,835	10.69%

#### NOTE 4:- RESERVES AND SURPLUS

PARTICULARS	AS AT	AS AT
	31.3.2017	31.3.2016
<b>A) Share Premium Account</b>	2,114,000	2,114,000
-		
<b>B) General Reserve</b>		
Opening Balance	77,926,512	53,696,856
Add : Transferred from Profit & Loss	15,498,164	24,229,656
Closing Balance	93,424,676	77,926,512
<b>C) Surplus in the Statement of Profit &amp; Loss</b>		
Opening Balance	519,971,427	382,670,044

Add : Profit for the current year	103,313,153	161,531,039
Less : Transferred to General Reserve	15,496,973	24,229,656
Add : Adjusted Items	9,662,791	-
Closing Balance	617,450,398	519,971,427
<b>D) Capital Reserve</b>	7,446,248	7,446,248
<b>E) Investment Allowance Reserve</b>	108,724	108,724
<b>F) Asset Revaluation Reserve (Opening Balance Less Depreciation)</b>	6,763,580	6,892,535
<b>TOTAL</b>	<b>727,307,626</b>	<b>614,459,446</b>

**NOTE 5: LONG TERM BORROWINGS**

PARTICULARS	AS AT	AS AT
	31.3.2017	31.3.2016
Indian Rupee Term Loan:		
From Bank - Secured [Refer Statement attached]		
Term Loan (Equitable mortgage of Land, Building, Machinery)	4,800,000	10,000,000
Term loan with Citibank - Kagal	30,000,000	-
Term Loan ( Secured against Ownership Flat at Mumbai )	406,362,426	440,024,027
LIC Loan against the Keyman Insurance Policy	25,214,000	25,214,000
<b>TOTAL</b>	<b>466,376,426</b>	<b>475,238,027</b>

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

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

Particulars	Terms of repayment and security	AS AT 31-3-2017	AS AT 31-3-2016
Citibank Term Loan - Kagal	Terms of repayment - Repayment is made in 20 equal quarterly installments. Security - Charge on immovable property at MIDC Kagal, Kolhapur	4,800,000	10,000,000
<b>Housing Loan</b>			
Kotak Mahindra Bank Ltd - A/c No lap 4191097	Terms of repayment - Repayment is made in 120 equal monthly installments. Security - Shop No U 31, F 32, F 33, East Court, Sr No 207, Off Nagar Road, Viman Nagar, Pune	13,069,216	15,038,642
Kotak Mahindra Bank Ltd - A/c No lap 412803	Terms of repayment - Repayment is made in 120 equal monthly installments.	3,175,642	3,766,935

# POLSON LIMITED

	Security - Shop No U 31, F 32, F 33, East Court, Sr No 207, Off Nagar Road, Viman Nagar, Pune		
Kotak Mahindra Bank Ltd - A/c No lap 1563288	Terms of repayment - Repayment is made in 120 equal monthly installments. Security - Bldg No 1, 10th & 11th Floor, 65 No, Clover Belveder, Ghorpadi Village, Haveli, Pune	-	8,331,801
Kotak Mahindra Bank Ltd - A/c No lap 1564795	Terms of repayment - Repayment is made in 120 equal monthly installments.  Security - Unit No 1 & 101 Town Centre II, Andheri, Mumbai	15,871,175	18,052,350
Kotak Mahindra Bank Ltd - top up - 1147756	Terms of Repayment. Repayment is made in 120 equal monthly installments.  Security- Flat no.101, 13 th Floor, Mount Unique, 62 A Peddar road, Mumbai.	9,916,068	11,244,579
Kotak Mahindra Bank Ltd - A/c No.lap 7501139	Terms of Repayment. Repayment is made in 120 equal monthly installments.  Unit No 1, 101 % 507 Town Centre 1, Andheri (W), Mumbai	67,862,850	76,327,910
Edelweiss Housing Finance Ltd -6367	Terms of repayment - Repayment is made in 241 equal monthly installments.  Security - Flat No 1201, C wing, Evershine Cosmic , Oshiwara. Mumbai	14,341,297	14,645,307
Kotak Bank Loans - LAP 17555514	Terms of repayment - Repayment is made in 120 equal monthly installments.		
	Security - RS No 206/47, A/c Block No 2 of Pammal Village, Plot No 10 & 43, Loordhu Madha Street, Nagelkeni, Chennai. Unit No. 18, Basement Floor, Mount Unique CHSL, Dr. GD Marg , Mumbai. Lodha Costeria, 24, Nepean Sea Road, Mumbai.	186,237,797	193,570,297
Kotak Bank Loans - HF37354038	Runwal centre	44,096,599	44,096,599
Standard Chartered Bank Ltd	Terms of repayment - Repayment is made in 144 equal monthly installments. Security - 114, 15th Floor, Mount Unique, 62 A, Peddar Road, Mumbai	51,791,782	54,949,607
LIC Loan - Keyman Insurance policy	Terms of repayment - Repayment is made in 144 equal monthly installments. Security - Keyman Insurance Policy No 881544269 & 881199735	25,214,000	25,214,000

**NOTE 6: DEFERRED TAX LIABILITIES / (ASSETS)**

<b>PARTICULARS</b>	<b>AS AT 31-3-2017</b>	<b>AS AT 31-3-2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Deferred Tax Liability (Net)	44,688,733	37,223,331
<b>TOTAL</b>	<b>44,688,733</b>	<b>37,223,331</b>

**NOTE 7: LONG TERM PROVISIONS**

<b>PARTICULARS</b>	<b>AS AT 31-3-2017</b>	<b>AS AT 31-3-2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Gratuity payable	2,766,188	2,273,001
<b>TOTAL</b>	<b>2,766,188</b>	<b>2,273,001</b>

**NOTE 8: SHORT TERM BORROWINGS**

<b>PARTICULARS</b>	<b>AS AT 31-3-2017</b>	<b>AS AT 31-3-2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Cash Credit & Packing Credit with Bank	61,172,742	147,109,737
Overdraft facility with Kotak Mahindra Bank Ltd	(1,459,694)	(2,934,468)
Export Bills Discounted/Purchased by Bank	100,230,782	52,924,546
(Both the above are secured by hypothecation of stock of Raw Material, Chemicals, Finished Goods, book-debts and equitable mortgage of land and building by deposit of title deeds		
<b>TOTAL</b>	<b>159,943,830</b>	<b>197,099,815</b>

**NOTE 9: TRADE PAYABLES**

<b>PARTICULARS</b>	<b>AS AT 31.3.2017</b>	<b>AS AT 31.3.2016</b>
Trade payable (including acceptance)	126,188,224	126,684,558
<b>Total</b>	<b>126,188,224</b>	<b>126,684,558</b>

**NOTE 10: OTHER CURRENT LIABILITIES**

PARTICULARS	AS AT	AS AT
	31.3.2017	31.3.2016
(a) Current maturities of long term debt	-	-
(b) Interest accrued but not due on borrowing	-	-
(c) Unpaid dividends	-	-
<b>(d) Other Payables</b>		
(i) Trade/security deposit received	4,956,150.00	6,162,008.00
(ii) Advances towards sale of Property	66,020,000.00	-
(iii) Outstanding towards Expenses	8,539,922.00	11,297,725.00
(iv) Advances received from customer	172,942.00	1,914,867.00
<b>Total</b>	<b>79,689,014.00</b>	<b>19,374,600.00</b>

**NOTE 11: SHORT TERM PROVISIONS**

PARTICULARS	AS AT	AS AT
	31.3.2017	31.3.2016
(a) Provision for employee benefits:	<b>Rs.</b>	<b>Rs.</b>
Provisions for Performance Bonus	-	-
(b) Provision - others:		
(i) Provision for tax	37,500,000	59,064,024
(ii) Others	1,596,109	4,426,270
<b>Total</b>	<b>39,096,109</b>	<b>63,490,294</b>

**NOTE 12: FIXED ASSETS**

PARTICULARS	AS AT	AS AT
	31.3.2017	31.3.2016
<b>TANGIBLE ASSETS</b>	848,817,367	857,093,565
<b>AS PER SCHEDULE ATTACHED</b>		

**NOTE 12 - FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

Particulars	GROSS BLOCK			DEPRECIATION							NET BLOCK	
	As at	Additions	Sale	As at	Written off upto	Written off for	Depreciation for Additions	Depn on Sales written back	Written off upto	As at	As at	
	1st April, 2016			31st Mar 2017	31st March, 2016	the year			31st Mar 2017	31st Mar, 2017	31st March, 2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1 Land	19,512,401.00	-	-	19,512,401.00	-	-	-	-	-	19,512,401.00	19,512,401.00	
2 Buildings	891,223,630.00	15,876,387.00	-	907,100,017.00	103,553,415.00	23,577,215.00	131,633.00	23,708,848.00	-	127,262,263.00	779,837,754.00	
3 Plant & Machinery	93,642,947.00	3,303,828.00	-	96,946,775.00	64,048,833.00	4,629,329.00	116,297.00	4,745,626.00	-	68,794,459.00	28,152,316.00	
4 Furniture & Fixtures	18,478,781.00	3,124,848.00	-	21,603,629.00	10,877,556.00	1,127,830.00	79,361.00	1,207,191.00	-	12,084,747.00	9,518,882.00	
5 Vehicles	23,002,641.00	1,190,000.00	700,000.00	23,492,641.00	13,962,890.00	1,757,227.00	75,883.00	1,833,110.00	388,178.00	15,406,822.00	8,085,819.00	
6 Office Equipments	11,862,095.00	1,083,726.00	-	12,945,821.00	8,186,236.00	1,003,780.00	45,610.00	1,049,390.00	-	9,235,626.00	3,710,195.00	
<b>TOTAL</b>	<b>1,057,722,495.00</b>	<b>24,578,789.00</b>	<b>700,000.00</b>	<b>1,081,601,284.00</b>	<b>200,628,930.00</b>	<b>32,095,381.00</b>	<b>448,784.00</b>	<b>32,544,165.00</b>	<b>388,178.00</b>	<b>232,783,917.00</b>	<b>848,817,367.00</b>	
Previous year figures	1,024,488,024.00	75,567,486.00	42,333,015.00	1,057,722,495.00	191,098,977.68	30,310,024.88	439,657.13	30,749,682.01	21,219,729.37	200,628,930.32	857,093,564.68	
					Total Depreciation for 12 months 2016-17 (Apr to March 17)			32,544,165.00				
					LESS: Depreciation for Revalued Assets det to Asset Revaluation Reserve (Sch-2) for 12 months			128,513.00				
					Balance debited to Profit & Loss a/c (Sch - 14) for 12 months			32,415,652.00				

**NOTE 13: NON-CURRENT INVESTMENTS**

PARTICULARS	AS AT	AS AT
	31.3.2017	31.3.2016
Long-Term Investments		
Non Trade		
(a) Investment in equity instruments		
4,000 Shares of Vallabh Glass Works at Book value Rs. 10 each. (Market Value as at 31-03-2008 Rs. 4,000/- (Previous Year Rs. 4,000/-)	40,000	40,000
20 shares of NELCO at Book Value of Rs. 104 each (Market Value at at 31-3-2008 Rs.5,866/-, Previous Year Rs. 5,866/-)	2,070	2,070
Equity Share of Dudhwala Builders P. Ltd	-	-
Debentures of Dudhwala Builders P. Ltd	-	-
<b>Total</b>	<b>42,070</b>	<b>42,070</b>

**NOTE - 14 LONG TERM LOANS & ADVANCES**  
 (Unsecured and considered good, except where stated otherwise)

PARTICULARS	AS AT	AS AT
	31.3.2017	31.3.2016
Advances to Wholly owned Subsidiary Company	-	-
Tax paid in advance and deducted at source	24,436,558	16,787,422
Advance for purchase of Property	72,585,594	66,806,495
Advance for Capital Expenditure	2,269,685	124,631,640
<b>TOTAL</b>	<b>99,291,837</b>	<b>208,225,557</b>

**NOTE 15: INVENTORIES**  
(At lower of cost and net realizable value)

PARTICULARS	AS AT 31.3.2017	AS AT 31.3.2016
Cans & Trays - Dairy Division	13,000	13,000
General Stores, Spare Parts etc.	17,546,260	4,512,696
Raw Materials	34,932,326	4,812,433
Finished Products	5,848,753	15,058,635
Work in Process	14,037,007	3,691,997
Eucalyptus Plantations	113,033	113,033
Other Plantation in Progress	2,208,289	2,208,289
Live Stock	407,636	542,878
<b>Total</b>	<b>75,106,304</b>	<b>30,952,961</b>

**NOTE : 16 TRADE RECEIVABLES**

PARTICULARS	AS AT 31.3.2017	AS AT 31.3.2016
<u>Considered Good:</u>		
Under 6 Months	282,447,346.00	254,180,212.00
Over 6 Months	-	-
	282,447,346.00	254,180,212.00
<u>Considered Doubtful or Bad</u>		
Over 6 Months	1,323,071.00	1,323,071.00
<b>TOTAL</b>	<b>283,770,417</b>	<b>255,503,283</b>

**NOTE 17: CASH AND CASH EQUIVALENTS**

PARTICULARS	AS AT 31.3.2017	AS AT 31.3.2016
Cash on Hand	137,670	711,537
<u>Balances with Scheduled Banks:</u>		
In Current Account	4,070,426	3,054,270
In Fixed Deposit Account	51,060,500	19,460,500
<b>TOTAL</b>	<b>55,268,596</b>	<b>23,226,307</b>

**NOTE 18: SHORT TERM LOANS AND ADVANCES**

PARTICULARS	AS AT 31.3.2017	AS AT 31.3.2016
A) Loans & Advances to employees	1,400,580	1,397,757
B) Loans/Advance to others for business purpose	11,000,000	90,994,470
C) Advances Recoverable in Cash or in Kind	552,155	1,090,418
D) Advance to supplier	13,593,072	6,560,833
E) Advance - Others	27,177,349	-
F) Interest Accrued and receivable	3,414,019	14,534,744
<b>G) Sundry Deposits and Advances:-</b>		
<b>1) With Government and Local Authorities:</b>	-	-
Cenvat	41,052,680	27,809,970
Vat Refund Receivable	11,140,529	15,158,452
<b>2) With others:</b>		
Considered good	5,443,324	4,937,284
Duty Drawback Receivable	1,305,860	4,312,666
H) Deposits	173,679,991	2,735
<b>TOTAL</b>	<b>289,759,559</b>	<b>166,799,329</b>

**NOTE 19: REVENUE FROM OPERATIONS**

Particulars	Year ended 31st March,2017	Year ended 31st March, 2016
<b>Sale of Products :-</b>		
Sales (Domestic)	279,206,776	295,152,529
Sales (export)	803,551,240	746,325,700
<b>Total</b>	<b>1,082,758,016</b>	<b>1,041,478,229</b>

**NOTE 20: OTHER INCOME**

Particulars	Year ended 31st March,2017	Year ended 31st March, 2016
<b>Interest :-</b>		
on Bank deposit	-	-
on Loan	1,820,436	19,357,347
Modvat credit	7,867,814	14,723,707
Rent received	11,750,017	9,992,866
Duty Drawback Received/FPS license fee	27,160,120	25,471,194
Profit on Sale of car	14,281	-
Profit on sale of Property	-	-
Sundry Income	2,740,653	826,119
<b>Total</b>	<b>51,353,321</b>	<b>70,371,233</b>



**NOTE 21: COST OF MATERIAL CONSUMED**

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
<b><u>Raw Material Consumed</u></b>	-	-	-	-
Op Stock	4,972,627		25,187,614	
Add : Purchases	557,063,564		444,456,695	
	562,036,191		469,644,309	
Less : Closing Stock	35,092,520		4,972,627	
		526,943,671		464,671,682
<b><u>General Stores/Fuel Consumption</u></b>				
Op Stock	4,512,696		19,866,518	
Add : Purchases	89,015,704		77,238,911	
	93,528,400		97,105,429	
Less : Closing Stock	17,546,260		4,512,696	
		75,982,140		92,592,733
<b>TOTAL MATERIAL CONSUMED</b>		<b>602,925,811</b>		<b>557,264,415</b>

**NOTE 22: CHANGE IN FINISHED GOODS/ WIP INVENTORY**

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
Opening Stock of Finished Goods, Work-in-Progress	15,058,635		68,951,229	
	3,691,997		10,746,692	
<b>TOTAL - A</b>		18,750,632		79,697,921
Closing Stock of Finished Goods, Work-in-Progress	5,848,753		15,058,635	
	14,037,007		3,691,997	
<b>TOTAL - B</b>		19,885,760		18,750,632
<b>INCREASE IN FINISHED GOODS/WIP (B-A)</b>		<b>(1,135,128)</b>		<b>60,947,289</b>

**NOTE 23: EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries & Wages:-		
Wages - Factory	29,769,905	28,014,856
Salary & Wages - Office	15,839,324	16,105,862
Factory Canteen Exp	466,752	263,696
Apprentice Stipend	523,992	756,722
Contribution to Provident Fund	1,321,703	1,405,536
Gratuity	695,314	586,117
Staff Welfare	953,837	1,441,915
<b>TOTAL</b>	<b>49,570,827</b>	<b>48,574,704</b>

**NOTE 24: FINANCE COST**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>(A) Interest Expenses on:</b>		
<b>1) Current Borrowings Interest</b>		
(i) CC	4,492,635	7,800,439
(ii) Export	7,357,975	6,938,772
(iii) others	8,148,778	4,335,268
<b>2) Long term Borrowings Interest</b>	40,767,809	64,303,054
<b>(B) Other borrowing costs</b>		
1) Bank charges	4,546,421	3,832,880
<b>Total</b>	<b>65,313,618</b>	<b>87,210,413</b>

**NOTE 25: OTHER EXPENSES**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	<b>Rs.</b>	<b>Rs.</b>
Carriage Inward	18,727,344	17,224,764
Freight & Forwarding	51,811,430	44,075,844
Commission	6,383,450	7,444,667
Factory Electricity	9,036,380	6,202,160
Repairs & Maintenance [Machinery]	532,681	1,090,896
Factory Telephone Exp	81,595	174,101
Transit Insurance	84,981	77,160
Factory Travelling Exp	338,636	728,730
Freight -Ocean	13,167,125	11,396,795
Research & Development	547,578	608,216
Insurance	953,117	668,123
Postage & Courier	1,000,208	809,050
Printing & Stationery	1,575,601	1,265,323
Rent, Rates & Taxes	46,961,189	46,349,147
Travelling Exp (includes Director's travelling)	23,441,737	21,165,321
Repairs & Maintenance [Building & others]	8,437,635	5,649,579
Computer Maintenance	145,158	159,559
Advertisement	475,796	415,124
Conveyance	750,613	647,733
Legal Exp	574,420	643,554
Office Exp	2,719,237	2,236,585
Security Exp	1,088,903	1,044,778

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Membership & Subscription	2,079,708	781,364
Vehicle Exp	3,776,536	3,310,983
Sundry Exp	2,699,772	4,263,812
Business Promotion	4,019,953	2,650,741
Professional Fees	18,043,773	9,901,816
Electricity & Water Exp.	1,586,844	1,615,382
Telephone Exp.	1,486,636	1,410,371
Internet charges	264,737	59,865
<b><u>Auditors Fee :-</u></b>		
For Audit	750,000	750,000
For Corporate & other matters	300,000	115,000
Diwali Gifts & others	343,926	326,838
Donation	50,000	1,211,000
Exchange Difference	11,816,052	16,498,272
General Exp	686,748	5,979,584
ROC/ BSE / SEBI - Listing/Filing fees	168,400	327,820
Loss on Sale of Car	-	75,358
Service Tax	-	2,067,458
Garden, landscaping expenses	888,856	662,234
Expenditure related to Corporate Social Responsibility	3,000,000	1,612,500
<b>TOTAL</b>	<b>240,796,755</b>	<b>223,697,607</b>

## NOTE 26: EARNINGS PER SHARE

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b><u>Basic &amp; Diluted</u></b>		
Net Profit for the year attributable to the equity shareholders	103,313,153	161,531,038.00
Weighted average number of equity shares (in Nos)	120,000	120,000
Value Per Share	50	50
Earnings per share - Basic	860.94	1,346.09
Earnings per share – Diluted	-	-

**NOTE - 27.2a - Related party transactions for the year ended 31st March 2017**

Description of relationship	Names of related parties
Holding Company	AJI Commercial Pvt Ltd
Fellow Subsidiaries (with whom company has made transactions during the year)	B.K. Giulini Specialities Pvt Ltd Europa Chemicals Pvt Ltd
Key Management Personnel (KMP)	Mr. Amol Kapadia - Managing Director
Fellow Associates	AJI Commercial Pvt Ltd AJK Commercial Pvt Ltd Oriental Pharmaceutical Industries Ltd New Commercial Investment & Trading Ltd New Commercial Mills Ltd

**NOTE - 27.2b - The significant related party transactions for the year ended 31st March 2017 and Balance Outstanding as at March 31, 2017**

Nature of transactions	Fellow Subsidiaries	KMP	Transaction during the year
Sale of Goods	BK Guilini Specialities Pvt Ltd		<b>Rs.</b> 259,809,542
	Europa Chemicals Asia Pvt Ltd		6,885,547
	Europa Chemicals Pvt Ltd		149,319
Purchase of Goods	BK Guilini Specialities Pvt Ltd		7,299,288
	Europa Chemicals Pvt Ltd		1,318,830
Remuneration Paid		Mr. Amol Kapadia	9,000,000
Deposit Received	Europa Chemicals Pvt Ltd		4,700,000
Loans and Advances Given	AJK Investment Pvt Ltd		3,843,319
	AJI investment Pvt Ltd		1,047,233
	Dudhwala Builders Pvt Ltd		2,803,874

**POLSON LIMITED**

Advance Received Against Sale of Property	BK Guilini Specialities Pvt Ltd		75,770,000
			-
<b><u>Outstanding Balances at the end of the year</u></b>		<b>Debit Amount</b>	<b>Credit Amount</b>
	BK Guilini Specialities Pvt Ltd	56,654,780	9,538,477
	Europa Chemicals Asia Pvt Ltd	789,589	-
	Europa Chemicals Pvt Ltd	-	394,573
	AJI Investment Pvt.Ltd.	4,800,000	-
	AJK Investment Pvt.Ltd	4,800,000	-
	Oriental Pharmaceuticals Industries Ltd	2,400,000	-
In terms of our report attached.			
<b>For G.N.N. ASSOCIATES</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants Registration No. 133442W			
CA Girish Nagpal Proprietor Membership No. 144749		<b>Chairman</b>	<b>Managing Director</b>
Place : Mumbai Date : 30th May, 2017		Milin Ramani <b>Company Secretary</b>	

## Notes forming part of the financial statements - for the Year Ending 31st March 2017

### 1. Corporate information

Polson Limited ("The Company") was incorporated on 21st December, 1938 by Mr. Pestonji Edulji Dalal and others. The management of the Company taken over by Late Mr. Jagdish Kapadia, Former Chairman and Mr. Amol Kapadia, Managing Director in 1970. The principal activities of the Company comprise Manufacturing and selling of SYNTHETIC ORGANIC TANNING SUBSTANCE for Domestic and Export market. Plant of the Company is located in Amba, Taluka Shahuwadi, Dist. Kolhapur, Maharashtra.

### 2. Contingent liabilities and commitments (to the extent not provided for) -

The Company has filed two suits against Modipon Ltd for unlawful termination of agreement for a sum aggregating to Rs. 3,26,60,748/-. The said Company has made counter claim for Rs. 4,76,30,582.68/-. The case is pending before the court.

Further there is outstanding Income Tax of Rs. 6,806/- for the AY 2013-14 and Rs. 8,09,142 /- towards tax deducted at source for various years. Appropriate steps have been taken by the company for rectifications applications with the appropriate authority which are pending decision.

### 3. Statement of Significant Accounting Policies adopted by the Company in the preparation of Financial Statements as at and for the year ended March 31, 2017

#### 3.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards notified under the companies (Accounting Standards) Rules, 2006 ( as amended) and the relevant provisions of the Companies Act,2013.

The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 1996, that are carried at revalued amounts. The financial statements are presented in Indian Rupees rounded off to the nearest rupees ignoring the Paise.

#### 3.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

### **3.3 Inventories**

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

### **3.4 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **3.5 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **3.6 Depreciation and amortization**

Depreciation has been provided on Straight Line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation is provided based on useful life of the assets by determining the remaining life of the assets from the WDV value as on 31<sup>st</sup> March 2015 and thereafter the depreciation is provided under SLM for the financial year 2016-17.

### **3.7 Revenue recognition**

#### **Sale of goods**

Sales are recognized gross of taxes and net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the customer, which generally coincides with the delivery of goods to customers.

### **3.8 Other income**

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

**3.9 Tangible fixed assets**

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

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

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

**Capital work-in-progress:**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**3.10 Foreign currency transactions and translations****Initial recognition:**

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



**Measurement of foreign currency monetary items at the Balance Sheet date:**

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

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

**Treatment of exchange differences**

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

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

**3.11 Investments**

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

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

Market values of Vallabh Glass Works (4,000 Shares at Book value Rs. 10 each ) are not available as shares are not listed on security market. Hence in the absence of fair market values on balance sheet dates, cost of investment is considered as market value.

## **3.12 Employee benefits**

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

### **Defined contribution plans**

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

### **Defined benefit plans**

The Company does not have Gratuity Fund System; however, Liability towards gratuity has been accounted and provided as per Actuarial Report under AS 15 and Bonus to staff are accounted on cash basis or provided at the time of retirement.

## **3.13 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## **3.14 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating the diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

## **3.15 Taxes on income**

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

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

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

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

### **3.16 Research and development expenses**

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

### **3.17 Provisions and contingencies**

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

**3.18 Corporate Social Responsibility [CSR] Expenditure**

Particulars	For the Year ended 31 <sup>st</sup> March 2017	For the Year ended 31 <sup>st</sup> March 2016
Amount required to be spent as per section 135 of the Act	29.47 Lakhs	16.83 Lakhs
Amount spent during the year	30.00 Lakhs	16.13 akhs

**3.19 Disclosure on Specified Bank Notes (SBN's)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNS'	Other denomination notes	Total
Closing cash in hand on 8 <sup>th</sup> November 2016	19.47 Lakhs	1.94 Lakhs	21.41 Lakhs
(+) Permitted receipts	NIL	11.64 Lakhs	11.64 Lakhs
(-) Permitted Payments	0.02	6.61 Lakhs	6.63 Lakhs
Amount deposited in Banks	19.45 Lakhs	NIL	19.45 Lakhs
Closing cash in hand as on 30 <sup>th</sup> December 2016	NIL	6.97 Lakhs	6.97 Lakhs

Sushila J Kapadia

Director

Amol Kapadia

Managing Director

Milin Ramani

Company Secretary

Mumbai

30.05.2017

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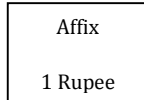
**POLSON LIMITED**

Regd. Off: Ambaghat Talluka Shahuwadi, Kolhapur Maharashtra 415101  
CIN: L15203PN1938PLC002879

**FORM OF PROXY**

I / We \_\_\_\_\_ Of \_\_\_\_\_ in the District of \_\_\_\_\_ Being a member / members of the above-named company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ of in the district of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to vote for me / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Friday September 29, 2017 and any adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2017



Signature \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

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

.....TEARHERE.....  
.....

**POLSON LIMITED**

Regd. Off: Ambaghat Talluka Shahuwadi, Kolhapur Maharashtra 415101  
Cin: L15203PN1938PLC002879

**ATTENDANCE SLIP**

Annual General Meeting to be held on Friday, September 29, 2017 at 11.30 A.M. at Ambaghat Talluka Shahuwadi, Kolhapur Maharashtra 415101

Regd. Folio No. \_\_\_\_\_

Certify that I am a registered Shareholder / proxy for the registered shareholder of the Company.

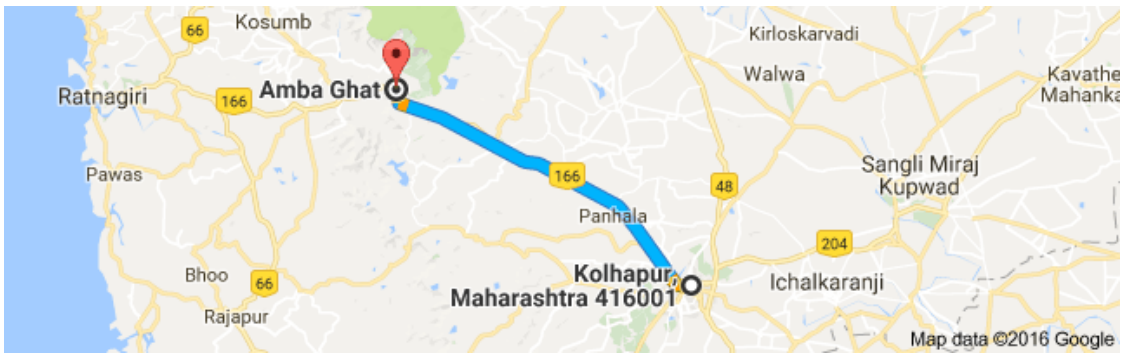
I hereby record my presence at the Annual General Meeting to be held on Friday, September 29, 2017 at 11.30 A.M. at Ambaghat Talluka Shahuwadi, Kolhapur Maharashtra 415101

Member's / Proxy Name (in Block Letter) \_\_\_\_\_

Member's / Proxy Signature \_\_\_\_\_

Note: Please fill this attendance slip and hand it over at the ENTRANCE.

Route Map to the Venue of the 76th Annual General Meeting



**NOTES**



**NOTES**