



**POLSON LTD**

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

Date: September 06, 2019

To,  
The Manager  
Department of Corporate Services,  
Bombay Stock Exchange Limited,  
Phirozee Jeejeeboy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

Dear Sir,

**Sub: Annual Report 2018-19 of the Company along with the Notice convening 78<sup>th</sup> Annual General Meeting ("AGM") and Intimation of Book Closure Date and Remote E- voting period dates.**

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening 78<sup>th</sup> AGM to be held on Friday, September 27, 2019 at 10.00 a.m. at Registered Office of the Company situated at Ambaghat, Vishalgad, Taluka-Shahuwadi, Dist- Kolhapur, Kolhapur-415 101, Maharashtra, India.

The Annual Report along with the Notice convening 78<sup>th</sup> AGM of the Company for the Financial Year 2018-19 is being dispatched/sent to the Members both physically and through soft copies via permitted mode(s) on September 03, 2019 and the same is also being made available on the website of the Company at [www.polsonltd.com](http://www.polsonltd.com)

Further to our intimation dated August 31, 2019, wherein we had intimated details relating to Book Closure, we once again inform you that the Company has fixed September 20, 2019 to September 26, 2019 (both the days inclusive) as Book Closure dates for the purpose of 78<sup>th</sup> Annual General Meeting and E-voting.

We further wish to intimate you that in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration Rules), 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall provide its Members the facility to exercise the votes electronically for transacting the items of business, as per details set out in the Notice convening the ensuing 78<sup>th</sup> AGM of the Company. For the aforesaid purpose, the Company has fixed September 20, 2019 as cut-off date for the purpose of determining the eligibility of Members to vote either through Remote E-voting or

**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](mailto:admin@polsonltd.com)

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

voting at the AGM. The Remote E-voting period will commence on Tuesday, September 24, 2019 (10.00 a.m. IST) and will end on Thursday, September 26, 2019 (5.00 p.m. IST).

Request you to take the above on your record.

Thanking you,

**FOR POLSON LTD**



**AMOL KAPADIA  
MANAGING DIRECTOR  
DIN: 01462032**



**Encl.: As above**



**POLSON LTD**

78<sup>th</sup>

**ANNUAL REPORT**

2018-2019

**78<sup>th</sup> ANNUAL REPORT &  
ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019****DIRECTORS**

Sudhir Nevatia	-	Chairman, Independent Director
Chandrakant Gupte	-	Independent Director
Rajiv Agarwal	-	Independent Director
Abhay Bhalerao	-	Independent Director (Resigned w.e.f.11.06.2019)
Sushila Kapadia	-	Non-Executive Director
Amol Kapadia	-	Managing Director
Pravin D. Samant	-	Executive Director
Dhau Lambore	-	Executive Director

**CHIEF FINANCIAL OFFICER (CFO)**

Mr. Sanjay Shantaram Bhalerao

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mrs. Sampada Sachin Sawant

**SOLICITORS**

D.H. Nanavati

**STATUTORY AUDITORS**

R. G. B. &amp; Associates, Chartered Accountant

**INTERNAL AUDITORS**

Nirmal Nagpal

**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 78<sup>th</sup> Annual General Meeting (AGM) of Polson Ltd ("the Company") will be held on Friday, September 27, 2019 at 10.00 a.m. at the Registered Office of the Company situated at ChitraKuti at Ambaghat, Vishalgad, Taluka-Shahuwadi, Dist. Kolhapur, Kolhapur-415 101, to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2019, 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. Amol Jagdish Kapadia (DIN:01462032) who retires by rotation in terms of section 152 (6) of the Companies Act, 2013, and being eligible, has offered himself for re-appointment.

By Order Of The Board Of Directors Of  
Polson Ltd

Place: Mumbai  
Date: August 31, 2019

**Sd/-**  
**Sampada Sachin Sawant**  
Company Secretary & Compliance Officer  
Membership No.: ACS 51343

**: NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 (“Act”), read with the applicable rules thereon, a person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or member. A proxy form is attached hereto.
3. 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 commencement of the Annual General Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the AGM, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. 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.
6. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
7. The Notice is being sent to all the Members, whose names appeared in the Register of Members. The Notice of the AGM will also posted on the website of the Company <http://www.polsonltd.com>.
8. 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 Information under Regulations 26(4) and 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) and as required under the Secretarial Standard on General Meeting is annexed.
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. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company’s website <http://www.polsonltd.com>. Members holding shares in physical form may submit the same to Company’s Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. (“Purva”). Members holding shares in electronic form may submit the same to their respective depository participant.
11. 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.
12. Register of Members and Transfer Register will remain close from Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive).

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent / Company.
14. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Purva on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
15. In accordance with the Act read with the relevant Rules, the Notice of the AGM along with the Annual Report for financial year 2018-19 are sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Notice of the AGM along with the Annual Report will be available on the website of the Company.(<http://www.polsonltd.com>.)
16. 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.
17. Members are requested to notify change in address, if any, immediately to the Registrar and Transfer Agent of the Company quoting their folio numbers.
18. 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.
19. Members/ Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
20. The route map showing directions to reach the venue of the Seventy Seventh 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 Eighth Annual General Meeting to be held on Friday, 27<sup>th</sup> day of September, 2019 at 10.00 a.m. at ChitraKuti 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 Tuesday, September 24, 2019 from 10.00 a.m. and ends on Thursday, September 26, 2019 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 September 20, 2019 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. September 20, 2019.
- 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, September 24, 2019 at 10.00 am and ends on Thursday, September 26, 2019 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 September 20, 2019 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.
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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	<ul style="list-style-type: none"> <li>Enter your 10 digits alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</li> <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 RA000000001 in the PAN field.</li> </ul>
DOB	<ul style="list-style-type: none"> <li>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</li> </ul>
Dividend Bank Details	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</li> <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.</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 your 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 Corporate.
  - 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 and become member of the Company after dispatch of the Notice and holding shares on cut-off date i.e. September 20, 2019 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) The Scrutinizer, immediately after the conclusion of voting at the AGM, count the votes casted at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least

two witnesses, not in the employment of the Company and submit the same not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Board of Directors or a person authorised by them in writing who shall countersign the same.

(xxiii) The result declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.polsonltd.com> and on the website of Purva at <https://www.purvashare.com/clients> immediately.

(xxiv) The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The resolution shall be deemed to be passed on the date of the AGM subject to receipt of sufficient votes.

(xxv) 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):

<b>Name of the Director</b>	<b>*Mr. Amol Kapadia</b>
Age	54 yrs
Director Identification Number (DIN)	01462032
Date of Appointment on the Board	29/12/1987
Qualifications	Mr. Amol Jagdish Kapadia, 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.
Expertise in specific functional area	Mr. Amol Kapadia has expertise in business management.
Number of shares held in the Company	5580
Terms and Conditions	-
Justification for appointment of Independent Director	Not Applicable
List of the directorships held in other listed entities	please refer to the Corporate Governance Report
Chairman / Member in the Committees of the Boards of companies in which he is Director	please refer to the Corporate Governance Report
Relationships between Directors inter-se	Mrs. Sushila Kapadia is his mother.

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

\*The Board of Directors proposes the re-appointment of Mr. Amol Kapadia as an Executive - Non Independent 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.

By Order Of The Board Of Directors Of  
POLSON LTD

Place: Mumbai  
Date: August 31, 2019

**Sd/-**  
**Sampada Sachin Sawant**  
Company Secretary & Compliance Officer  
Membership No.: ACS 51343

**DIRECTOR'S REPORT**

Dear Members,

The Directors of your Company are pleased to present the 78<sup>th</sup> Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ("F.Y.") ended March 31, 2019.

**1. FINANCIAL RESULTS:**

The performance of the Company is summarized below:

(Amount in lakhs)

Particulars (Standalone)	Standalone	
	2018 - 19	2017 - 18
Income from Business Operations	10,893.91	10,576.58
Other income	609.02	441.15
<b>Total Revenue</b>	<b>11,502.93</b>	<b>11,017.73</b>
Total Expenditure	10,367.52	9,772.60
<b>Profit before exceptional item and tax</b>	<b>1,135.41</b>	<b>1,245.13</b>
Exceptional item	-	564.56
<b>Profit before tax</b>	<b>1,135.41</b>	<b>1,809.69</b>
Provision for Tax	361.93	460.38
Less/Add Deferred Tax Liability	-206.86	234.16
Prior year tax adjustments (net)	-12.46	23.79
<b>Profit after Tax</b>	<b>992.80</b>	<b>1,091.35</b>
<b>Other Comprehensive Income</b>	<b>1.07</b>	<b>12.56</b>
<b>Profit available for appropriation :</b>	<b>993.87</b>	<b>1,103.91</b>
Less: Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to Reserves	-	-
Surplus carried to the Balance Sheet	993.87	1,103.91
Earning per Equity Share (Face Value: ₹ 50/-)		
<b>Basic</b>	<b>827.33</b>	<b>909.46</b>
<b>Diluted</b>	<b>827.33</b>	<b>909.46</b>

Note: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**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:

<b>Particulars</b>	<b>Standalone(in lakh)</b>
Net Profit for the year	992.80
Other comprehensive Income for the year	1.07
Balance of Reserve at the beginning of the year	8010.16
Transfer to General Reserve	-
Balance of Reserve at the end of the year	9004.03

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

The Company achieved a turnover of ₹ 10,893.91 lakhs during the current year, as against ₹ 10,576.58 lakhs during the previous year. The profit during the year has been ₹ 992.80 lakhs as against ₹ 1,103.93 during the previous year 2017-18.

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

**5. SHARE CAPITAL:**

The Paid-up Share Capital of the Company as on March 31, 2019, was ₹ 60,00,000/- consisting of 1,20,000 Equity Shares of ₹ 50 each. The shares of the Company are listed on the BSE Limited since July 03, 1995.

**6. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

During the year under review, the Company does not have any subsidiary, associate Companies or Joint Venture. However, the Company has a holding Company named AJI Commercial Private Limited.

**7. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 of the Companies Act, 2013, and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm the following statements:

- a) that in the preparation of the Annual Financial Statements for the year ended 31 March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note. 3 of the Notes to the financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2019 and of the profits of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**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 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 Nirmal Nagpal, 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 financial year Mr. Pradip Pai (DIN: 00107704) has stepped down from the Directorship due to pre-occupancy with effect from August 14, 2018.
- During financial year Mr. Rajiv Agarwal (DIN: 00518199) was appointed as an Independent Director w.e.f August 14, 2018.\*
- During financial year Mr. Chandrakant Gupte (DIN: 08019397) was appointed as an Independent Director w.e.f August 31, 2018.\*
- Post Financial year Mr. Abhay Bhalerao (DIN: 00974229) an Independent Director has vacate the position of directorship w.e.f. 11.06.2019.

*\*Both the Directors were regularized as a Director in the last Adjourned Annual General Meeting held on 29 September, 2018.*

*Mr. Sudhir Hari Prasad Nevatia, Independent Director of the company has shown his dissent to re-appoint at an ensuing Annual General Meeting of the company due to pre-occupancy in other work.*

Pursuant to provisions of section 152 of the Companies Act, 2013 (the "Act") and in terms of the Memorandum and Articles of Association of the Company, Mr. Amol Kapadia (DIN: 01462032) Executive Director is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

The re-appointment is being placed for your approval at the AGM. The Members of the Company may wish to refer to the accompanying Notice of the 78<sup>th</sup> AGM of the Company, for a brief profile of the Director.

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

The Company after due assessment took on record the necessary declarations received from each of the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and also in the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as an Independent Directors of the Company. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

**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.

During the period under review the Board of Directors met 5 (Five) times viz. on May 30, 2018; August 14, 2018; August 31, 2018; November 14, 2018; and February 14, 2019, the details of the meetings of the board of director of the company convened during the financial year 2018-19 are given in the Corporate Governance Report which forms 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 are also available on our website (<https://www.polsonltd.com>). 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 Section 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:**

The Company is committed to maintain the highest standards of adhering to Corporate Governance as per the requirements set out by the SEBI Listing Regulations. The Company has complied fully with Corporate Governance requirements under the SEBI Listing Regulations. A separate section on Corporate Governance practices followed by the Company together with a Certificate from Statutory Auditor and Management Discussion and Analysis as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) are annexed as Annexure A and form part of this Annual Report.

**15. SECRETARIAL STANDARDS:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**16. INDIAN ACCOUNTING STANDARDS (IND AS):**

The Ministry of Corporate affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of this notification, the financial statements for the year ended March 31, 2019 are prepared in accordance to the same

**17. 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.

**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.

**18. 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 B to this report.

**19. 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 C to this report



**20. 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 given is within the limits prescribed u/s 186 of the Companies Act, 2013.

**21. 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 D to this report.

**22. 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 E to this Report.

**23. EXTRACT OF THE ANNUAL RETURN**

The extract of the Annual Return of the Company as on 31<sup>st</sup> March, 2019 in Form MGT - 9 in accordance with Section 92 (3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <http://www.polsonltd.com/> and is set out in Annexure F to this Annual Report.

**24. STATUTORY AUDITORS**

The shareholder at their Seventy Sixth (76<sup>th</sup>) Annual General Meeting held on September 29, 2017 approved appointment of M/s. R. G. B. & Associates, chartered Accountants (FRN. 144967W) as Statutory Auditors of the Company for a period of five years from the conclusion of Seventy Sixth (76<sup>th</sup>) Annual General Meeting till the conclusion of the Eighty First (81<sup>st</sup>) Annual General Meeting. The Auditors have confirmed that they are not disqualified from continuing as auditors of the Company.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

There are certain observations 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.

**25. 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, 2019.

The Secretarial Audit Report is annexed and detailed in Annexure G to this report herewith. The qualifications provided in the report are self-explanatory and along with explanation of Board are as follows.

**COMMENTS ON QUALIFICATIONS IN SECRETARIAL AUDIT REPORT**

<b>Comments in Secretarial Audit Report</b>	<b>Directors Comment</b>
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 fixed asset register	The Company is in process of maintaining records of fixed assets and the same will be updated shortly.
Non Maintenance of Website as per SEBI (LODR) Regulations, 2015	The Company shall endeavor its best to make the compliance good.

**26. COST AUDITORS**

As per the Cost Audit Orders, Cost Audit is not applicable to the company.

**27. INTERNAL AUDITOR**

The Board of Directors of the Company has appointed Mr. Nirmal Nagpal, as an Internal Auditor of the Company. The auditor reports to the Audit Committee.

**28. POLICY FOR DETERMINING DIRECTORS' ATTRIBUTES AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

Pursuant to Section 178 of the Act, the Board has devised Nomination and Remuneration Policy for determining director attributes and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Board Diversity and Remuneration Policy, has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board and to ensure that the level and composition of the remuneration of Directors, Key Managerial Personnel and all other employees are reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The said Policy is available on the website of the Company and can be accessed at the web link: [www.polsonltd.com](http://www.polsonltd.com)

**29. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees, Individual Directors, Chairpersons and the CEO/Managing Director etc. for the year under review.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors including the Non-Executive Chairman and the Managing Director/CEO, their personal performance carried out using a peer review process, participation, contribution and

offering guidance and understanding of the areas which were relevant to them in their capacity and was assessed on selected parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company's Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

In a separate meeting of the Independent Directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman were also evaluated, taking into account the views of Executive Director and Non- Executive Directors. The Directors were asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its Committees and its areas of improvement for a higher degree of engagement with the Management.

The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management. Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have also agreed on some action points, which will be implemented over an agreed period.

**30. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Familiarisation Programme for Independent Directors, which also extends to other Non-Executive Directors aims to familiarise them with the Company, nature of the industry, business model, processes & policies, compliances etc., and seeks to update them on the roles, responsibilities, rights and duties under the Companies Act, 2013 and the SEBI Listing Regulations and other applicable statutes. The details of the induction and familiarization programme for the Directors are given in the Corporate Governance Report, which forms part of the Annual Report.

**31. 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).

**32. COMPLIANCE WITH THE MINIMUM PUBLIC SHAREHOLDING (MPS) REQUIREMENTS**

The company has complied with the Minimum Public Shareholding ("MPS") requirement as specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 as mandated under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**33. COMPLIANCE WITH PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to uphold and maintain the dignity of women employees and an Internal Complaints Committee has been formed for each location of the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Further, the Company has also framed 'Sexual Harassment Policy of Polson Limited to prevent sexual harassment of women at work place. For the year under review, no case of Sexual harassment was reported to the Internal Complaints Committee.

**34. 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.

**35. CEO/CFO CERTIFICATION**

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the certification by the Managing Director and Chief Financial Officer on the financial statements and Internal Controls relating to financial reporting has been obtained.

**36. 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;
- 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.

**37. ACKNOWLEDGEMENTS**

Your Directors are grateful to the Investors for their continued patronage and confidence in the Company over the past several years. Your Directors also thank the Central and State Governments, other Statutory and Regulatory Authorities for their continued guidance, assistance, co-operation and support received.

Your Directors thank all our esteemed clients, associates, vendors and contractors within the country and overseas for their continued support, faith and trust reposed in the professional integrity of the Company. With continuous learning, skill upgradation and technology development Company will continue to provide world class professionalism and services to its clients, associates, vendors and contractors.

Your Directors also wish to convey their sincere appreciation to all employees at all levels for their dedicated efforts and consistent contributions and co-operation extended and is confident that they will continue to contribute their best towards achieving still better performance in future to become a significant leading player in the industry in which Company operates.

For and On behalf of the Board of Directors of Polson Limited

Sd/-  
**Sudhir Nevatia**  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 31.08.2019

**ANNEXURE 'A': 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. As per a recently published TechSci Research report, "India Leather Chemicals Market Forecast and Opportunities, 2019", the country's leather chemicals market revenues are projected to reach INR 2,800 crore (USD465 million) by 2019. Increasing demand for leather products is positively influencing the leather chemicals market in India. Chemicals required at different stages of leather processing, i.e., beamhouse, tanning and finishing, are expected to witness growing demand over the next five years.

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.

"In India's leather chemicals market, finishing chemicals segment is projected to witness highest growth during the next five years. This can be majorly attributed to the government's favorable policy measures to boost exports of finished leather products. Anticipated growth of these specialty chemicals is expected to significantly influence the leather chemicals market during the forecast period", said Mr. Karan Chechi, Research Director with TechSci Research, a research based global management consulting firm.

"India Leather Chemicals Market Forecast and Opportunities, 2019" has analyzed the potential of the leather chemicals market and provides statistics and information on market sizes, shares and trends. The report will suffice in providing the intending clients with cutting-edge market intelligence and help them in taking sound investment evaluation. Besides, the report also identifies and analyzes the emerging trends along with essential drivers and key challenges faced by the leather chemicals industry in India.

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 12<sup>th</sup> 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 equipment, 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 of  
Polson Limited

Sd/-  
**Sudhir Nevatia**  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 31.08.2019

**ANNEXURE 'B': 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.
- the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year- 16:84
  - the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	Remuneration (₹)		Increase %
		2018-19	2017-18	
Mr. Amol Kapadia	Managing Director	10,800,000	90,00,000	20%
Mr. Sushila Kapadia	Non-Executive Director	-	-	-
Mr. Sudhir Nevatia	Independent Director	-	-	-
Mr. Pravin D. Samant	Executive Director	-	-	-
Mr. Dhau Lambore	Executive Director	-	-	-
Mr. Pradip Pai*	Independent Director	-	-	-
Mr. Abhay Bhalerao	Independent Director	-	-	-
Mr. Chandrakant Gupte	Independent Director	-	-	-
Mr. Rajiv Agarwal	Independent Director	-	-	-
Mr. Sanjay Bhalerao	Chief Financial Officer	2,223,980	1,123,980	97.87%
Mrs. Sampada Sawant	Company Secretary	4,47,288	3,90,150	14.64%

- the percentage increase in the median remuneration of employees in the financial year-7%
- the number of permanent employees on the rolls of company-55 employees
- average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is - 7%.
- comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Name	Designation	Remuneration (₹)		Increase %
		2018-19	2017-18	
Mr. Amol Kapadia	Managing Director	10,800,000	90,00,000	20%
Mr. Sanjay Bhalerao	Chief Financial Officer (CFO)	2,223,980	1,123,980	97.87%
Mrs. Sampada Sawant	Company Secretary (CS)	4,47,288	3,90,150	14.64%

- 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.
- 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 ₹ 1,0,200,000/- (Rupees One Crore Two Lakhs)per annum of ₹ 8,50,000/- (Rupees Eight Lakh Fifty Thousand)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 of  
Polson Limited

**Sd/-**  
**Sudhir Nevatia**  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 31.08.2019

**ANNEXURE 'C':  
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 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.

- (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 ₹9,38,007/- on Research and Development

**(C) Foreign exchange earnings and Outgo:**

Foreign exchange earnings and outgo (including dividend) during the year under review were ₹ 74,86,24,107/- (previous year: ₹ 76,80,27,564/-) and ₹4,81,63,583/- (previous year ₹ 6,12,65,208/-) respectively.

For and On behalf of the Board of Directors of  
Polson Limited

**Sd/-**  
**Sudhir Nevatia**  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 31.08.2019

**ANNEXURE 'D': 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 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) Justification for entering into such contracts or arrangements or transactions
- (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

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

Name of Related Party & nature of relationship	Nature of contracts/ arrangements/ transactions	Transactions value (in crores)	Duration of Transaction	Salient terms of transactions	Date(s) of approval by the Board, if any	Amount paid as advances, if any
BK Giulini Specialities Pvt Ltd	Sale of goods	70,930,195	During the financial year	The related party Transactions (RPTs) Entered during the year was in the ordinary course of business.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the board is not applicable. However, necessary approvals were granted by the Audit committee from time to time.  Date of Approval in Board Meeting : 30.05.2017.	NA
	Purchase of goods	-				
Atlas Refinery Private Limited	Sale of goods	125,622,975	During the financial year	The related party Transactions (RPTs) Entered during the year was in the ordinary course of business.	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the board is not applicable. However, necessary approvals were granted by the Audit committee from time to time.  Date of Approval in Board Meeting : 30.05.2017	
	Purchase of goods	10,670,430				

For and on behalf of the Board of Directors

Sd/-  
**Sudhir Nevatia**  
Chairman  
DIN: 00001258

Place: Mumbai  
Date: 30.05.2019

**Annexure: E- 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. Rajiv GAgarwal (Independent Director)

3. Average net profit of the company for last three financial years: ₹12,59,16,131/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹25,18,323/-.

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year: ₹ 25,20,000/-
- (b) Amount unspent- The Company has paid additional amount of ₹ 1677/- towards CSR. The Company has spent more amount than that of prescribed CSR Expenditure.
- (c) Manner in which the amount spent during the financial yearis 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 relief material at village in Chiplun and Ratnagiri district	Project “Hope” for upliftment of poor people in the district of Chiplun and Ratnagiri	Chiplun and Ratnagiri District	₹ 25,18,323/-	₹ 25,20,000/-	₹25,20,000/-	₹ 25,20,000/-

6. The CSR Committee hereby confirms 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, 2019

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

<b>I. REGISTRATION AND OTHER DETAILS</b>		
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	AmbaghatTalluka Shahuwadi Kolhapur Maharashtra-415101 Tel: 022-22626437/39 Fax: 022-22626439
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:-

<b>Sr. No.</b>	<b>Name and Description of main product/ services</b>	<b>NIC Code of the product/service*</b>	<b>% to total turnover of the company#</b>
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**

<b>Sr. No.</b>	<b>Name of Company</b>	<b>Address of Company</b>	<b>CIN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares held*</b>	<b>Applicable section</b>
1.	AJI Commercial Private Limited	615/616 Churchgate Chambers 5 New Marine Lines Road Churchgate 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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
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	16802	0	16802	14.00%	16802	0	16802	14.00%	0
<b>Total shareholding of Promoter (A)</b>	<b>89991</b>	<b>0</b>	<b>89991</b>	<b>74.99%</b>	<b>89991</b>	<b>0</b>	<b>89991</b>	<b>74.99%</b>	<b>0</b>
<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%	55	205	260	0.22%	0
c) Central Govt.	0	0	0	0	65	0	65	0.05	0.05
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	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>	<b>35</b>	<b>225</b>	<b>260</b>	<b>0.27</b>	<b>120</b>	<b>205</b>	<b>325</b>	<b>0.27%</b>	<b>0</b>
2. Non-Institutions									
<b>a) Bodies Corp. &amp; LLP</b>									
i) Indian	1062	83	1145	0.95	826	83	899	0.97	0.23
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	12881	13031	25912	21.59	14240	12184	26424	22.02	0.43

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Non Resident Indians (Repat& Non Repat)	97	142	239	0.199	297	142	439	0.37	0.171
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	75	0	75	0.06		0		-0.06	0.06
Clearing Members	652	0	652	0.54	301	0	301	0.25	-0.29
Trusts	0	58	58	0.05	0	58	58	0.05	0
Hindu Un-divided Family	1648	0	1648	1.37	1553		1553	1.29	-0.08
<b>Sub-total (B)(2):-</b>	<b>16435</b>	<b>13314</b>	<b>29749</b>	<b>24.79</b>	<b>17217</b>	<b>12467</b>	<b>29684</b>	<b>27.21</b>	<b>2.42</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>16470</b>	<b>13539</b>	<b>30009</b>	<b>25.01</b>	<b>17337</b>	<b>12672</b>	<b>30009</b>	<b>25.01/</b>	<b>2.47/</b>
<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>106461</b>	<b>13539</b>	<b>120000</b>	<b>100</b>	<b>1073281</b>	<b>12672</b>	<b>120000</b>	<b>100</b>	<b>0</b>

**ii. Shareholding of Promoters**

**iii. Change in Promoter's Shareholding-There is no change in promoters shareholding during the year.**

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% 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	11222	9.35	0	11222	9.35	0	0
3	Oriental Pharmaceuticals Industries Limited	8849	7.37	0	8849	7.37	0	0
4	Amol Kapadia	5580	4.65	0	5580	4.65	0	0
5	New Commercial Mills Co. Ltd	1	0	0	1	0	0	0
	<b>TOTAL</b>	<b>89991</b>	<b>74.99</b>	<b>0</b>	<b>89991</b>	<b>74.99</b>	<b>0</b>	<b>0</b>



**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	Mehta Vijay Bharatbhai HUF				
	Opening Balance	922	0.76%	922	0.76%
	Changes during the year	-	-	-	-
	Buy/ (Sell)	1	-	1	-
	Closing Balance	923	0.77%	923	0.77%
2.	Manikchand Deomansa Kanhed				
	Opening Balance	273	0.23%	273	0.23%
	Changes during the year	-	-	-	-
	Buy/ (Sell)	-	-	-	-
	Closing Balance	273	0.23%	273	0.23%
3	Ankita Vishal Shah				
	Opening Balance	450	0.37	450	0.37
	Changes during the year	-	-	-	-
	Buy/ (Sell)	(200)	(0.16)	(200)	(0.16)
	Closing Balance	250	0.21	250	0.21
4	Patel Rajendra kumar Ramanlal				
	Opening Balance	225	0.19	225	0.19
	Changes during the year	-	-	-	-
	Buy/ (Sell)	10	0.00	10	0.00
	Closing Balance	235	0.20	235	0.20
5	Darayas Minoo Mistry				
	Opening Balance	250	0.21	250	0.21
	Changes during the year	-	-	-	-
	Buy/ (Sell)	(25)	(0.02)	(25)	(0.02)
	Closing Balance	225	0.19	225	0.19

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
6	Vikash Agarwal				
	Opening Balance	202	0.17	202	0.17
	Changes during the year	-	-	-	-
	Buy/ (Sell)	-	-	-	-
	Closing Balance	202	0.17	202	0.17
7	Prakashchandra S. Seksaria				
	Opening Balance	0	0	0	0
	Changes during the year	-	-	-	-
	Buy/ (Sell)	200	0.17	200	0.17
	Closing Balance	200	0.17	200	0.17
8	Navel Nadir shah Mulla				
	Opening Balance	200	0.17	200	0.17
	Changes during the year	-	-	-	-
	Buy/ (Sell)				
	Closing Balance	200	0.17	200	0.17
9	Nikunj Kaushik Shah				
	Opening Balance	200	0.17	200	0.17
	Changes during the year	-	-	-	-
	Buy/ (Sell)	-	-	-	-
	Closing Balance	200	0.17	200	0.17
10	Atithi Dealers Private Limited				
	Opening Balance	0	0	0	0
	Changes during the year	-	-	-	-
	Buy/ (Sell)	200	0.17	200	0.17
	Closing balance	200	0.17	200	0.17
11	Navel Nadir Shah Mulla				
	Opening Balance	200	0.17	200	0.17
	Changes during the year	-	-	-	-
	Buy/ (Sell)	200	0.17	200	0.17
	Closing Balance	200	0.17	200	0.17

**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	Sushila Kapadia				
	Opening Balance	11222	9.35%	11222	9.35%
	Changes during the year	-	-	-	-
	Closing Balance	11222	9.35%	11222	9.35%
2	Amol Kapadia				
	Opening Balance	5580	4.65%	5580	4.65%
	Changes during the year	-	-	-	-
	Closing Balance	5580	4.65%	5580	4.65%

**V) INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	74,19,26,924	-	-	74,19,26,924
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12,60,700	-	-	12,60,700
<b>Total (i+ii+iii)</b>	<b>74,31,87,624</b>			<b>74,31,87,624</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	5,23,68,329	-	-	5,23,68,329
<b>Net Change</b>	<b>(5,23,68,329)</b>			<b>(5,23,68,329)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	69,08,19,295	-	-	69,08,19,295
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>69,08,19,295</b>			<b>69,08,19,295</b>

**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
1	Gross salary	Amol Kapadia	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000 p.m.	9,00,000 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)	9,00,000 p.m.	9,00,000 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	-	-	--	-	-
	<b>Total (1)</b>	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	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	-	₹ 447,288 p.m.	-	₹ 447,288 p.m.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	₹ 37,274 p.m.	-	₹ 37,274 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	₹ 185,332/- p.m.	Nil
5	Others, please specify	-	Nil	-	Nil
	<b>Total</b>		<b>₹ 37,274 p.m.</b>	<b>₹ 185,332/- p.m.</b>	<b>₹ 222,606 p.m.</b>

**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>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-  
**Sudhir Nevatia**  
 Chairman  
 DIN: 00001258

Place: Mumbai  
 Date: 30.05.2019

**ANNEXURE 'G'- Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019

[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, 2019 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, 2019 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, 2018/1996 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018/2009;
  - c) 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)
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - e) 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;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; not applicable to the Company during the financial year) and
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018/1998; (not applicable to the Company during the financial year)

- h) 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) The Shop & Establishment 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. The company has not maintained register of charges as details regarding old charges are not available.
- 2. The company has not maintained Fixed Asset Register properly.
- 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) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven 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.
- b) 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 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

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

Date: 20.08.2019  
Place: Mumbai

*Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.*

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

**Mihen Halani**  
Proprietor  
ACS No: 9926  
C.P. No.: 12015

Date: 20.08.2019  
Place: Mumbai



**REPORT ON CORPORATE GOVERNANCE**

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

**A) 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.

**B) BOARD OF DIRECTORS:**

- a. The Company has a balanced Board with combination of Executive, Non-Executive and Independent Directors to ensure independent functioning and the composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Act.
- b. During the year, the Board of the Directors met 5 (Five) times viz. on May 30, 2018; August 14, 2018, August 31, 2018, November 14, 2018 and February 14, 2019.
- c. The details of composition of Board of Directors, categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019 are given herein below.

# POLSON LIMITED

Name of Director	Category	No of shares held	Particulars of Attendance		No. of Directorships in other Public Companies		No. of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
			Last AGM	Board Meeting	Chairman	Member	Chairman	Member	
Mr. Sudhir Nevatia	Chairman & Inde-pendent Director	0	Yes	5	-	3	1	1	The Indian Link Chain Manu-facturers Limited (Managing Director)  Morarka Finance Limited (Inde-pendent Director)
Mr. Amol Kapadia	Promoter, Managing Director	5580	Yes	5	-	3	-	-	
Mrs. Sushila Kapadia	Non Executive Woman Director, Promoter	-	Yes	5	-	1	-	1	-
Mr. Pravin Samant	Executive Professional Director	0	Yes	5	-	-	-	-	-
Mr. Dhau Lambore	Executive Professional Director	0	Yes	5	-	3	-	-	-
Mr. Abhay Bhalerao	Independent	0	Yes	5	-	-	-	-	-
Mr. Chandrakant Gupte	Independent	0	Yes	2	-	-	-	-	-
Mr. Rajiv Agarwal	Independent	0	Yes	3	1	1	1	-	-
									-

Other directorships do not include Directorship in Polson Limited and directorships of private limited companies, foreign companies, companies registered under Section 8 of the Act and Alternate Directorships. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

- d. It is hereby confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations & Disclosure Requirements), 2015 and are independent of the management.
- e. Mr. Pradip Pai, an Independent Director has resigned during the Financial Year 2018-19 due to pre-occupation and has confirmed that there is no other material reason other than those provided in the resignation letter submitted to the Company.
- f. Mr. Abhay Bhalerao, an Independent Director has vacate the position of directorship post financial year i.e. 11.06.2019
- f. Further, there is no Inter-se relation between the Directors except Sushila Kapadia & Amol Kapadia (who are Mother and Son in relation.)

#### **Independent Directors' Meeting**

During the year under review, the Independent Directors met on 30.03.2019, 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.

#### **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 available on our website (<https://www.polsonltd.com/investor.html>). 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.

Matrix of Skills required

The board has identified skills/expertise/competence required in the context of its business(es) and sector(s) for it to function effectively and are provided in the below chart:

<b>Particulars</b>	<b>Detailed List of Core Skills, Expertise and Competencies</b>
Core Skills	Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements,
Expertise	Knowledge in Marketing, Education, Corporate Law and legal matters.
Competencies	Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment.

**C) 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.

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 terms of reference of the committee are as stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee met four times in financial year on May 30, 2018; August 14, 2018, November 14, 2018 and February 14, 2019. The necessary quorum was present for all the meetings.

The composition of the Committee during year ended March 31, 2019 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, 2019	
			Held	Attended
Mr. Sudhir Nevatia	Independent, Non-Executive	Chairman	4	4
*Mr. Pradip Pai	Independent, Non-Executive	Member	2	2
Mr. Amol Kapadia	Executive	Member	4	4
\$Mr. Abhay Bhalerao	Independent, Non-Executive	Member	4	4
#Mr. Rajiv Agarwal	Independent Non-Executive	Member	2	2

\*Mr. Pradip Pai has resigned during financial year w.e.f. August 14, 2018.

#Mr. Rajiv Agarwal has been appointed as Independent Director w.e.f August 14, 2018. Accordingly, committee was reconstituted in the Board Meeting held on August 14, 2018.

\$ Mr. Abhay Bhalerao has vacated the position of directorship post financial year i.e. June 11, 2019.

b) Nomination and Remuneration Committee

The nomination and remuneration committee comprises of three non –executive Directors majority of which are Independent Directors. The term of reference of the committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015 which broadly includes to recommend appointment of, and remuneration to Managerial Personnel and review thereof from time to time; determining criteria for evaluation of Directors, Board Diversity, etc.

During the year, three meeting was held on May 30, 2018, August 14, 2018 and August 31, 2018; The composition of the Committee during year ended March 31, 2019 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, 2019	
			Held	Attended
*Mr. Pradip Pai	Independent, Non-Executive	Chairman	2	2
Mr. Sudhir Nevatia	Non-Executive Independent	Member	3	3
\$Mr. Abhay Bhalerao	Independent, Non-Executive	Member	3	3
#Mr. Rajiv Agarwal	Independent Non-Executive	Member	1	1

\*Mr. Pradip Pai has resigned during financial year w.e.f. August 14, 2018.

#Mr. Rajiv Agarwal has been appointed as Independent Director w.e.f August 14, 2018.

Accordingly, committee was reconstituted in the Board Meeting held on August 14, 2018.

\$ Mr. Abhay Bhalerao has vacated the position of directorship post financial year i.e. June 11, 2019.

c) Stakeholders' Relationship Committee (SRC)

The Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Committee periodically reviews the status of Shareholders' Grievances and Redressal of the same.

The Committee met four times in financial year on May 30, 2018; August 14, 2018, November 14, 2018 and February 14, 2019. The necessary quorum was present for all the meetings.

The composition of the Committee during year ended March 31, 2019 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, 2019	
			Held	Attended
*Mr. Pradip Pai	Independent, Non-Executive	Chairman	2	2
Mr. Amol Kapadia	Non-Independent & Executive	Member	4	4
\$Mr. Abhay Bhalero	Independent, Non-Executive	Member	4	4
#Mr. Rajiv Agarwal	Independent Non-Executive	Member	2	2

\*Mr. Pradip Pai has resigned during financial year w.e.f. August 14, 2018.

#Mr. Rajiv Agarwal has been appointed as Independent Director w.e.f August 14, 2018.

\$ Mr. Abhay Bhalerao has vacated the position of directorship post financial year i.e. June 11, 2019.

Accordingly, committee was reconstituted in the Board Meeting held on August 14, 2018.

In accordance with Regulation 40(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has authorised Mrs. Sampada Sawant, 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:

<b>Nature of Complaints</b>	<b>Opening</b>	<b>Received During the Year</b>	<b>Resolved</b>	<b>Pending Resolution</b>
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	1	1	Nil
Non-receipt of CAF's in Rights Issue	Nil	Nil	Nil	Nil
Non-receipt of Share Certificate	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 all the complaints have been solved to the satisfaction of Shareholder and there are no pending complaints. All queries / requests have been replied on time.

Mrs. Sampada Sawant, Company Secretary is the Compliance officer

d) **Corporate Social Responsibility (CSR) Committee -**

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee comprising three Directors including Mr. Rajiv Agarwal, 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 2018-19 on February 14, 2019. The composition of the Committee as on March 31, 2019 is as follows:

Name	Category	Position	Number of meetings during year ended March 31, 2019	
			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	0	0
#Mr. Rajiv Agarwal	Independent Non-Executive	Member	1	0

\*Mr. Pradip Pai has resigned during financial year w.e.f. August 14, 2018.

#Mr. Rajiv Agarwal has been appointed as Independent Director w.e.f August 14, 2018.

The committee was reconstituted in the board meeting held on August 14, 2019.

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.

**D) REMUNERATION OF DIRECTORS:**

- (a) Pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

There are no pecuniary relationships or transaction with the non-executive Directors.

- (b) Criteria of making payments to non-executive directors

The Company has not paid any remuneration nor does it pays sitting fees to Non-Executive Directors.

- (c) Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:

(i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;	<i>The company does not make payment to its Non-executive directors, Hence Not Applicable.</i>
(ii) details of fixed component and performance linked incentives, along with the performance criteria;	<i>The company does not make payment to its Non-executive directors, Hence Not Applicable.</i>
(iii) service contracts, notice period, severance fees;	<i>The company does not make payment to its Non-executive directors, Hence Not Applicable.</i>
(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.	<i>The company does not make payment to its Non-executive directors, Hence Not Applicable.</i>

**E) 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
75 <sup>th</sup> Annual General Meeting	*Friday 7 <sup>th</sup> October, 2016 at ChitraKuti at Ambaghat Vishalgad, Taluka-Shahuwadi dist. Kolhapur-415 1010 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>
76 <sup>th</sup> Annual General Meeting	Friday 29 <sup>th</sup> September, 2017 at ChitraKuti at Ambaghat Vishalgad, Taluka-Shahuwadi dist. Kolhapur-415 1010 at 11.30 a.m.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Amol Kapadia as a Managing Director of the Company for a period of 5 years w.e.f April 01, 2017 and fix remuneration.</li> </ol>
77 <sup>th</sup> Annual General Meeting	#Saturday, 29 <sup>th</sup> September 2018 at ChitraKuti at Ambaghat Vishalgad, Taluka-Shahuwadi dist. Kolhapur-415 1010 at 10.00 a.m.	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Chandrakant Gupte (Din 08019397) as an Independent Director for the Five years</li> <li>2. Ratification and Approval of Related Party Transaction.</li> <li>3. Approval of Related Party Transaction.</li> </ol>

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

*#77<sup>th</sup> Annual General Meeting was adjourned due to lack of quorum and rescheduled on Saturday, September 29, 2018.*



**(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.

**(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.

**F) 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 Mumbai lakshadeep. 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.

**G) GENERAL INFORMATION TO SHAREHOLDERS:**

## 1. Annual General Meeting (AGM)

Date	27 <sup>th</sup> September 2019
Day	Friday
Time	10.00 a.m.
Venue	ChitraKuti at Ambaghat Vishalgad Taluka-Shahuwadi Dist. Kolhapur-415 101

## 2. Financial Year:

Financial Year - 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

## 3. Dividend Payment Date: No dividend is recommended for the financial year.

## 4. 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.

## 5. Stock Code:

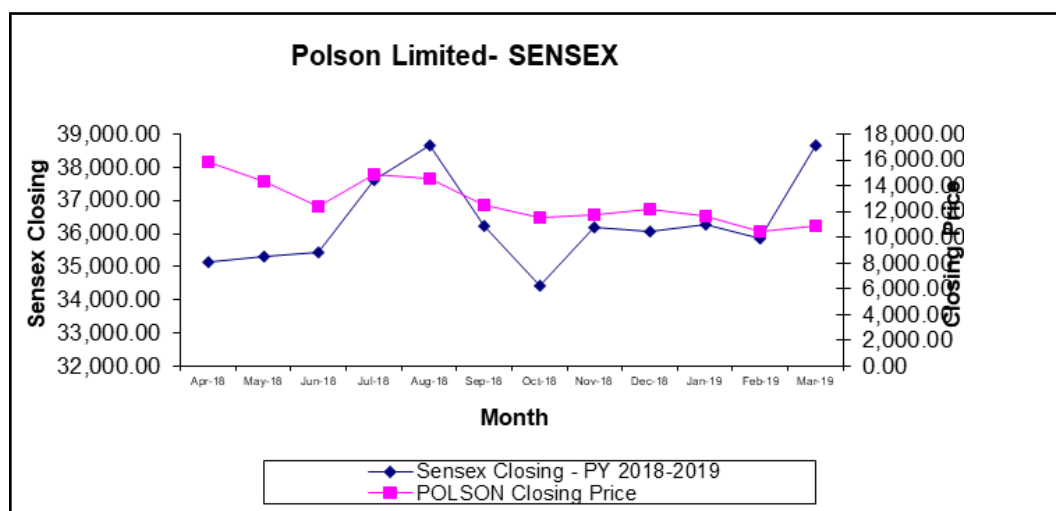
<b>Stock Exchange</b>	Code
BSE	507645
Demat ISIN Numbers in NSDL and CDSL	INE339F01021
CIN	L15203PN1938PLC002879

6. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2019 at the Bombay Stock Exchange were as under:-

	Bombay Stock Exchange (Face Value of ₹ 50/- Per Share)	
	High	Low
April 2018	17774.95	15150.00
May 2018	15880.00	12864.00
June 2018	14500.00	12100.00
July 2018	16778.00	12112.00
August 2018	17146.95	13800.05
September 2018	15606.00	12450.00
October 2018	12540.00	10600.00
November 2018	13100.00	11328.05
December 2018	12580.00	10705.00
January 2019	12298.00	10509.00
February 2019	11850.00	10137.70
March 2019	11800.00	10400.15

7. Performance in comparison to Bombay Stock Exchange Limited SENSEX



8. 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 Near Lodha Excelus, Lower Parel (East) Mumbai-400 011

Email ID: purvashr@gmail.com, support@purvashare.com

9. Investor's Complaints to be addressed to:

Registrar and Share Transfer Agents at the above mentioned addresses.

**10. 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.

**11. Distribution of Shareholding as on March 31, 2019 is as under:**

Category	Shareholders		Face Value of ₹ 50/-Per Share	
	Numbers	% of shareholders	Amount (₹)	% of
1 – 5000	3883	-99.36	-1280900	21.35
5001 – 10000	-15	-0.38	-114200	-1.90
10001 – 20000	5	3	59250	0.99
20001-30000	0	0	0	0
30001-40000	0	0.00	0	0
40001-50000	1	0.03	-46150	0.77
<b>50001-100000</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>100000 and above</b>	<b>4</b>	<b>0.10</b>	<b>4499500</b>	<b>74.99</b>
<b>TOTAL</b>	<b>3584</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

**12. Dematerialization of Shares and Liquidity:**

About 89.44% 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, 2019.

The break-up of Equity shares held in physical and Demat form as on March 31, 2019 is given below:

Particulars	Shares	%
Physical Shares	<b>12,672</b>	<b>10.56</b>
<b>Demat Shares</b>		
NSDL	100,456	83.71
CDSL	6,872	5.73
<b>Total</b>	<b>120,000</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.

**13. Outstanding GDRs or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity: N.A**
**14. Commodity price risk or foreign exchange risk and hedging activities;**
**15. Registered Office & Plant Location:**

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

**16. Addresses for Correspondence**

Investor's Correspondence:

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

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 Near Lodha Excelus,

Lower Parel (East) Mumbai-400 011

Email ID: busicomp@vsnl.com, support@purvashare.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: compliance@polsonltd.com

17. list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.]

18. 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

**OTHER DISCLOSURES**

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity 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.

Transactions with related party are disclosed on Note No. 47 of the Notes forming part of the financial statements.

The company policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on company's website and a weblink thereto is [www.polsonltd.com](http://www.polsonltd.com).

- b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: -

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.

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

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.

A copy of the policy is displayed on the website at [www.polsonltd.com](http://www.polsonltd.com).

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the company is also complied with Corporate Governance Requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46.

**COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:**

The company has complied with the following discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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.

**(e) 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.

**(f) 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.

**(g) 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.

**(h) Certificate from Practicing Company Secretary regarding disqualification of Directors:**

The Company Has availed a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority

**(i) Compliance with Code of Conduct:**

A Declaration signed by the managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management has been annexed to the Annual report.

**(j) Total Payment to Auditor:**

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is detailed below:

<b>Particulars</b>	<b>Amount (IN Rupees)</b>
Paid to statutory Auditor	9,00,000 (Total)
Statutory Audit	7,50,000
Income Tax Audit	1,50,000
Certification fees	-
To other entities in the same network	-

- (k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a. number of complaints filed during the financial year - NIL
  - b. number of complaints disposed of during the financial year- NIL
  - c. number of complaints pending as on end of the financial year.-NIL
- (l) **Policy for determining material subsidiary:**
- The Company has adopted policy for determining material' subsidiary and the same can be accessed on the following link-[www.polsonltd.com](http://www.polsonltd.com)
- (m) **disclosure of commodity price risks and commodity hedging activities: N.A.**
- (n) **Disclosures of shares held in demat suspense account/ unclaimed suspense account under Clause F of Schedule V to the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015.:** Nil
- (1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:
- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; Nil
  - (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year; Nil
  - (c) number of shareholders to whom shares were transferred from suspense account during the year; Nil
  - (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; Nil
  - (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. Nil

**DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S 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, 2019.

Mumbai, August 31, 2019

**Amol Kapadia**  
Managing Director

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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, 2019 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 themsame 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,

Sd/-  
**Sanjay Bhalerao**  
Chief Financial Officer  
Mumbai, 31.08.2019



**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

The Board of Directors  
POLSON LTD

To,  
The Members of POLSON LTD

We have examined the compliance of conditions of Corporate Governance by POLSON LIMITED ("the Company") for the year ended on March 31, 2019, as per the relevant provisions of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015. ("SEBI Listing Regulations")

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, as 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, and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the Financial Year ended March 31, 2019.

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: August 31, 2019  
Place: Mumbai

**INDEPENDENT AUDITORS' REPORT****To the Members of Polson Limited****Opinion**

We have audited the accompanying Standalone Financial Statements of Polson Limited ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of profit and loss and Statement of cash flows for the year then ended, and Notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report –

<b>Sr. No.</b>	<b>Key Audit Matters</b>	<b>Procedure Performed / Auditors Response</b>
1	<p>Revenue Recognition</p> <p>The Company is engaged in the business of Manufacturing of Leather Chemicals. The other income comprises of Rent Received, Interest on Deposits Etc. The incomes are recognized on timely basis &amp; only upon there is no uncertainty as to its measurability or collectability.</p> <p>Appropriateness of Current and Non-Current Classification</p>	<p>We have verified the process to identify the impact of the new revenue accounting standard. After reviewing the same we inform that there is no material impact of new revenue accounting standard and the Company can continue with its existing accounting practice.</p> <p>Performed confirmation procedures &amp; obtained the same.</p> <p>For the purpose of current &amp; non-current classification the Company has considered its normal operating cycle as 12 Months and the same is based on services provided, acquisition of assets or inventory, their realization in cash and cash equivalents. The classification is either done on basis of documentary evidence and if not then on the basis of managements best estimate of period in which asset would be realized or liability would be settled.</p>

**Information other than the standalone financial statements and Auditors' report thereon ("Other Information")**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, 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 purposes 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, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) on the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 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, as amended, 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 the pending litigations, if any on its standalone financial position in the standalone financial statements- Please refer Note 33 to the Standalone Financial Statements.
    - 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 required to be transferred to the Investor Education and Protection Fund by the Company.
    - IV. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.
3. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For R G B & Associates  
*Chartered Accountants*  
Firm Reg. No.: 144967W

**(Bharat R. Kriplani)**  
*Partner*  
Membership No. 134969

Place: Mumbai  
Dated: 30/05/2019

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors Report of even date]

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i). In respect of its fixed assets:
  - a) The Company has not maintained proper records of fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.
  - c) According to information and explanations given to us, title deeds of immovable properties are held in the name of the Company. However we were unable to verify the title deeds of immovable properties held by the Company during the course of our Audit, as the Company has not maintained the Fixed Asset Register.
- (ii). In respect of its inventories:

According to information and explanation given to us, the inventory has been physically verified by the management at regular intervals during the year. Few discrepancies were noticed on physical verification of inventory as compared to book records and the same has been properly dealt with in the books of accounts.
- (iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly this point is not applicable to the Company.

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 at the end of financial year.
- (iv). In our opinion and according to the information and explanations given to us, the Company has almost complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities given.
- (v). According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audits) Rules, 2014 as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the Cost Records with a view to determine whether they are accurate or complete.
- (vii). In respect of statutory dues:
  - a) According to the information and explanations given to us and on the basis of records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities;
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.
  - c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except as under::

Name of the statute	Nature of Dues	Amount (₹)	Period to which it relates	Forum where dispute is pending	VIEW OF COMPANY
Income Tax Act, 1961	Tax deducted at source	2,36,464/-	AY 2019-20 and Previous years.	Traces Website.	The Company is of the view that the said demand may or may not be payable as there might be errors occurred while filing TDS Returns. The Company is in the process of revising the old TDS returns and the demand which is required to be paid will be paid immediately after revision of the said returns.
Income Tax Act, 1961	Income Tax	₹ 74,084/-	AY 2013-14, AY 2016-17 & AY 2017-18.	As per income tax website.	The Company is of the view that the said demand are under the review and the same will be paid in due course of time if no error or any rectification is observed.

- (viii). According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the banks or to debenture holders.
- (ix). According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause 3 (ix) is not applicable to the Company.
- (x). To the best of our knowledge and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi). According to the information and explanations given by the management, the 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, 2013.
- (xii). In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 of the order are not applicable to the Company.
- (xiii). According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv). During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv). In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi). In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For R G B & Associates  
Chartered Accountants  
Firm Reg. No.: 144967W

**(Bharat R. Kriplani)**  
Partner

Membership No. 134969

Place: Mumbai  
Dated: 30<sup>th</sup> May 2019

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

We have audited the internal financial controls over financial reporting of POLSON LIMITED ("the Company") as of March 31, 2019 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 (ICAI). 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 with reference to financial statements.

**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 with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2019, 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.

For R G B & Associates  
Chartered Accountants  
Firm Reg. No.: 144967W

(Bharat R. Kriplani)  
Partner  
Membership No. 134969

Place: Mumbai  
Dated: 30<sup>th</sup> May 2019

**BALANCE SHEET AS AT 31 MARCH 2019**

Particulars	Note No.	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4(a)	868,951,502	925,644,720
Investment Property	4(b)	108,566,003	17,279,741
Biological assets other than bearer plant	4(c)	2,722,083	2,722,083
<b>Financial Assets</b>			
(i) Investments	5	5,465	3,099
(ii) Other financial assets	6	173,404,602	177,758,972
Other non-current assets	7	18,820,837	17,637,279
<b>Total Non-current assets</b>		<b>1,172,470,492</b>	<b>1,141,045,894</b>
<b>Current assets</b>			
Inventories	8	186,553,887	167,853,106
<b>Financial Assets</b>			
(i) Trade receivables	9	258,580,650	238,665,516
(ii) Cash and cash equivalents	10(a)	2,282,415	7,230,799
(iii) Bank balances other than (ii) above	10(b)	81,160,500	151,060,500
(iv) Loans	11	2,436,145	2,646,575
(v) Other financial assets	12	7,835,709	4,548,408
Other current assets	13	107,112,761	85,340,666
<b>Total Current Assets</b>		<b>645,962,067</b>	<b>657,345,570</b>
<b>Total Assets</b>		<b>1,818,432,559</b>	<b>1,798,391,464</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	14	6,000,000	6,000,000
b) Other Equity	15	900,402,992	801,015,667
<b>Total Equity</b>		<b>906,402,992</b>	<b>807,015,667</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	17	425,127,033	478,138,586
(ii) Other financial liabilities	16	5,646,000	3,846,000
Provisions	18	1,439,598	1,330,023
Deferred tax liabilities (Net)	19	84,768,968	105,411,523
<b>Total non-current liabilities</b>		<b>516,981,599</b>	<b>588,726,132</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	20	211,287,063	214,431,869
(ii) Trade payables	21	122,563,241	124,735,045
(iii) Other financial liabilities	22	54,405,199	50,617,169
Other current liabilities	23	2,462,542	3,172,466
Provisions	24	29,824	16,187
Current tax liability (net)	25	4,300,099	9,676,929
<b>Total current liabilities</b>		<b>395,047,968</b>	<b>402,649,665</b>
<b>Total Liabilities</b>		<b>912,029,567</b>	<b>991,375,797</b>
<b>Total Equity and Liabilities</b>		<b>1,818,432,559</b>	<b>1,798,391,464</b>
Significant accounting policies	2-3		

The accompanying notes form an integral part of the standalone Ind AS financial statements

**For R G B & Associates**

Chartered Accountants  
Firm's Registration No.144967W

**Bharat Kriplani**

Partner  
Membership No. 134969

Mumbai; Dated: 30<sup>th</sup> May 2019

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

**Sushila Kapadia**  
Director

**Amol Kapadia**  
Managing Director

**Sanjay Bhalerao**  
Chief Financial Officer

**Sampada Sawant**  
Company Secretary

Mumbai; Dated: 30<sup>th</sup> May 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

Particulars		Note No.	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
I	Revenue from operations	26	<b>1,089,391,279</b>	1,057,657,953
II	Other income	27	<b>60,901,949</b>	44,114,518
III	<b>Total Revenue</b>		<b>1,150,293,228</b>	1,101,772,471
IV	<b>Expenses</b>			
	Cost of raw materials consumed	28	<b>610,014,846</b>	611,915,636
	Changes in inventories of finished goods/traded goods and work-in-progress	29	<b>4,267,004</b>	(50,697,969)
	Employee benefits expense	30	<b>64,145,871</b>	63,198,243
	Finance costs	31	<b>69,148,049</b>	67,038,768
	Depreciation and amortisation expense		<b>40,210,427</b>	36,820,412
	Other expenses	32	<b>248,966,055</b>	248,984,596
	<b>Total expenses</b>		<b>1,036,752,252</b>	977,259,686
V	<b>Profit before exceptional item and tax</b>		<b>113,540,976</b>	124,512,785
VI	<b>Exceptional item</b>			
	Profit on sale of property, plat and equipment		-	56,455,881
VII	<b>Profit before tax</b>		<b>113,540,976</b>	180,968,666
VIII	<b>Income tax expense:</b>			
	Current tax		<b>(36,192,722)</b>	(46,038,053)
	Deferred tax		<b>20,685,693</b>	(23,416,275)
	Prior year tax adjustments (net)		<b>1,246,011</b>	(2,379,427)
			<b>(14,261,018)</b>	(71,833,755)
IX	<b>Profit for the year</b>		<b>99,279,958</b>	109,134,911
X	<b>Other comprehensive income/(Loss)</b>			
	<b>Items that will not be reclassified to statement of profit and loss</b>			
	Remeasurement of defined employee benefit plans		<b>148,139</b>	1,918,613
	Fair value changes on Equity Instruments carried at fair value through OCI;		<b>2,366</b>	1,524
	Tax impact of items that will not be reclassified to statement of profit and loss		<b>(43,138)</b>	(663,994)
	<b>Total comprehensive income for the year</b>		<b>99,387,325</b>	110,391,054
	<b>Earnings per equity share</b>			
	(1) Basic		<b>827.33</b>	909.46
	(2) Diluted		<b>827.33</b>	909.46
	Nominal value of equity shares		<b>50</b>	50
	<b>Significant accounting policies</b>	2-3		

The accompanying notes form an integral part of the standalone Ind AS financial statements

**For R G B & Associates**

Chartered Accountants  
Firm's Registration No.144967W

**Bharat Kriplani**

Partner  
Membership No. 134969

Mumbai; Dated: 30<sup>th</sup> May 2019

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

**Sushila Kapadia**  
Director

**Amol Kapadia**  
Managing Director

**Sanjay Bhalerao**  
Chief Financial Officer

**Sampada Sawant**  
Company Secretary

Mumbai; Dated: 30<sup>th</sup> May 2019

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2019**

**A Equity**

Particulars	Amount (₹)
<b>Balance as at 1 April 2017</b>	6,000,000
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2018</b>	6,000,000
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2019</b>	<b>6,000,000</b>

**B Other Equity**

Particulars	Reserves and Surplus				Items of Other Comprehensive Income			Total (₹)
	Securities Premium (₹)	General Reserve (₹)	Capital Reserve (₹)	Retained Earnings (₹)	Equity instrument fair value (₹)	Remeasurement of defined benefit plans (₹)		
<b>Balances at 1 April 2017</b>	2,114,000	77,926,512	7,446,247	603,378,359	(40,495)	(200,010)	<b>690,624,613</b>	
Profit for the year	-	-	-	109,134,911	-	-	109,134,911	
Other Comprehensive Income for the year	-	-	-	-	1,524	1,918,613	1,920,137	
Prior year tax adjustment	-	-	-	-	-	-	-	
Transfer from OCI to retained earning	-	-	-	-	-	(663,994)	(663,994)	
Tax impact of items not classified to statement of profit and loss	-	-	-	-	-	-	-	
<b>Balance at 31 March 2018</b>	<b>2,114,000</b>	<b>77,926,512</b>	<b>7,446,247</b>	<b>712,513,270</b>	<b>(38,971)</b>	<b>1,054,609.00</b>	<b>801,015,667</b>	
Profit for the year	-	-	-	99,279,958	-	-	99,279,958	
Other Comprehensive Income for the year	-	-	-	-	2,366	148,139	150,505	
Prior year tax adjustment	-	-	-	-	-	-	-	
Transfer from OCI to retained earning	-	-	-	-	-	-	-	
Tax impact of items not classified to statement of profit and loss	-	-	-	-	-	(43,138)	(43,138)	
<b>Balance at 31 March 2019</b>	<b>2,114,000</b>	<b>77,926,512</b>	<b>7,446,247</b>	<b>811,793,228</b>	<b>(36,605)</b>	<b>1,159,610.00</b>	<b>900,402,992</b>	

Significant accounting policies 2-3

The accompanying notes form an integral part of the standalone Ind AS financial statements

**For R G B & Associates**

Chartered Accountants  
Firm's Registration No.144967W

**Bharat Kriplani**

Partner  
Membership No. 134969

Mumbai; Dated: 30<sup>th</sup> May 2019

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

**Sushila Kapadia**  
Director

**Amol Kapadia**  
Managing Director

**Sanjay Bhalerao**  
Chief Financial Officer

**Sampada Sawant**  
Company Secretary

Mumbai; Dated: 30<sup>th</sup> May 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

Particulars		Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
<b>Cash flow from/(used in) operating activities</b>			
Profit before tax		113,540,976	180,968,666
<b>Adjustment for:</b>			
Interest expense		66,803,623	61,660,653
Interest income on deposits		(5,870,415)	(6,383,599)
Depreciation and amortization		40,210,427	36,820,412
(Profit)/Loss from sale of property, plant and equipment		-	(55,214,502)
Loss Due to Fire/Heavy Rain		11,433	-
Fair value on change of equity instruments		2,366	1,524
Remeasurement of defined employee benefit plans		148,139	1,918,613
<b>Operating profit before working capital changes</b>		<b>214,846,549</b>	<b>219,771,767</b>
<b>Movement in working capital:</b>			
(Increase)/decrease in trade receivables		(19,915,134)	45,104,901
(Increase)/decrease in inventories		(18,806,927)	(95,475,759)
(Increase)/decrease in loans		210,430	10,054,005
(Increase)/decrease in other current assets		(21,772,095)	19,465,064
Increase/(decrease) in trade payables		(2,171,804)	(10,172,778)
Increase/(decrease) in other current liability		(709,924)	(74,186,909)
Increase/(decrease) in provision		123,212	(1,419,978)
<b>Cash generated/(used) in operations</b>		<b>151,804,307</b>	<b>113,140,313</b>
Income taxes paid		(40,323,541)	(51,803,993)
<b>Net Cash flow from operating activities</b>	<b>(A)</b>	<b>111,480,766</b>	<b>61,336,320</b>
<b>Cash flow from/(used) investing activities</b>			
Payments property, plant and equipment		(76,384,320)	(96,504,860)
Interest received		2,583,114	5,249,210
Proceeds from sale of property, plant and equipment		57,004	78,009,856
Proceeds received for insurance claim		435,000	
(Increase)/decrease in biological assets		-	6,875
(Increase)/decrease in deposit		6,154,370	(279,890)
(Increase)/decrease in fixed deposit with bank		69,900,000	(100,000,000)
(Increase)/decrease in Investment		(2,366)	(1,524)
<b>Cash generated/(used) in investing activities</b>	<b>(B)</b>	<b>2,742,802</b>	<b>(113,520,333)</b>
<b>Cash flow from/(used in) financing activities</b>			
Proceed /(repayment) of borrowings (net)		(52,368,329)	115,407,675
Interest paid		(66,803,623)	(61,660,653)
Cash generated/(used) in financing activities		(119,171,952)	53,747,022
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(4,948,384)</b>	<b>1,563,009</b>
Cash and cash equivalent at beginning of year		7,230,799	5,667,790
Cash and cash equivalent at end of year		2,282,415	7,230,799
<b>Net increase/(decrease) as disclosed above</b>		<b>(4,948,384)</b>	<b>1,563,009</b>
Significant accounting policies	<b>2-3</b>		

Significant accounting policies 2-3

The accompanying notes form an integral part of the standalone Ind AS financial statements

**For R G B & Associates**

Chartered Accountants

Firm's Registration No.144967W

**Bharat Kriplani**

Partner

Membership No. 134969

 Mumbai; Dated: 30<sup>th</sup> May 2019

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

Director

**Amol Kapadia**

Managing Director

**Sanjay Bhalerao**

Chief Financial Officer

**Sampada Sawant**

Company Secretary

 Mumbai; Dated: 30<sup>th</sup> May 2019

**Notes to the Standalone Financial Statements for the year ended 31 March 2019****1 Corporate information**

Polson Limited ("The Company") was incorporated on 21<sup>st</sup> 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 Company is engaged in business of Manufacturing and selling of Synthetic Organic Tanning Substance for Domestic and Export market. The registered office is at Ambaghat Taluka Shahuwadi Kolhapur - 415101.

**2 Basis of preparation of financial statements**

These financial statements, for the year ended 31 March 2019 and 31 March 2018 are prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with relevant rules issued thereunder.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**3.01 Functional and presentation currency**

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

**3.02 First-time adoption of Ind AS**

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard has some exception and exemption to this general requirement in specific cases. The application of relevant exception and exemption are:

**Exceptions to retrospective application of other Ind AS**

- (a) **Estimates:** An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.
- (b) **Ind AS 109-Financial Instruments (Derecognition of previously recognised financial assets / financial liabilities):** An entity shall apply the derecognition requirements in Ind AS 109 in financial instruments prospectively for transactions occurring on or after the date of transition. The Company has applied the derecognition requirements prospectively.
- (c) **Ind AS 109-Financial Instruments (Classification and measurement financial assets):** Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

**Exemptions from retrospective application of Ind AS**

- (a) **Ind AS 40 Investment Property:** If there is no change in the functional currency an entity may elect to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the date of transition.
- (b) **Ind AS 17 Leases:** An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.
- (c) **Ind AS 109-Financial Instruments:** Ind AS 109 permits an entity to designate a financial liabilities and financial assets (meeting certain criteria ) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition.

**3.03 Use of estimates**

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

Valuation of financial instruments

Valuation of derivative financial instruments

Useful life of property, plant and equipment

Useful life of investment property

Provisions

Recoverability of trade receivables

**Summary of significant accounting policies****3.04 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **3.05 Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions.

Financial instruments (including those carried at amortised cost).



**3.06 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Revenue from sale of goods**

Revenue from export sales is recognised when delivery of goods is physically given to Customs authorities. Revenue from domestic sales is recognised when goods are delivered to the customer and the title of goods passes to the customers.

**Interest and dividend income**

The interest and dividends are recognised only when no uncertainty as to measurability or collectability exists. Interest on fixed deposits is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

**3.07 Inventories:**

- i) 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.

**3.08 Foreign currency transactions and translation**

- i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in functional currency at closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items recognised in statement of profit and loss.
- iii) The Company is primarily engaged in business of imports and exports. It has availed foreign currency denominated credit facilities for the purpose of its export and import business. As the Company enters into business transactions based on the prevailing exchange rates, the gain/(loss) on this account is considered to be an integral part of the operations of the Company in accordance with industry practice and to avoid distortion of operating performance.

**3.09 Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **3.10 a) Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### **Subsequent Cost**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised and charged to the statement of Profit and Loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

**b) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment loss. The system software which is expected to provide future enduring benefits is capitalised. The capitalised cost includes license fees and cost of implementation/system integration.

**Depreciation and amortisation**

The depreciation on tangible assets except windmill is calculated on SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 as follows:

<b>Asset class</b>	<b>Useful life as per management</b>
Plant and machinery:	15 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Furniture and fixtures	10 years
Electrical installation	10 years
Office premises	60 years
Residential premises	60 years
Factory Building	30 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Derecognition of assets**

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

**3.11 Investment property**

Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment properties measured initially at cost including related transitions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintainance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated using SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises. Investment properties include: (i) Office premises.

**3.12 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**3.13 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

**3.14 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**3.15 Biological assets**

The biological assets of the Group comprise Eucalyptus Plantations, Other Plantation in Progress and Live Stock.

As the fair value could not be reliably measured, Biological asset are measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, Company will measure it at its fair value less costs to sell.

**3.16 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**3.17 Financial instruments****Initial recognition**

The company recognise the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivable which are initially recognised at transaction price. Transaction cost that are directly attributable to the acquisition of financial asset and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

**Subsequent measurement****(A) Non derivative financial instruments****(i) Financial Assets at amortised cost**

A financial assets is measured at the amortised cost if both the following conditions are met :

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

**(ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income**

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

**(iii) Financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

**(a) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

**(b) Trade & other payables**

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(B) Derivative financial instruments**

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company has taken all the forward contract from the bank.

**The company have derivative financial assets/financial liabilities which are not designated as hedges;**

Derivatives not designated are initially recognised at the fair value and attributable transaction cost are recognised in statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss. Asset/ Liabilities in this category are presented as current asset/current liabilities.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**3.18 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

**3.19 Employee Benefits****i) Defined contribution plans (Provident Fund)**

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

**ii) Defined benefit plans (Gratuity)**

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all Remeasurement of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

**iii) Short term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.20 Lease****Operating lease:**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments / revenue under operating leases are recognised as an expense / income on accrual basis in accordance with the respective lease agreements.

**3.21 Earnings per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**
**4 a) Property, Plant and Equipment**

Particulars	Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Leasohold Premises (Note 2)	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>Gross Block (At cost)</b>								
<b>As at 01 April 2017</b>	<b>19,512,401</b>	<b>886,259,086</b>	<b>96,957,950</b>	<b>12,983,114</b>	<b>21,592,228</b>	<b>23,492,641</b>	-	<b>1,060,797,420</b>
Additions	-	111,578,208	25,111,234	2,345,188	1,502,151	13,186,079	-	153,722,860
Deductions/Adjustments	3,209,243	24,743,794	-	-	-	4,791,706	-	32,744,743
<b>As at 31 March 2018</b>	<b>16,303,158</b>	<b>973,093,500</b>	<b>122,069,184</b>	<b>15,328,302</b>	<b>23,094,379</b>	<b>31,887,014</b>	-	<b>1,181,775,537</b>
Reclassified as Investment Property	-	87,438,818	-	-	-	-	-	87,438,818
Additions	-	25,552,239	12,815,421	1,857,409	1,189,598	-	26,081,468	67,496,136
Deductions/Adjustments	-	404,301	-	-	-	1,140,089	-	1,544,390
<b>As at 31 March 2019</b>	<b>16,303,158</b>	<b>910,802,620</b>	<b>134,884,605</b>	<b>17,185,711</b>	<b>24,283,977</b>	<b>30,746,925</b>	<b>26,081,468</b>	<b>1,160,288,464</b>
<b>Depreciation/ amortisation</b>								
<b>As at 01 April 2017</b>	-	<b>124,291,576</b>	<b>68,794,459</b>	<b>9,235,626</b>	<b>12,084,747</b>	<b>15,406,822</b>	-	<b>229,813,230</b>
For the year	-	24,552,129	5,875,383	1,305,229	1,492,220	3,042,015	-	36,266,976
Deductions/Adjustments	-	7,408,918	-	-	-	2,540,471	-	9,949,389
<b>As at 31 March 2018</b>	-	<b>141,434,787</b>	<b>74,669,842</b>	<b>10,540,855</b>	<b>13,576,967</b>	<b>15,908,366</b>	-	<b>256,130,816</b>
Reclassified as Investment Property	-	2,048,385	-	-	-	-	-	2,048,385
For the year	-	24,748,985	6,979,260	1,694,429	1,672,650	3,306,306	-	38,401,630
Deductions/Adjustments	-	64,014	-	-	-	1,083,085	-	1,147,099
<b>As at 31 March 2019</b>	-	<b>164,071,373</b>	<b>81,649,102</b>	<b>12,235,284</b>	<b>15,249,617</b>	<b>18,131,587</b>	-	<b>291,336,962</b>
Net Block								
<b>At 31 March 2018</b>	<b>16,303,158</b>	<b>831,658,713</b>	<b>47,399,343</b>	<b>4,787,446</b>	<b>9,517,412</b>	<b>15,978,648</b>	-	<b>925,644,720</b>
<b>At 31 March 2019</b>	<b>16,303,158</b>	<b>746,731,247</b>	<b>53,235,504</b>	<b>4,950,426</b>	<b>9,034,360</b>	<b>12,615,338</b>	<b>26,081,468</b>	<b>868,951,502</b>

**Note :**

- The Company used carrying amount as per previous GAAP as on 1 April 2016 in its opening Ind AS statement of financial position as deemed cost for an item of property, plant and equipment. Following are the disclosure with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP.

Particulars	1 April 2016		
	Original Cost	Accumulated Depreciation	Net Block
Land	19,512,401	-	19,512,401
Buildings	870,419,766	101,136,164	769,283,602
Plant and equipment	93,642,947	64,048,833	29,594,113
Office equipment	11,862,095	8,186,236	3,675,859
Furniture and fixtures	18,478,781	10,877,556	7,601,225
Vehicles	23,002,641	13,962,890	9,039,751
	<b>1,036,918,631</b>	<b>198,211,679</b>	<b>838,706,951</b>

- The Company has taken a premises on leave and license basis in the financial year 2018-19. The said premises is currently under the construction and expected to receive the occupancy certificate in financial year 2019-20. The company has capitalised the rent and other capital expenditure incurred upto 31<sup>st</sup> March 2019. As on 31<sup>st</sup> March 2019 the said premises are not available for use hence the company has not charged the depreciation on it.



**b) Investment Property**

Particulars	Buildings (₹)	Total (₹)
<b>Gross Block (At cost)</b>		
<b>As at 01 April 2017</b>	<b>20,803,864</b>	<b>20,803,864</b>
Additions	-	-
Deductions	-	-
Reclassified as held for sale	-	-
<b>As at 31 March 2018</b>	<b>20,803,864</b>	<b>20,803,864</b>
Reclassified as Investment Property	87,438,818	87,438,818
Additions	7,704,626	7,704,626
Deductions	-	-
Reclassified as held for sale	-	-
<b>As at 31 March 2019</b>	<b>115,947,308</b>	<b>115,947,308</b>
<b>Depreciation/amortisation</b>		
<b>Up to 01 April 2017</b>	<b>2,970,687</b>	<b>2,970,687</b>
For the year	553,436	553,436
Deductions	-	-
Reclassified as held for sale	-	-
<b>Up to 31 March 2018</b>	<b>3,524,123</b>	<b>3,524,123</b>
Reclassified as Investment Property	2,048,385	2,048,385
For the year	1,808,797	1,808,797
Deductions	-	-
Reclassified as held for sale	-	-
<b>Up to 31 March 2019</b>	<b>7,381,305</b>	<b>7,381,305</b>
<b>Net Block</b>		
At 31 March 2017	17,279,741	17,279,741
<b>At 31 March 2018</b>	<b>108,566,003</b>	<b>108,566,003</b>

**Reconciliation of changes in the fair value of Investment property**

Particulars	Buildings (₹)	Total (₹)
<b>As at 1 April 2017</b>	<b>26,212,869</b>	<b>26,212,869</b>
Changes in the fair value	1,834,901	1,834,901
<b>Closing balance as on 31 March 2018</b>	<b>28,047,769</b>	<b>28,047,769</b>
Reclassified as Investment Property	87,438,818	87,438,818
Changes in the fair value	8,084,061	8,084,061
<b>Closing balance as on 31 March 2019</b>	<b>123,570,649</b>	<b>36,131,831</b>

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent.

The Company used carrying amount as per previous GAAP as on 1 April 2016 in its opening Ind AS statement of financial position as deemed cost for an item of property, plant and equipment. Following are the disclosure with regard to its gross block value, accumulated depreciation and net block value as per previous GAAP.

Particulars	1 April 2016		
	Original Cost (₹)	Accumulated Depreciation (₹)	Net Block (₹)
Buildings	20,803,864	2,417,251	18,386,613
	<b>20,803,864</b>	<b>2,417,251</b>	<b>18,386,613</b>

The future minimum lease receipts under operating leases in the aggregate is as follows:

Particular	As at 31-03-2019 (₹)	As at 31-03-2018 (₹)	As at 31-03-2017 (₹)	As at 01/04/2016 (₹)
Not later than one year	<b>11,009,432</b>	4,669,521	8,365,477	7,967,116
Later than one year and not later than five year	<b>13,468,546</b>	1,564,362	6,233,883	14,599,360
Later than five year	-	-	-	-

**c) Biological assets**

Particular	Eucalyptus Plantations (₹)	Other Plantation in Progress (₹)	Live Stock (₹)	Total (₹)
<b>As at 31 March 2017</b>	<b>113,033</b>	<b>2,208,289</b>	<b>407,636</b>	<b>2,728,958</b>
Additions	-	-	-	-
Deductions	-	-	6,875	6,875
<b>As at 31 March 2018</b>	<b>113,033</b>	<b>2,208,289</b>	<b>400,761</b>	<b>113,033</b>
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at 31 March 2019</b>	<b>113,033</b>	<b>2,208,289</b>	<b>400,761</b>	<b>113,033</b>

Particular	Eucalyptus Plantations	Other Plantation in Progress	Live Stock	Total
	(₹)	(₹)	(₹)	(₹)
Depreciation/amortisation				
Up to 01 April 2017	-	-	-	-
For the year	-	-	-	-
Deductions	-	-	-	-
<b>Up to 31 March 2018</b>	-	-	-	-
For the year	-	-	-	-
Deductions	-	-	-	-
<b>Up to 31 March 2019</b>	-	-	-	-
<b>Net Block</b>	-	-	-	-
At 31 March 2018	113,033	2,208,289	400,761	2,722,083
<b>At 31 March 2019</b>	<b>113,033</b>	<b>2,208,289</b>	<b>400,761</b>	<b>2,722,083</b>

**5 Non Current Investments:**

Particulars	As at 31 March 2019	As at 31 March 2018
	(₹)	(₹)
<b>A. Investments in equity instruments</b>		
<b>Other Investments - Quoted - measured at Fair Value through Other Comprehensive Income</b>		
4,000 (as at 31.03.2017: 4000; as at 01.04.2016: 4,000) Equity Shares of Vallabh Glass Works Ltd at Book value ₹ 10 each.	-	-
20 shares of NELCO at Book Value of ₹ 104 each.	<b>5,465</b>	3,099
<b>Total</b>	<b>5,465</b>	<b>3,099</b>

Particulars	As at 31 March 2019	As at 31 March 2018
	(₹)	(₹)
Aggregate amount of quoted investments	<b>5,465</b>	3,099
Aggregate amount of unquoted investments	-	-
Market value of quoted investments	<b>5,465</b>	3,099
Aggregate provision for diminution in value of investments	-	-

**6 Other Financial Assets**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Security Deposits	173,404,602	177,758,972
<b>Total</b>	<b>173,404,602</b>	<b>177,758,972</b>

**7 Other Non- Current Assets**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Capital advances	18,820,837	17,637,279
<b>Total</b>	<b>18,820,837</b>	<b>17,637,279</b>

**8 Inventories**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Raw Materials	90,041,927	70,839,041
Finished Products	54,718,393	64,232,977
Work in Process	11,598,332	6,350,752
Consumables/Stores/Fuel/Packing Material	30,182,235	26,417,336
Cans & Trays	13,000	13,000
<b>Total</b>	<b>186,553,887</b>	<b>167,853,106</b>

**9 Trade Receivables**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>(Unsecured, considered good)</b>		
Debts outstanding for a year exceeding six months from the date they are due for payment	-	-
Others debts	257,257,579	237,342,445
<b>(Unsecured, considered doubtful)</b>		
Debts outstanding for a year exceeding six months from the date they are due for payment	1,323,071	1,323,071
Others debts	-	-
<b>Total</b>	<b>258,580,650</b>	<b>238,665,516</b>

**10 a) Cash and Cash Equivalents**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Balances with banks	2,035,479	6,838,192
Cash on hand	246,936	392,607
<b>Total</b>	<b>2,282,415</b>	7,230,799
Other bank balances:		
Bank deposits with original maturity less than three months	-	-
<b>Total</b>	<b>2,282,415</b>	7,230,799

**10 b) Bank balances other than (a) above**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
In fixed deposits		
Deposits with original maturity of more than three months but less than twelve months	81,160,500	151,060,500
<b>Total</b>	<b>81,160,500</b>	151,060,500

**11 Loans**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>(Unsecured and considered good)</b>		
Loans/Advance to others	-	-
Advances to employees	2,436,145	2,646,575
<b>Total</b>	<b>2,436,145</b>	2,646,575

**12 Others Financial Assets**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Unsecured, Considered good</b>		
Interest accrued but not due	7,835,709	4,548,408
<b>Total</b>	<b>7,835,709</b>	4,548,408

**13 Other Current Assets**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Unsecured, Considered good</b>		
Advances to suppliers	16,306,955	5,328,496
Balances with Government & Local Authorities	84,112,912	75,235,673
Other receivable - Rent	1,942,894	26,497
Receivable towards sale of property, plant and equipments	4,750,000	4,750,000
<b>Total</b>	<b>107,112,761</b>	85,340,666

**14 Equity Share Capital**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Authorised:</b>		
4,00,000 (as at 31 March 2018: 4,00,000) Equity shares of 50 each	<b>20,00,000</b>	20,00,000
50,000, 6% Cumulative Redeemable Preference Share of ₹ 100 each (as at 31 March 2018: 50,000) of ₹100 each.	<b>5,00,000</b>	5,00,000
	<b>25,00,000</b>	25,00,000
<b>Issued, subscribed and paid up:</b>		
1,20,000 (as at 31 March 2018: 1,20,000) Equity shares of ₹50 each fully paid up	<b>6,00,000</b>	6,00,000
<b>Total Equity</b>	<b>6,00,000</b>	6,00,000

**a) Details of reconciliation of the number of shares outstanding:**

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹	No. of shares	₹
<b>Equity Shares:</b>				
Shares outstanding at the beginning of the year	<b>1,20,000</b>	<b>60,00,000</b>	1,20,000	60,00,000
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,20,000</b>	<b>60,00,000</b>	<b>1,20,000</b>	<b>60,00,000</b>

**b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting.

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 distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of the shares held by holding company:**

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity Shares :</b>				
AJI Commercial Private Limited	<b>64,339</b>	<b>53.62%</b>	64,339	53.62%

**d) Details of shares in the company held by each shareholder holding more than 5 percent:**

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
AJI Commercial Pvt. Ltd	64,339	53.62%	64,339	53.62%
Mrs. Sushila J. Kapadia (Director)	11,222	9.35%	11,222	9.35%

**e) The Company has neither issued any shares for consideration other than cash or as bonus shares nor any shares issued had been bought back by the Company during the last five years.**

**15. Other Equity**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Equity instruments through other comprehensive income</b>		
Balance as per last financial statement	(38,971)	(40,495)
Addition during the year (net of tax)	2,366	1,524
Transfer to retained earning realised (gain)/Loss	-	-
<b>Closing balances</b>	<b>(36,605)</b>	<b>(38,971)</b>
<b>Retained earning</b>		
Balance as at beginning of the year	713,567,878	603,178,348
Profit for the year	99,279,958	109,134,911
Prior year tax adjustment	-	-
Transfer from Other Comprehensive income	-	-
Remeasurements of the net defined benefit plans net of tax	105,001	1,254,619
<b>Total retained earning</b>	<b>812,952,837</b>	<b>713,567,878</b>
<b>Securities premium account</b>	<b>2,114,000</b>	<b>2,114,000</b>
	<b>2,114,000</b>	<b>2,114,000</b>
<b>Capital Reserve</b>	<b>7,446,248</b>	<b>7,446,248</b>
	<b>7,446,248</b>	<b>7,446,248</b>
<b>General reserves</b>	<b>77,926,512</b>	<b>77,926,512</b>
	<b>77,926,512</b>	<b>77,926,512</b>
<b>Total</b>	<b>900,402,992</b>	<b>801,015,667</b>

**16 Other Financial Liabilities**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Security deposits	5,646,000	3,846,000
<b>Total</b>	<b>5,646,000</b>	<b>3,846,000</b>

**17 Borrowings (non current)**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Financial Liabilities at amortised cost</b>		
<b><u>Secured</u></b>		
<b>Term Loan - from banks - in Indian rupees</b>		
Term loans secured against freehold properties	<b>385,175,344</b>	431,301,747
Term loans secured against vehicles	<b>3,087,607</b>	4,446,973
(Term loans from banks are secured against Property, plant and equipments of the Company, repayable in 116-231 monthly installments and carries interest at the rate of 9.00% p.a. to 11.00% p.a.)		
<b>Term Loan - from banks - in foreign currency</b>		
Term loans for capital expenditure	<b>11,650,082</b>	17,175,866
(Term loans from banks are secured against Property, plant and equipments of the Company, repayable in 35 months and carries interest at the rate of Libor plus spread of 3.00% to 7.50%)		
<b>LIC Loan against Keyman Insurance Policy</b>		
Loan from LIC	<b>25,214,000</b>	25,214,000
(Loan from LIC is secured against keyman insurance policy of managing director of the Company and carries interest at the rate of 10% p.a.)		
<b>Total</b>	<b>425,127,033</b>	478,138,586

**18 Provisions**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Provision for employee benefits		
Gratuity (Unfunded)	<b>1,439,598</b>	1,330,023
<b>Total</b>	<b>1,439,598</b>	1,330,023

**19 Deferred tax liabilities (Net)**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Deferred tax liabilities</b>		
Depreciation on property, plant and equipments	<b>84,167,688</b>	104,853,381
	<b>84,167,688</b>	104,853,381
<b>Deferred tax assets</b>		
Provision for gratuity	<b>(601,280)</b>	(558,142)
	<b>(601,280)</b>	(558,142)
<b>Total</b>	<b>84,768,968</b>	105,411,523



**20 Borrowings - Current**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Financial Liabilities at amortised cost</b>		
<b>Secured</b>		
<b>From banks - in Indian rupees</b>	-	-
Cash Credit with Bank	(7,896,725)	29,811,464
Working capital term loan	50,000,000	-
<b>From banks - in foreign currency</b>		
Packing credit with Bank	69,657,458	16,109,380
Export Bills Discounted/Purchased by Bank	99,526,330	107,455,862
FCNR Loans	-	61,055,163
(Cash credit, overdraft facility, working capital loans, packing credits, export bills discounted and FCNR loans from banks are secured by hypothecation of current assets (first pari passu) of the Company.		
<b>Total</b>	<b>211,287,063</b>	214,431,869

**21 Trade Payables**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Financial Liabilities at amortised cost</b>		
<b>Trade payables :</b>		
total outstanding dues of MSME	1,341,896	-
total outstanding dues of creditors other than MSME	121,221,345	124,735,045
<b>Total</b>	<b>122,563,241</b>	124,735,045

The Company has not received information from majority of its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence classification is made on the basis of the disclosure received for MSME. The amount mentioned in the above note is not yet due for payment.

**22 Other Financial Liabilities**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Financial Liabilities at amortised cost</b>		
<b>Others</b>		
Current maturities of long-term debt (Rupee loans)	47,789,567	43,135,568
Current maturities of long-term debt (Foreign currency loans)	6,615,632	6,220,901
Interest accrued on LIC loan	-	1,260,700
<b>Total</b>	<b>54,405,199</b>	50,617,169

**23 Other Current Liabilities**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Advances from customers	163,388	163,438
Employee dues payable	576,792	1,026,823
Statutory dues payable	1,722,362	1,982,205
Advance towards sale of property, plant and equipments	-	-
<b>Total</b>	<b>2,462,542</b>	<b>3,172,466</b>

**24 Provisions**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Provision for employee benefits:</b>		
Gratuity (unfunded)	29,824	16,187
<b>Total</b>	<b>29,824</b>	<b>16,187</b>

**25 Current tax liabilities (net)**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Provision for income tax (net)	4,300,099	9,676,929
<b>Total</b>	<b>4,300,099</b>	<b>9,676,929</b>

**26 Revenue From Operations**

Particulars	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
<b>Sale of Products - Finished Goods</b>		
Domestic sales	271,615,910	289,630,389
Export sales	817,775,369	768,027,564
<b>Total</b>	<b>1,089,391,279</b>	<b>1,057,657,953</b>

**27 Other Income**

Particulars	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
<b>Interest income:</b>		
On fixed deposit with banks	5,155,786	4,849,768
On security deposit	-	254,780
On loans	-	-
On sales tax refund	714,629	1,279,051
<b>Others:</b>		
Rent received	13,049,729	8,365,475
Duty drawback received	12,230,412	11,459,123
MEIS/FPS License fee	29,874,908	18,243,439
Modvat credit	-	-
Profit on sale of fixed assets	-	-
Sundry balances written back/(write-off)	(230,961)	(499,090)
Miscellaneous income	107,446	161,972
<b>Total</b>	<b>60,901,949</b>	<b>44,114,518</b>

**28 Cost of Raw Materials Consumed**

Particulars	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
<b>Raw materials consumed :</b>		
Opening stock	70,839,041	34,932,326
Add: Purchases	554,278,772	552,610,969
Less: Closing stock	90,041,927	70,839,041
<b>Total (a)</b>	<b>535,075,887</b>	<b>516,704,254</b>
<b>Consumables/Stores/Fuel/Packing Material</b>		
Opening stock	26,417,336	17,546,260
Add: Purchases	78,703,859	104,082,459
Less: Closing stock	30,182,235	26,417,336
<b>Total (a)</b>	<b>74,938,959</b>	<b>95,211,383</b>
<b>Total (a+b)</b>	<b>610,014,846</b>	<b>611,915,636</b>

**29 Changes In Inventories of Finished Goods and Work-In-Progress**

Particulars	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
<b>a) Changes in inventories of finished goods</b>		
Opening stock of finished goods	64,232,977	5,848,753
Less: Closing stock of finished goods	54,718,393	64,232,977
<b>Total (a)</b>	<b>9,514,583</b>	<b>(58,384,224)</b>
<b>b) Changes in work in progress</b>		
Opening stock of work in progress	6,350,752	14,037,007
Less: Closing stock of work in progress	11,598,332	6,350,752
<b>Total (b)</b>	<b>(5,247,580)</b>	<b>7,686,255</b>
<b>Total (a+b)</b>	<b>4,267,004</b>	<b>(50,697,969)</b>

**30 Employee Benefits Expense**

Particulars	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
Salaries, wages, bonus, commission and allowances	49,033,203	48,998,875
Directors' remuneration	10,800,000	9,000,000
Contribution to provident and other funds	1,685,975	1,421,852
Apprentices' stipend	735,050	880,635
Gratuity	311,736	650,232
Staff welfare expenses	1,579,907	2,246,649
<b>Total</b>	<b>64,145,871</b>	<b>63,198,243</b>

**31 Finance Costs**

Particulars	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
<b>Interest expenses on</b>		
Cash credit	11,062,545	7,852,348
Export finance	4,855,893	6,873,013
Term loans	48,861,713	46,218,420
Working capital demand loan	410,959	-
Others	1,612,513	716,872
Other borrowing costs	2,344,426	5,378,115
<b>Total</b>	<b>69,148,049</b>	<b>67,038,768</b>

**32 Other Expenses**

Particulars	Current Year 2018-19 (₹)	Previous Year 2017-18 (₹)
Freight & Forwarding	54,685,702	51,169,992
Carriage Inward	23,928,774	23,936,925
Freight - Ocean	13,055,345	12,855,824
Factory Electricity	11,039,966	9,539,903
Electricity & Water Expenses	1,455,703	1,453,341
Travelling Exp (includes Director's travelling)	28,504,926	22,752,153
Factory Travelling Expenses	250,702	203,557
Conveyance	1,038,285	830,524
Repairs & Maintenance (Building & others)	16,377,338	10,323,669
Repairs & Maintenance (Machinery)	1,195,288	1,217,475
Computer Maintenance	189,650	176,812
Rent, Rates & Taxes	29,972,450	45,930,414
Professional Fees	18,312,836	18,581,727
Legal Exp	423,750	257,128
Exchange Difference	13,574,516	16,357,632
Commission	6,814,729	6,348,268
Business Promotion	4,701,288	3,824,304
Diwali Gifts & others	155,324	21,001
Advertisement	172,003	154,251
Expenditure related to Corporate Social Responsibility	2,520,000	2,350,000
Donation	198,200	105,000
Vehicle Expenses	3,850,942	3,761,956
Loss on sale of propert, plant and equipment	-	1,241,379
Loss Due to Fire/Heavy Rain	11,433	-
Insurance	2,082,309	1,218,821
Transit Insurance	-	-
Factory Telephone Exp	-	20,994
Telephone Exp.	857,926	1,139,019
Internet charges	32,201	184,616
Security Expenses	479,103	746,026
Postage & Courier	1,618,232	1,400,488
Garden, landscaping expenses	3,479,837	640,842
Share Transfer Fee	-	2,312,500
General Expenses	474,331	577,458
Research & Development	938,007	913,224
Printing & Stationery	1,725,256	1,665,715
Auditors Fee For Statutory & Tax Audits	900,000	750,000
Auditors Fee - For Corporate & other matters	150,000	150,000
Membership & Subscription	428,860	468,757
ROC/ BSE / SEBI - Listing/Filing fees	926,777	509,560
Office Expenses	1,429,788	1,679,560
Miscellaneous expenses	1,014,277	1,213,779
<b>Total</b>	<b>248,966,055</b>	<b>248,984,596</b>

**33 Contingent liability**

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Disputed Claims (The Company has filed two suits against Modipon Ltd for unlawful termination of agreement for a sum aggregating to ₹3,26,60,748/-. The said Company has made counter claim for ₹4,76,30,583/-. The case is pending before the Court.)	<b>47,630,583</b>	47,630,583
Tax Deducted at Source (TDS) liabilities for various years	<b>235,697</b>	<b>828,892</b>
Income tax liability AY 2013-14 (Appropriate steps have been taken by the Company for rectification applications with the appropriate income tax authorities which are pending for decision.)	-	<b>6,806</b>

**34 Employee benefit obligations**
**i. Defined Contribution Plans:**

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	Current year 2018-2019 (₹)	Previous year 2017-2018 (₹)
Contribution to provident fund	<b>1,685,975</b>	<b>1,421,852</b>

**ii. Defined Benefit Plan:**

The Company has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of ₹20,00,000.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Particulars	Current year 2018-2019 (₹)	Previous year 2017-2018 (₹)
<b>Statement of profit and loss</b>		
<b>Net employee benefit expense recognised in the employee cost</b>		
Current service cost	210,030	389,760
Past service cost	-	59,233
Interest cost on defined benefit obligation	101,706	200,239
(Gain) / losses on settlement	-	-
<b>Total expense charged to profit and loss account</b>	<b>311,736</b>	<b>649,232</b>
<b>Amount recorded in Other Comprehensive Income (OCI)</b>		
<b>Opening amount recognised in OCI outside profit and loss account</b>		
<b>Remeasurement during the period due to :</b>		
Actuarial loss / (gain) arising from change in financial assumptions	(148,139)	(1,918,613)
Actuarial loss / (gain) arising from change in demographical assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
<b>Closing Amount recognised in OCI outside profit and loss account</b>	<b>(148,139)</b>	<b>(1,918,613)</b>
<b>Reconciliation of net liability / asset</b>		
Opening defined benefit liability / (assets)	1,346,210	2,767,188
Expense charged to profit & loss account	311,736	649,232
Amount recognised in outside profit and loss account	(148,139)	(1,918,613)
Benefit Paid	(40,385)	(151,597)
<b>Closing net defined benefit liability / (asset)</b>	<b>1,469,422</b>	<b>1,346,210</b>

**Movement in benefit obligation and balance sheet**
**A reconciliation of the benefit obligation during the inter-valuation period:**

Particulars	Current year 2018-2019 (₹)	Previous year 2017-2018 (₹)
Opening defined benefit obligation	1,346,210	2,767,188
Current service cost	210,030	389,760
Past service cost	-	59,233
Interest on defined benefit obligation	101,706	200,239
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(148,139)	(1,918,613)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
Benefits paid	(40,385)	(151,597)
<b>Closing defined benefit obligation [liability / (asset)] recognised in balance sheet</b>	<b>1,469,422</b>	<b>1,346,210</b>

Net liability is bifurcated as follows :	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Current	29,824	16,187
Non-current	1,439,598	1,330,023
<b>Net liability</b>	<b>1,469,422</b>	<b>1,346,210</b>

The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:

Discount rate	7.67%	7.67%
Expected rate of return on plan assets (p.a.)	0.00%	0.00%
Salary escalation rate (p.a.)	10.00%	10.00%
Withdrawal rate	5% at younger age reducing to 1% at older ages	5% at younger age reducing to 1% at older ages
Attrition rate (p.a.)	-1.00%	-1.00%
Mortality rate	25% at younger age reducing to 1% at older ages	25% at younger age reducing to 1% at older ages
Mortality pre-retirement	" Indian Assured Lives Mortality (2006-08)"	" Indian Assured Lives Mortality (2006-08)"

A quantitative analysis for significant assumption is as shown below:

Indian gratuity plan:

Particulars	Current year 2018-2019 (₹)	Previous year 2018-2019 (₹)
<b>Assumptions -Discount rate</b>		
Sensitivity Level (a hypothetical increase / (decrease) by)	1.00%	1.00%
Impact on defined benefit obligation -increase of sensitivity level	1,263,478	1,154,805
Impact on defined benefit obligation -decrease of sensitivity level	1,721,770	1,580,317
<b>Assumptions -Future salary escalations rates</b>		
Sensitivity Level (a hypothetical increase / (decrease) by)	1.00%	1.00%
Impact on defined benefit obligation-increase of sensitivity level	1,713,337	1,517,187
Impact on defined benefit obligation-decrease of sensitivity level	1,265,804	1,158,051



The following payments are expected contributions to the defined benefit plan in future years.

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Within 1 year	15,707	16,187
1-2 year	17,781	29,851
2-3 year	59,486	45,406
3-4 year	29,156	84,290
4-5 year	23,279	78,951
5-10 year	236,133	840,843

The average duration of the defined benefit plan obligation at the end of the reporting period is 21.16 years.

### 35 Segmental Information

In accordance with IND AS 108 "Operating segment" - The Company used to present the segment information identified on the basis of internal report used by the Company to allocate resources to the segment and assess their performance. The Board of Directors of the Company is collectively the Chief Operating Decision Maker (CODM) of the Company.

The chief operating decision maker monitors the operating results of its segment separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated on the basis on profit and loss.

Summary of the segment Information as follows:

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
<b>Segment revenue</b>		
Sales and income from operations		
Within India	271,615,910	289,630,389
Outside India	817,775,369	768,027,564
<b>Total</b>	<b>1,089,391,279</b>	<b>1,057,657,953</b>
<b>Carrying amount of assets by geographical location of assets</b>		
Segment assets		
Within India	1,818,432,559	1,798,391,464
Outside India	-	-
<b>Total</b>	<b>1,818,432,559</b>	<b>1,798,391,464</b>
<b>Additions to fixed assets (including intangible assets and capital work in progress)</b>		
Within India	72,594,613	130,968,430
Outside India	2,606,149	22,754,429
<b>Total</b>	<b>75,200,762</b>	<b>153,722,860</b>

### 36. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care, ensuring environmental sustainability education, promoting gender equality and empowering women and other activities. The amount has to be expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

Details of CSR expenditure required to be spent and amount spent are as under:

Particulars	Current year 2018-19 (₹)	Previous year 2017-18 (₹)
Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII	2,518,323	2,293,512
Amount spent during the year	2,520,000	2,350,000
Cumulative CSR Expenditure required to be spent/(excess)	(111,166)	(109,488)

### 37 Financial Instruments

#### Financial instrument by category

The carrying value and fair value of financial instrument by categories as of 31 March 2019 were as follows

Particulars	at amortised cost (₹)	at fair value through profit and loss (₹)	at fair value through OCI (₹)	Total Carrying value (₹)	Total fair value (₹)
<b>Assets:</b>					
Cash and cash equivalents	2,282,415	-	-	2,282,415	2,282,415
Other bank balance	81,160,500	-	-	81,160,500	81,160,500
Trade receivables	258,580,650	-	-	258,580,650	258,580,650
Other financial assets	181,240,311	-	-	181,240,311	181,240,311
Loans	2,436,145	-	-	2,436,145	2,436,145
Investments	-	-	5,465	5,465	5,465
	<b>525,700,021</b>	-	<b>5,465</b>	<b>525,705,486</b>	<b>525,705,486</b>
<b>Liabilities:</b>					
Borrowing	636,414,096	-	-	636,414,096	636,414,096
Trade and other payables	122,563,241	-	-	122,563,241	122,563,241
Other financial liabilities	60,051,199	-	-	60,051,199	60,051,199
	<b>819,028,536</b>	-	-	<b>819,028,536</b>	<b>819,028,536</b>

The carrying value and fair value of financial instrument by categories as of 31 March 2018 were as follows

Particulars	at amortised cost (₹)	at fair value through profit and loss (₹)	at fair value through OCI (₹)	Total Carrying value (₹)	Total fair value (₹)
<b>Assets:</b>					
Cash and cash equivalents	7,230,799	-	-	7,230,799	7,230,799
Other bank balance	151,060,500	-	-	151,060,500	151,060,500
Trade receivables	238,665,516	-	-	238,665,516	238,665,516
Other financial assets	182,307,380	-	-	182,307,380	182,307,380
Loans	2,646,575	-	-	2,646,575	2,646,575
Investments	-	-	3,099	3,099	3,099
	<b>581,910,770</b>	-	<b>3,099</b>	<b>581,913,869</b>	<b>581,913,869</b>
<b>Liabilities:</b>					
Borrowing	692,570,455	-	-	692,570,455	692,570,455
Trade and other payables	124,735,045	-	-	124,735,045	124,735,045
Other financial liabilities	54,463,169	-	-	54,463,169	54,463,169
	<b>871,768,669</b>	-	-	<b>871,768,669</b>	<b>871,768,669</b>

**38 Fair value hierarchy**

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

Particulars	As at 31 March 2019 (₹)	Fair value measurement at end of the reporting year using		
		Level 1 (₹)	Level 2 (₹)	Level 3 (₹)
<b>Assets /Liabilities measured at fair value</b>				
<u>Financial Assets:</u>				
Non current investments	5,465	5,465	-	-
<u>Financial Liabilities:</u>				
Borrowings	425,127,033	-	-	425,127,033
Other Financial Liabilities	5,646,000	-	-	5,646,000

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

Particulars	As at 31 March 2018 (₹)	Fair value measurement at end of the reporting year using		
		Level 1 (₹)	Level 2 (₹)	Level 3 (₹)
<b>Assets /Liabilities measured at fair value</b>				
<u>Financial Assets:</u>				
Non current investments	3,099	3,099	-	-
<u>Financial Liabilities:</u>				
Borrowings	478,138,586	-	-	478,138,586
Other Financial Liabilities	3,846,000	-	-	3,846,000

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The management assessed that cash and cash equivalents, Trade receivable and other financial asset, trade payables and other financial liabilities approximate their carrying amount largely due to short term maturity of these instruments.

**39 Financial risk management objectives and policies**

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

**Carrying amount of financial assets and liabilities:**

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period by categories:

Particulars	As at 31 March 19 (₹)	As at 31 March 18 (₹)
<b>Financial assets</b>		
Non current investment	5,465	3,099
Cash and cash equivalent	2,282,415	7,230,799
Bank balances other than above	81,160,500	151,060,500
Trade receivables	258,580,650	238,665,516
Loans	2,436,145	2,646,575
Other financial assets	181,240,311	182,307,380
<b>At end of the year</b>	<b>525,705,486</b>	581,913,869
<b>Financial liabilities</b>		
Borrowings	636,414,096	692,570,455
Trade payables	122,563,241	124,735,045
Other financial liabilities	60,051,199	54,463,169
<b>At end of the year</b>	<b>819,028,536</b>	871,768,669

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

**Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

As disclosed in Note 10 (b), cash and cash equivalents balances generally represent short term deposits with a less than 180-day maturity.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90-360 days. But some customers take a longer period to settle the amounts.

#### Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

Particulars	As at 31 March 19 (₹)	As at 31 March 18 (₹)
<b>Financial assets</b>		
Non current investment	5,465	3,099
Cash and cash equivalent	2,282,415	7,230,799
Bank balances other than above	81,160,500	151,060,500
Trade receivables	258,580,650	238,665,516
Loans	2,436,145	2,646,575
Other financial assets	181,240,311	182,307,380
<b>At end of the year</b>	<b>525,705,486</b>	<b>581,913,869</b>

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired::

Particulars	As at 31 March 19 (₹)	As at 31 March 18 (₹)
<b>Trade receivables:</b>		
Less than 90 days	246,805,413	229,304,337
90 to 180 days	10,452,166	8,038,108
Over 180 days	1,323,071	1,323,071
	<b>258,580,650</b>	<b>238,665,516</b>

In the opinion of management, trade receivable, financial assets, cash and cash equivalent, balance with bank, loans and other financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

The Company has not recognised any loss allowance as the Company expect that there is no credit loss on trade receivables.

#### Foreign currency risk

The Company operates internationally and the major portion of business is transacted in USD. The Company has Sales, Purchase, Borrowing (etc.) in foreign currency. Consequently, the Company is exposed to foreign exchange risk.

Foreign exchange exposure is partially balanced by purchasing in goods, commodities and services in the respective currencies.

The company evaluate exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency exposures not specifically covered by forward exchange contracts as at year end are as follows:

Currency	As at 31 March 2019		As at 31 March 2018	
	Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
USD - Trade receivables	2,183,788	151,055,480	2,359,041	153,441,723
USD - Trade payables	59,050	4,084,565	107,803	7,011,939
USD - Advances to suppliers	11,100	767,801		
USD - Term loans for capital exp.	264,065	18,265,714	359,706	23,396,767
USD - Packing credit with bank	1,007,028	69,657,458	247,669	16,109,380
USD - Export bills discounted	1,438,839	99,526,330	1,652,046	107,455,862
USD - FCNR loans	-	-	938,673	61,055,163

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax

Currency	As at 31 March 2019		As at 31 March 2018	
	1 % increase (₹)	1 % decrease (₹)	1 % increase (₹)	1 % decrease (₹)
USD - Trade receivables	(1,510,555)	1,510,555	(1,534,417)	1,534,417
USD - Trade payables	(40,846)	40,846	(70,119)	70,119
USD - Advances to suppliers	(7,678)	7,678		
USD - Term loans for capital exp.	(182,657)	182,657	(233,968)	233,968
USD - Packing credit with bank	(696,575)	696,575	(161,094)	161,094
USD - Export bills discounted	(995,263)	995,263	(1,074,559)	1,074,559
USD - FCNR loans	-	-	(610,552)	610,552

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on borrowing & on deposit with bank. The interest rate are disclosed in the respective notes to the financial statements of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

Particulars	As at 31 March 19 (₹)	As at 31 March 18 (₹)
<b>Financial assets</b>		
<b>Interest bearing - Fixed interest rate</b>		
- Non current investment		
- Non current fixed deposit	<b>173,404,602</b>	177,758,972
- Current fixed deposit	<b>81,160,500</b>	151,060,500

Particulars	As at 31 March 19 (₹)	As at 31 March 18 (₹)
<b>Financial Liabilities</b>		
<b>Interest bearing</b>		
Borrowings - Floating interest rate		
- Working capital loan	<b>399,913,033</b>	452,924,586
<b>Borrowings - Fixed interest rate</b>		
- Other Loans	<b>25,214,000</b>	25,214,000

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31 March 19 (₹)	As at 31 March 18 (₹)
Increase in 100 bps points		
Effect on profit before tax	<b>(3,999,130)</b>	(4,529,246)
Decrease in 100 bps points		
Effect on profit before tax	<b>3,999,130</b>	4,529,246

#### Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

Particulars	On demand (₹)	Less than 3 months (₹)	3 to 12 months (₹)	1 to 5 years (₹)	> 5 years (₹)	Total (₹)
<b>Year ended 31 March 2019</b>						
Borrowings	-	211,287,063	-	425,127,033	-	636,414,096
Other financial liabilities	-	13,601,300	40,803,900	5,646,000	-	60,051,199
Trade and other payables	-	121,663,241	900,000	-	-	122,563,241
	-	<b>346,551,604</b>	<b>41,703,900</b>	<b>430,773,033</b>	-	<b>819,028,536</b>
<b>Year ended 31 March 2018</b>						
Borrowings	-	214,431,869	-	478,138,586	-	692,570,455
Other financial liabilities	-	50,617,169	-	3,846,000	-	54,463,169
Trade and other payables	-	123,430,497	477,969	826,579	-	124,735,045
	-	<b>388,479,535</b>	<b>477,969</b>	<b>482,811,165</b>	-	<b>871,768,669</b>

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

#### 40 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars		As at 31 March 19 (₹)	As at 31 March 18 (₹)
Borrowings		636,414,096	692,570,455
Trade payables		122,563,241	124,735,045
Other financial liabilities		60,051,199	54,463,169
Less: cash and cash equivalents		(2,282,415)	(7,230,799)
<b>Net debt</b>	<b>(a)</b>	<b>816,746,121</b>	<b>864,537,870</b>
Total equity			
Total member's capital		906,402,992	807,015,667
<b>Capital and net debt</b>	<b>(b)</b>	<b>1,723,149,113</b>	<b>1,671,553,537</b>
<b>Gearing ratio (%)</b>	<b>(a/b)*100</b>	<b>47.40</b>	<b>51.72</b>



In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

#### 41 Income tax

The major components of income tax expense for the years are:

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Current income tax:</b>		
Current income tax charge	<b>36,192,722</b>	46,038,053
Adjustments in respect of previous year	<b>(1,246,011)</b>	2,379,427
MAT credit entitlement	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<b>(20,685,693)</b>	23,416,275
<b>Income tax expense reported in the statement of profit or loss</b>	<b>14,261,018</b>	71,833,755

A Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before Income taxes is summarized as follow:

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Profit before income tax</b>	<b>113,540,976</b>	180,968,666
Rate of Income tax	<b>29.12%</b>	34.61%
Computed expected tax expenses	<b>33,063,132</b>	62,629,636
Additional allowances for tax purpose/Considered Separately	<b>(16,992,052)</b>	(37,621,570)
Additional Tax for capital gain	-	415,685
Additional Tax for Other Sources	<b>1,709,465</b>	2,209,236
Additional Tax for House Property	<b>1,721,230</b>	2,045,615
Deduction u/s 80G	<b>(366,912)</b>	(406,644)
Expenses not allowed for tax purposes/Considered Separately	<b>16,578,539</b>	16,085,633
Other Adjustment	-	-
Interest on late payment of advance tax	<b>479,320</b>	680,461
Additional Tax payable due to MAT provisions	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>36,192,722</b>	46,038,053

Applicable statutory tax rate for financial year 2018-19 is 29.12% (Previous year 2017-18 is 34.608%)

The Gross movement in the current income tax asset/(Liability) for the year ended March 31, 2019 and March 31, 2018 is as follows

Particulars	As at 31 March 2019	As at 31 March 2018
Net current income tax asset/(liability) at the beginning	(9,676,929)	(13,063,442)
Income tax paid	40,323,541	51,803,993
Current tax expenses	(36,192,722)	(46,038,053)
MAT credit entitlement	-	-
Excess short provision of earlier year	1,246,011	(2,379,427)
Net current income tax asset/(liability) at the end	(4,300,099)	(9,676,929)

#### 42 Estimates

The estimates at 31 March 2019 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

43 Balances in the accounts of trade receivables, loans and advances, trade payables and other current liabilities are subject to confirmation / reconciliation, if any. The management does not expect any material adjustment in respect of the same effecting the financial statements on such reconciliation / adjustments.

44 There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS)–36 'Impairment of Assets.

#### 45 Lease disclosure

The company has entered into agreement for obtaining office premises on rent which are in nature of operating leases. Amount paid/payable in respect of such leases are charged to profit and loss on accrual basis.

#### 46 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31 March 2019	As at 31 March 2018
Profit attributable to equity holders of the parent for basic earnings (₹)	99,279,958	109,134,911
Weighted average number of equity shares for basic and diluted earning per share	120,000	120,000
Face value per share	50	50
Basic earning per share	827.33	909.46

**47 Related Party Disclosures**
**i. Related party relationships:**

<b>Particulars</b>	<b>Name of Related Parties (FY 2018-2019 &amp; FY 2017-18)</b>
<b>Holding Company</b>	AJI Commercial Private Limited
<b>Fellow Subsidiary</b>	BK Giulini Specialities Private Limited Europa Chemicals Private Limited
<b>Key management personnel</b>	Mr. Amol Kapadia - Managing Director
<b>Fellow Associates</b>	AJK Commercial Private Limited New Commercial Mills Limited Oriental Pharmaceutical Industries Limited New Commercial Investment & Trading Limited
<b>Enterprises on which key management personnel have significant influence</b>	Atlas Refinery Private Limited Aji Investment Private Limited Ajk Investment Private Limited Dudhwala Builders Private Limited

**Notes:**

- The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS) -24 'Related Party Disclosures' and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the current year /previous year, except where control exists, in which case the relationships have been mentioned irrespective of transactions with the related party.

**ii. Transactions with related parties for the year ended 31<sup>st</sup> March 2019:**

<b>Nature of transactions</b>	<b>Name of related party</b>	<b>Transaction during the period (₹)</b>	<b>Year ended 31<sup>st</sup> March 2019 (₹)</b>
Sale of goods	BK Giulini Specialities Pvt Ltd	70,930,195	
	Atlas Refinery Private Limited	125,622,975	
	Europa Chemicals Private Limited	500,564	
Purchase of goods	Atlas Refinery Private Limited	10,670,430	
Remuneration paid	Mr. Amol Kapadia	10,800,000	
MEIS/FPS License fee	B.K. Giulini Specialities Private Limited	9,374,369	
Duty drawback received	B.K. Giulini Specialities Private Limited	1,386,896	
Rent paid	Dudhwala Builders Private Limited	1,200,000	

Nature of transactions	Name of related party	Transaction during the period (₹)	Year ended 31 <sup>st</sup> March 2019 (₹)
Reimbursements received against expenses paid on behalf	Atlas Refinery Private Limited	7,715,846	
	AJI Investment Pvt.Limited.	1,047,312	
	AJK Investment Pvt.Limited	961,394	
	Mr. Amol Kapadia	2,881,927	
Outstanding Balances at the end of the year	AJI Investment Pvt.Limited.		4,800,000
	AJK Investment Pvt.Limited		4,800,000
	B.K. Giulini Specialities Private Limited		9,230,172
	Atlas Refinery Private Limited		47,113,901

**iii. Transactions with related parties for the year ended 31<sup>st</sup> March 2018:**

Nature of transactions	Name of related party	Transaction during the period (₹)	Year ended 31 <sup>st</sup> March 2018 (₹)
Sale of goods	BK Guilini Specialities Pvt Ltd	109,294,258	
	Atlas Refinery Private Limited	86,359,779	
Purchase of goods	BK Guilini Specialities Pvt Ltd	2,266,735	
	Atlas Refinery Private Limited	17,032,829	
Remuneration paid	Mr. Amol Kapadia	9,000,000	
Deposit received back	Oriental Pharmaceutical Industries Limited	2,400,000	
Sale of fixed assets	B.K. Giulini Specialities Private Limited	77,000,000	
Reimbursements received against expenses paid on behalf	Atlas Refinery Private Limited	8,905,635	
	AJI Investment Pvt.Limited.	1,052,546	
	AJK Investment Pvt.Limited	961,394	
	Mr. Amol Kapadia	2,881,927	

Nature of transactions	Name of related party	Transaction during the period (₹)	Year ended 31 <sup>st</sup> March 2018 (₹)
Outstanding Balances at the end of the year	AJI Investment Pvt.Limited.		4,800,000
	AJK Investment Pvt.Limited		4,800,000
	Europa Chemicals Asia Private Limited		789,589
	B.K. Giulini Specialities Private Limited		4,614,069
	Atlas Refinery Private Limited		31,239,994

**48 Events after the end of the reporting year**

No subsequent event has been observed which may required an adjustment to the statement of financial position.

**49** In the opinion of the Director, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business and are subject to confirmation.**Signatures to Notes 1 to 49****For R G B & Associates**

Chartered Accountants  
Firm's Registration No.144967W

**Bharat Kriplani**

Partner  
Membership No. 134969

Mumbai; Dated: 30<sup>th</sup> May 2019

For and on behalf of the Board of Directors

**Sushila Kapadia**  
Director

**Amol Kapadia**  
Managing Director

**Sanjay Bhalerao**  
Chief Financial Officer

**Sampada Sawant**  
Company Secretary

Mumbai; Dated: 30<sup>th</sup> May 2019

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**POLSON LIMITED**

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

**PROXY FORM**

[Pursuant to sec 105(6) of Companies Act, 2013 and rule 19(3) of Companies  
(Management & Administration) Rules, 2014]

Name of Member(s): \_\_\_\_\_

Registered Address of Member(s): \_\_\_\_\_

\_\_\_\_\_ E-mail id: \_\_\_\_\_

Folio No. / Client ID:

DP ID:

I/We, being the member(s) of POLSON LIMITED, holding \_\_\_\_\_ Equity Shares hereby appoint:

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy Eighth Annual General Meeting of the Company to be held on Friday, September 27, 2019 at 10.00 a.m. at the Registered Office of the Company situated at ChitraKuti at Ambaghat, Vishalgad, Taluka-Shahuwadi, Dist. Kolhapur, Kolhapur-415 101 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Vote (Optional see Note)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2019, together with the Reports of the Directors and the Auditors thereon			
2.	To appoint a director in place of Mr. Amol Jagdish Kapadia (DIN:01462032) who retires by rotation and being eligible offers himself for re-appointment.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature of the member

Affix  
revenue  
stamp of  
not less  
than ₹, 1

\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy holder

\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy holder

\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy holder

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

**Route Map to the Venue of the 78<sup>th</sup> Annual General Meeting**





**POLSON LIMITED**

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

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 78<sup>th</sup> Annual General Meeting to be held on Friday, September 27, 2019 at 10.00 A.M. at ChitraKuti at Ambaghat Taluka Shahuwadi, Kolhapur Maharashtra 415101

Regd. Folio No. No./DP ID No./Client Id 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 27, 2019 at 10.00 A.M. at ChitraKuti at Ambaghat Taluka 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

**BOOK – POST**

IF UNDELIVERED, PLEASE RETURN TO:

**Purva Sharegistry (India) Pvt. Ltd.**

**Unit: POLSON LIMITED**

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